

1 SENATE JOINT RESOLUTION NO. 3

2 INTRODUCED BY MANGAN

3 BY REQUEST OF THE ECONOMIC AFFAIRS INTERIM COMMITTEE

4
5 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
6 MONTANA URGING THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT TO SET AS A HIGH
7 PROGRAM PRIORITY THE PURSUIT OF FUNDING FOR AND THE ONGOING OVERSIGHT OF A PILOT
8 PROJECT THAT DEVELOPS NONPROFIT GROUPS AND NETWORKS OF INDIVIDUAL ACCREDITED OR
9 "ANGEL" INVESTORS WILLING AND FINANCIALLY ABLE TO PROVIDE SEED CAPITAL FOR STARTUP
10 BUSINESSES IN MONTANA; AND URGING THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT
11 TO PLACE A HIGH PRIORITY ON COORDINATING THROUGHOUT THE STATE AND WITH THE BOARD
12 OF REGENTS THE TRAINING AND EDUCATIONAL PROGRAMS PROVIDED BY ALL LEVELS OF
13 GOVERNMENT, EDUCATION, AND THE PRIVATE SECTOR TO BUSINESSES IN MONTANA.

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

17 WHEREAS, in 2003 Montana had more than 2,000 manufacturing companies with sales of between
18 \$500,000 and \$25 million, a group representative of companies potentially in need of equity financing; and

19 WHEREAS, in 2004 the U.S. Office of Technology Policy in the Department of Commerce ranked
20 Montana as 47th in the nation for venture capital invested, 36th in the nation for initial public offering funds
21 raised, and 19th in the nation for the number of business incubators proportionate to the number of businesses;
22 and

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

25 WHEREAS, the Montana University System, nonprofit organizations, and state agencies are working
26 both separately and collaboratively to provide a range of services to startup businesses.

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

30 (1) That the Governor's Office of Economic Development assign a high priority to developing a pilot

1 program in collaboration with private organizations for purposes of ~~educating~~ PROVIDING INFORMATION ABOUT
2 INVESTMENT OPPORTUNITIES within Montana TO individuals and groups of individuals eligible to be "angel" or
3 accredited investors as defined in Rule 501 of Regulation D of the U.S. Securities and Exchange Commission
4 and for purposes of seeking out those individuals in Montana who are willing to contribute money or personal
5 time to the growth of Montana businesses that have the potential to provide an above-average return on
6 investment.

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

10 (3) That the Governor's Office of Economic Development coordinate the activities of Montana's
11 education system, nonprofit organizations, and state agencies involved in educating investors and
12 entrepreneurs.

13 BE IT FURTHER RESOLVED, that the Governor's Office of Economic Development report any findings,
14 conclusions, comments, or recommendations to the appropriate interim committee prior to the convening of the
15 60th Legislature.

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