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As of: August 12, 2004 (2:24pm)

LC0249

**** Joint Resolution No. ****

Introduced By *****

By Request of the Economic Affairs Interim Committee

A Joint Resolution of the Senate and the House of Representatives of the State of Montana urging the Governor's Office of Economic Development to set as a high program priority the pursuit of funding for and the ongoing oversight of a pilot project that develops nonprofit groups and networks of individual or accredited or "angel" investors willing and financially able to provide seed capital for start-up businesses in Montana. The Governor's Office of Economic Development also is urged to place a high priority on coordinating throughout the state and with the Board of Regents the training and educational programs provided by all levels of government, education, and the private sector to businesses in Montana.

WHEREAS, Montana is a large state with limited concentrations of wealth and few avenues to share investment information regarding entrepreneurial, start-up, Montana-focused business opportunities; and

WHEREAS, Montana in 2003 had more than 2,000 manufacturing companies with sales between \$500,000 and \$25 million, a group representative of companies likely to seek out equity financing; and

WHEREAS, the U.S. Office of Technology Policy ranked Montana in 2000 as 33rd in the nation among states both for venture

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capital funding invested, \$15 million, and a three-year sum of \$13 million in initial public offering funds raised; and

WHEREAS, Montana's rural nature and geographic isolation from traditional venture capital investors means that businesses may be off the radar screen for typical venture capital funds; and

WHEREAS, Montana's university system, nonprofit organizations, and state agencies are working both separately and collaboratively to provide a range of services to start-up businesses.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

(1) That the Governor's Office of Economic Development assign a high priority to developing, in collaboration with private organizations, and to educating groups of accredited or "angel" investors, as defined in Regulation D of the Securities Act of 1933 or Rule 501 of the Securities Exchange Commission, provided these individuals are willing to contribute money or personal time to the growth of Montana businesses that have the potential to provide an above-average return on investment.

(2) That the Governor's Office of Economic Development seek out funding opportunities and grants to initiate a pilot project that provides assistance to private organizations to develop or further develop at least four geographically distinct groups of "angel" investors in Montana.

(3) That the Governor's Office of Economic Development

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coordinate the activities of Montana's education system, nonprofit organizations, and state agencies involved in educating investors and entrepreneurs.

BE IT FURTHER RESOLVED, that the Governor's Office of Economic Development report any findings, conclusions, comments, or recommendations to the appropriate interim committee prior to the convening of the 60th Legislature.

- END -

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