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Heitkamp, Heller and McHenry Bipartisan, Bicameral Bill to Promote Small Business & Startup Investments Unanimously Passes in U.S. Senate

*Bill Would Raise Ceiling of Accredited Investors from 100 to 250 Before SEC
Registration is Required – Incentivizing More Venture Capital Investments in Rural
States*

*****Click here for [video](#) and [audio](#)*****

WASHINGTON, D.C. – U.S. Senators Heidi Heitkamp (D-ND) and Dean Heller (R-NV) as well as Congressman Patrick McHenry (R-NC) today announced their bipartisan, bicameral bill that would help bolster investments in startups and small businesses in rural communities unanimously passed in the U.S. Senate. A similar version also passed in the U.S. House of Representatives – bringing the bill one step closer the president's desk.

Too often, venture capital funds are dissuaded from investing in promising startups and small businesses in smaller communities like rural areas, where high-dollar investors can be tougher to come by, because of overly restrictive red tape limiting the number of accredited small-dollar investors they can accumulate. Heitkamp, Heller, and McHenry's *Supporting America's Innovators Act* would work to change that. By increasing the U.S. Securities and Exchange Commission's (SEC) limit of accredited investors before a fund is required to spend the time and money registering with the agency from 100 to 250, the legislators' bill would level the playing field for startups and small businesses in small towns and rural areas that are currently at a competitive disadvantage because they lack proximity to capital – opening the door to more

investment opportunities from venture capital funds that will be able to expand their footprint in areas like North Dakota.

[Just one week](#) after the [bill's introduction](#), the legislators' *Supporting America's Innovators Act* passed in both the U.S. Senate Committee on Banking, Housing, & Urban Affairs, where Heitkamp and Heller both help lead subcommittees, and the U.S. House Financial Services Committee. U.S. Senator Mark Warner (D-VA) also cosponsored the bill.

"There is no reason innovation in middle America should fall by the wayside because startups and small businesses lack the same investment opportunities as their competitors on our nation's coasts," **said Heitkamp**. "That's why it's great news that the U.S. Senate unanimously passed our commonsense, bipartisan bill to encourage investments in rural areas – a critical resource to helping level the playing field for new and small entrepreneurs. I'm encouraged by the momentum for our bill today in the Senate and recently in the House, bringing it one step closer to spurring job and economic growth in the heartland."

"This bipartisan, bicameral legislation will provide Nevada's small businesses more access to capital, which will allow them to create jobs and spur economic growth in our communities," **said Heller**. "Our bill also makes it easier for start-ups to get off the ground to help our recovering economy in Nevada and throughout the country. I'm proud to see this commonsense legislation approved by the Senate."

"After the Supporting America's Innovators Act passed the House with over 400 votes early last month, it is great to see the Senate following suit and clearing this bipartisan bill to help American innovators. This is a common sense measure that will remove outdated federal regulations and I look forward to seeing President Trump sign it into law soon," **said McHenry**.

"It's great news that Senator Heitkamp's Supporting America's Innovators Act – a key component in encouraging startup innovation between New York and Silicon Valley – is one step closer to the president's desk," **said James Burgum, partner at Arthur Ventures**. "By recognizing the reality on the ground for venture capital funds in rural areas like Arthur Ventures, Senator Heitkamp's bill would help inspire creativity and economic growth in small communities that might not otherwise tap into its entrepreneurial spirit. I appreciate Senator Heitkamp's bipartisan efforts to encourage investments in rural state funds, and I look forward to its continued momentum so we can generate more important partnerships with promising startups across North Dakota."

Click [here](#) to learn more about the *Supporting America's Innovators Act*.

In December 2016, Heitkamp and Heller's bipartisan [SEC Small Business Advocate Act](#) to make sure small businesses and startups have a seat at the table as new federal rules are made was [signed into law](#). Now, small businesses and startups will have voice on how they can raise funding and access the resources they need to succeed. Heitkamp and Heller's bill creates an Office of the Advocate for Small Business Capital Formation within the SEC – the nation's

regulatory authority on protecting investors and keeping the U.S. marketplace fair and efficient – establishing clear lines of communication between small businesses and the federal rule makers to make sure small businesses can advocate for policies that help them build investments in their companies as well as jobs across the country.

Just last year, Heitkamp introduced her *Startup Entrepreneur Empowerment Delivery (SEED) Act* which would grant up to \$120,000 in federal funds to ten small cities in rural states to invest in promising startups in their communities by providing the early stage funding that can often be a challenge to obtain. In the Fargo-Moorhead region, [about a third](#) of startups identified accessing early stage funding as the greatest hurdle to growing their business. By opening up more public-private resources for the smaller investments rural startups need to get off the ground, Heitkamp's bill would help tackle that problem.

In February, Heitkamp voted to [confirm](#) Linda McMahon to lead the U.S. Small Business Administration (SBA) after McMahon [accepted Heitkamp's invitation to visit North Dakota](#) to see firsthand the importance of growing public-private partnerships that bolster the state's small businesses and startups.

Heitkamp's efforts to maintain SBA's focus on North Dakota entrepreneurs builds on her work in July 2015 when she [brought](#) then-SBA Administrator Maria Contreras-Sweet to Fargo for the first U.S. Senate Committee on Small Business and Entrepreneurship field hearing in North Dakota. At the hearing, and during a separate [meeting with female entrepreneurs in Bismarck](#) about collaborative strategies to encourage and support women-owned small businesses, Heitkamp and Contreras-Sweet spoke with local entrepreneurs about the roadblocks they often face in starting or growing their businesses. Since then, Heitkamp has been meeting with leaders in the startup and small business communities across the state to better understand their needs and concerns.

Small businesses make up [almost 96 percent](#) of North Dakota's employers, with close to [195,000 workers](#) employed by small businesses statewide. Across the country, small businesses make up [almost half](#) of the country's private-sector workforce from 2002 to 2010, creating about [two-thirds](#) of the nation's net new jobs between mid-2009 and 2011.

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