



**DEPARTMENT OF COMMERCE TESTIMONY ON
ANGEL FUND INVESTMENT TAX CREDIT – COMPANY LOCATIONS
TUESDAY, MARCH 1, 2016
POLITICAL SUBDIVISION TAXATION COMMITTEE
REPRESENTATIVE JASON DOCKTER, CHAIRMAN**

PAUL LUCY – DIRECTOR, ECONOMIC DEVELOPMENT & FINANCE DIVISION - ND DEPARTMENT OF COMMERCE

Good morning, Mr. Chairman and members of the committee, my name is Paul Lucy and I serve as the Director of the Economic Development & Finance Division of the North Dakota Department of Commerce.

At your committee hearing on January 12th there was a request that ND Commerce attempt to gather additional information from the certified angel funds to determine if out-of-state funded projects have an impact back to North Dakota.

ND Commerce conducted a survey requesting targeted information to answer the question posed at the last committee meeting. We asked the certified angel funds – those for which you received a report for at the last committee meeting – to provide us a Yes or No answer to the following questions as it pertains to the individual companies they funded:

- The company Has/Had operations in North Dakota (Y/N)
- The company Uses/Used North Dakota based contract manufacturer (Y/N)
- The company Uses/Used North Dakota based products/services (Y/N)

Analysis of the information received is as follows:

- 156 recorded company investments reported by 19 different angel funds.
- 116 unique company invested in by the 19 different angel funds.
- 61 of the 116 companies identified as North Dakota based companies.
- 76 of the 116 companies has/had operation in North Dakota.
- 22 of the 116 companies uses/used a North Dakota based contract manufacturer.
- 20 of the 116 companies uses/used North Dakota based products or services.
- 55 companies identified as out-of-state companies receiving angel fund investments
 - 18 of the 55 companies have an operating presence in North Dakota.
 - 7 of the 55 companies uses/used a North Dakota based contract manufacturer.
 - 4 of the 55 companies uses/used a North Dakota based product and/or service.

Mr. Chairman and members of the Political Subdivision Taxation Committee, thank you for allowing me to visit with you today. That concludes my testimony and I am happy to answer any questions.