

Colorado Legislative Council Staff Fiscal Note

FINAL
FISCAL NOTE

Drafting Number: LLS 11-0426
Prime Sponsor(s): Rep. Miklosi
 Sen. Foster

Date: June 14, 2011
Bill Status: Signed into Law
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TITLE: CONCERNING THE CREATION OF CREATIVE DISTRICTS, AND, IN CONNECTION THEREWITH, AUTHORIZING SPECIFIED LOCAL GOVERNMENTS TO DESIGNATE A PORTION OF THEIR TERRITORY AS A CREATIVE DISTRICT SUBJECT TO CERTIFICATION BY THE CREATIVE INDUSTRIES DIVISION WITHIN THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: This bill was signed into law by the Governor and took effect on March 22, 2011.		
Appropriation Summary for FY 2011-2012: None.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill gives authority to local governments to form Creative Districts, which will be authorized to accept economic development incentives from the Office of Economic Development and International Trade (OEDIT). Creative Districts are arts-oriented business clusters intended to promote local entrepreneurship. Redevelopment is a key element to their creation within the state. This bill creates a process of formation and approval. It does not require allocations for construction or development. Local governments seeking Creative District certification will apply and report to the Office of Economic Development and International Trade (OEDIT).

Background

The Division of Creative Industries will manage the administration of Creative Districts for OEDIT. In July 2010, the General Assembly implemented the Division of Creative Industries, a merged entity under OEDIT from the former Council on the Arts, Office of Film, Television and Media, and Art in Public Places. Key goals of this new division are to (i) increase access to funding for creative enterprises; (ii) expand professional development; and (iii) to stimulate support for creative enterprises by local governments.

State Expenditures

This bill does not direct any additional state funding to localities or business for redevelopment. However, the bill encourages participation in available economic development resources. A number of economic development incentives currently exist within OEDIT. Access to these incentives can be competitive and an award to one entity can come at the cost to another. This bill allows access to these funds by these districts, but no precise fiscal impact can be projected. This is because the size and scope of a specific district has yet to be defined.

A coordinator at OEDIT will be tasked to offer these incentives to encourage business development. In addition to this role, the coordinator shall design a review process for local government applications, including an approval procedure. These administrative costs are expected to be absorbed by existing resources within OEDIT.

Local Government Impact

To the degree that local governments seek certification to become a creative district, additional administrative expenses may be incurred. These are expected to be minimal.

Departments Contacted

Governor's Office

Local Affairs