



## **Summary of Legislation**

HB09-1010, as amended in the House Appropriations Committee, creates the Colorado Office of Film, Television, and Media (office) within the Colorado Office of Economic Development in the Governor's Office. Duties include marketing Colorado as a destination for making movie films and other related activities; coordinating efforts among production companies and government agencies; and conducting educational seminars.

The bill creates the Colorado Office of Film, Television, and Media Operational Account Cash Fund (COFTMOA Cash Fund) in the State Treasury. The fund is to consist of moneys appropriated by the General Assembly; gifts, grants, and donations from private or public sources; and a transfer of the fund balance of the Film Incentives Cash Fund as of July 1, 2009. For FY 2009-10 and each fiscal year thereafter, the bill diverts \$600,000 (adjusted for inflation) of Limited Gaming Fund moneys that would otherwise be transferred to the General Fund, to the COFTMOA Cash Fund. At the same time, the diversion provided by current law of gaming moneys to the Film Incentives Cash Fund is eliminated.

## **State Revenue**

The bill authorizes the Colorado Office of Film, Television, and Media to seek and accept gifts, grants, or donations from private or public sources. Potential revenue from these sources has not been identified.

## **State Transfers and Diversions**

***FY 2008-09 Transfers.*** SB09-217, which was signed into law by the Governor on April 2, 2009, authorizes the transfer of \$480,011 from the Limited Gaming Fund to the Film Incentives Cash Fund on June 30, 2009. Under current law, these moneys are to be used in the current Colorado Film Incentive Program for a 10 percent cash rebate on certain film production costs. HB09-1010 requires that any moneys remaining in the Film Incentives Cash Fund on July 1, 2009, including the transfer authorized by SB09-217, be transferred to the COFTMOA Cash Fund. The year-end balance (June 30, 2009) in the Film Incentives Cash Fund, including the transfer authorized by SB09-217, is not estimated at this time.

***FY 2009-10 Transfers.*** Beginning with FY 2009-10 and each fiscal year thereafter, the bill replaces the current law diversion to the Film Incentives Cash Fund with a similar transfer to the COFTMOA Cash Fund. Assuming that the 6 percent appropriations growth limit were to have been reached, the bill would have transferred \$600,000 to the COFTMOA Cash Fund on June 30, 2010. This amount is to be adjusted annually by the percentage change in the Denver metropolitan area consumer price index. The transfer will not occur unless the 6 percent appropriations limit is fully funded. Based on the March 2009 Legislative Council Staff revenue forecast, revenue will be insufficient to increase General Fund appropriations by the 6 percent limit during FY 2009-10, but revenue will be sufficient for future fiscal year transfers beginning in FY 2010-11.

**State Expenditures**

*Governor's Office.* As shown in Table 1, the Governor's Office will require **\$580,008 and 6.0 FTE in FY 2009-10, and \$540,008 and 6.0 FTE in FY 2010-11** to fulfill the responsibilities of the Colorado Office of Film, Television, and Media.

<b>Cost Components</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>
Personal Services	\$349,308	\$349,308
FTE	6.0 FTE	6.0 FTE
Operating Expenses	47,200	47,200
Marketing and Education	93,500	93,500
Travel and Trade Shows	50,000	50,000
Capital Outlay	40,000	0
<b>TOTAL</b>	<b>\$580,008</b>	<b>\$540,008</b>

The Colorado Office of Film, Television, and Media will market Colorado as a destination for film making, provide assistance to production companies, provide permitting and coordinating assistance to production companies and state and local government agencies, and offer educational seminars to promote film in Colorado. Based on these duties, the office requires a total of 6.0 FTE, including a division director, assistant director, locations coordinator, education/marketing coordinator, administrative assistant, film incentive fund administrator, and an accounting technician. Many of these individuals currently work for the Colorado Film Commission to encourage film companies to operate in Colorado. This bill makes them state employees. As the marketing agent of the state, the office will be involved in trade shows, film festival sponsorships, production of promotional videos and brochures, and maintenance of a website that promotes Colorado as a destination for films, television shows, commercials, still photography, music videos, and emerging mass media projects.

*Department of Revenue.* Since the Colorado film production tax credit has been removed from the bill, the one-time expenditure of \$55,852 for computer programming previously identified for the Department of Revenue in FY 2009-10 is no longer necessary.

**Expenditures Not Included**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

<b>Table 2. Expenditures Not Included Under HB09-1010*</b>		
<b>Cost Components - Governor's Office</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$41,076	\$41,076
Supplemental Employee Retirement Payments	10,173	12,990
Leased Space	29,730	29,730
<b>TOTAL</b>	<b>\$80,979</b>	<b>\$83,796</b>

*\*More information is available at: [http://www.state.co.us/gov\\_dir/leg\\_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf](http://www.state.co.us/gov_dir/leg_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf)*

### **State Appropriations**

The bill contains an adjustment to the 2009 Long Bill to provide a cash funds appropriation of \$580,008 and 6.0 FTE to the Department of the Governor for allocation to the Economic Development Programs Division for the Colorado Office of Film, Television, and Media from the Colorado Office of Film, Television, and Media Operational Account Cash Fund.

### **Departments Contacted**

Revenue

Law

Governor's Office

State Treasurer