

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 11-0182.01 Ed DeCecco

SENATE BILL 11-047

SENATE SPONSORSHIP

Heath,

HOUSE SPONSORSHIP

Gerou and Riesberg,

Senate Committees

Business, Labor and Technology
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING FUNDING TO SUPPORT INNOVATIVE INDUSTRIES, AND, IN**
102 **CONNECTION THEREWITH, CREATING THE "COLORADO**
103 **BIOSCIENCE AND CLEAN TECHNOLOGY INNOVATION**
104 **REINVESTMENT ACT".**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

For a period of 10 years beginning with the 2013-14 fiscal year, the bill requires the state treasurer to transfer an amount equal to 50% of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

the bioscience and clean technology income tax withholding growth to the bioscience discovery evaluation cash fund and the clean technology discovery evaluation cash fund, with each fund receiving an equal share. Moneys from these funds are used to provide grants related to the bioscience and clean technology industries.

The bioscience and clean technology income tax withholding growth is an amount equal to the growth of income tax withholding payments for the prior year made by employers that have a bioscience or clean technology industry code over the average of the same type of withholdings for the previous 3 years.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Part 6 of article 22 of title 39, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **39-22-604.3. Innovation reinvestment - withholding - transfers**
6 **- bioscience - clean technology - legislative declaration - definitions -**
7 **repeal.** (1) THIS SECTION SHALL BE KNOWN AND MAY BE CITED AS THE
8 "COLORADO BIOSCIENCE AND CLEAN TECHNOLOGY INNOVATION
9 REINVESTMENT ACT".

10 (2) (a) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND
11 DECLARES THAT:

12 (I) RECENT LEGISLATIVE INITIATIVES TO EXPAND THE BIOSCIENCE
13 AND CLEAN TECHNOLOGY SEGMENTS OF THE COLORADO ECONOMY HAVE
14 BEEN BOTHECONOMICALLY SUCCESSFUL AND SUPPORTIVE OF COLORADO'S
15 HIGHER EDUCATION RESEARCH INSTITUTIONS;

16 (II) SUCH INITIATIVES HAVE DEMONSTRATED THE POTENTIAL FOR
17 ESTABLISHING COLORADO AS A NATIONAL LEADER IN BIOSCIENCE AND
18 CLEAN TECHNOLOGY;

19 (III) COLORADO EFFORTS HAVE BEEN RECOGNIZED AS BEST
20 PRACTICES FOR ECONOMIC DEVELOPMENT OF THESE INDUSTRY SECTORS;

1 (IV) THOSE EFFORTS HAVE ALSO DEMONSTRATED THE POTENTIAL
2 TO EXPAND THE ROLE OF COLORADO'S HIGHER EDUCATION RESEARCH
3 INSTITUTIONS IN THESE AREAS; AND

4 (V) THE PARTNERSHIPS CREATED BETWEEN HIGHER EDUCATION
5 RESEARCH INSTITUTIONS AND INDUSTRY THROUGH THESE INITIATIVES
6 PROVIDE A MODEL FOR ECONOMIC DEVELOPMENT.

7 (b) THE GENERAL ASSEMBLY THEREFORE DECLARES THAT IT IS IN
8 THE BEST INTEREST OF THE STATE TO BUILD ON PAST SUCCESSES AND
9 PROVIDE A LONG-TERM FUNDING STREAM THAT ENABLES THE GROWTH OF
10 THE BIOSCIENCE AND CLEAN TECHNOLOGY INDUSTRIES IN THE STATE AND
11 TO SUPPORT COLORADO'S HIGHER EDUCATION RESEARCH INSTITUTIONS.

12 (3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
13 REQUIRES:

14 (a) "BIOSCIENCE AND CLEAN TECHNOLOGY INCOME TAX
15 WITHHOLDING GROWTH" MEANS AN AMOUNT EQUAL TO THE WITHHOLDING
16 BASE SUBTRACTED FROM THE PRIOR YEAR'S WITHHOLDING TOTAL.

17 (b) "BIOSCIENCE OR CLEAN TECHNOLOGY INDUSTRY CODE" MEANS
18 ANY OF THE FOLLOWING CODES WITHIN THE NORTH AMERICAN INDUSTRY
19 CLASSIFICATION SYSTEM ESTABLISHED BY THE FEDERAL OFFICE OF
20 MANAGEMENT AND BUDGET: 311221, 311222, 311223, 325193, 325199,
21 325221, 325311, 325312, 325314, 325320, 325411, 325412, 325413,
22 325414, 334510, 334516, 334517, 339111, 339112, 339113, 339114,
23 339115, 339116, 541380, 541710, 621511, 621512, 221111, 221119,
24 221330, 237110, 237130, 238220, 325188, 325193, 333414, 333611,
25 334413, 334512, 335312, 335911, 335999, 336111, 423720, 541380,
26 541620, 541690, AND 541712.

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1 (c) "PRIOR YEAR'S WITHHOLDING TOTAL" MEANS THE TOTAL
2 AMOUNT DEDUCTED AND WITHHELD FROM EMPLOYEES' WAGES AND PAID
3 TO THE DEPARTMENT OF REVENUE PURSUANT TO SECTION 39-22-604 BY
4 EMPLOYERS WITH A BIOSCIENCE OR CLEAN TECHNOLOGY INDUSTRY CODE
5 FOR THE TARGET YEAR.

6 (d) "TARGET YEAR" MEANS 2013 WITH RESPECT TO THE MONEYS
7 REQUIRED TO BE CREDITED TO THE SPECIFIED CASH FUNDS BEGINNING ON
8 MARCH 1, 2014, PURSUANT TO SUBSECTION (4) OF THIS SECTION AND ONE
9 CALENDAR YEAR LATER FOR EACH SUCCESSIVE YEAR IN WHICH MONEYS
10 ARE CREDITED PURSUANT TO SAID SUBSECTION (4).

11 (e) "WITHHOLDING BASE" MEANS THE ANNUAL AVERAGE OF THE
12 TOTAL AMOUNT DEDUCTED AND WITHHELD FROM EMPLOYEES' WAGES AND
13 PAID TO THE DEPARTMENT OF REVENUE PURSUANT TO SECTION 39-22-604
14 BY EMPLOYERS WITH A BIOSCIENCE OR CLEAN TECHNOLOGY INDUSTRY
15 CODE FOR THE THREE CALENDAR YEARS PRIOR TO THE TARGET YEAR.

16 (4) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
17 CONTRARY, BEGINNING MARCH 1, 2014, AND MARCH 1 OF THE NEXT NINE
18 YEARS THEREAFTER, THE STATE TREASURER SHALL CREDIT AN AMOUNT
19 EQUAL TO ONE-HALF OF THE BIOSCIENCE AND CLEAN TECHNOLOGY
20 INCOME TAX WITHHOLDING GROWTH FROM THE MONEYS REMITTED BY
21 EMPLOYERS TO THE DEPARTMENT OF REVENUE PURSUANT SECTION
22 39-22-604 TO THE BIOSCIENCE DISCOVERY EVALUATION CASH FUND
23 CREATED IN SECTION 24-48.5-108 (5), C.R.S., AND THE CLEAN
24 TECHNOLOGY DISCOVERY EVALUATION CASH FUND CREATED IN SECTION
25 24-48.5-111 (5), C.R.S., WITH EACH FUND RECEIVING AN EQUAL SHARE.

26 (5) NO LATER THAN FEBRUARY 1, 2014, AND FEBRUARY 1 OF THE
27 NEXT NINE YEARS THEREAFTER, THE EXECUTIVE DIRECTOR SHALL NOTIFY

1 THE STATE TREASURER OF THE WITHHOLDING BASE AND THE PRIOR YEAR'S
2 WITHHOLDING TOTAL THAT APPLY TO THE MONEYS REQUIRED TO BE
3 CREDITED BEGINNING ON MARCH 1 OF THAT YEAR.

4 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

5 **SECTION 2.** 24-48.5-108 (5) (a) and (6), Colorado Revised
6 Statutes, are amended to read:

7 **24-48.5-108. Bioscience research - evaluation - grants - fund**
8 **- definitions - repeal.** (5) **Fund.** (a) There is hereby created in the state
9 treasury the bioscience discovery evaluation cash fund, referred to in this
10 section as the "fund", that shall consist of moneys that are transferred to
11 the fund pursuant to section 12-47.1-701 (4) (a), C.R.S., any moneys
12 transferred to the fund pursuant to paragraph (e) of subsection (3) of this
13 section, MONEYS CREDITED TO THE FUND PURSUANT TO SECTION
14 39-22-604.3, C.R.S., and any other moneys appropriated to the fund by
15 the general assembly. The moneys in the fund shall be subject to annual
16 appropriation by the general assembly for the purposes specified in this
17 section, including administration of the program by the Colorado office
18 of economic development. Any moneys in the fund not expended for the
19 purpose of this section may be invested by the state treasurer as provided
20 by law. All interest and income derived from the investment and deposit
21 of moneys in the fund shall be credited to the fund. Any unexpended and
22 unencumbered moneys remaining in the fund at the end of a fiscal year
23 shall remain in the fund and shall not be credited or transferred to the
24 general fund or another fund; except that any unexpended and
25 unencumbered moneys remaining in the fund upon the repeal of this
26 section shall be transferred to the general fund. Any moneys included in
27 an annual appropriation that are not expended or encumbered at the end

1 of the fiscal year shall remain available for expenditure in the next fiscal
2 year without further appropriation.

3 (6) This section is repealed, effective ~~July 1, 2013~~ JULY 1, 2024.

4 **SECTION 3.** 24-48.5-111 (5) (a) and (6), Colorado Revised
5 Statutes, are amended to read:

6 **24-48.5-111. Clean technology discovery evaluation grant**
7 **program - clean technology research - evaluation - fund - definitions**
8 **- repeal.** (5) **Fund.** (a) There is hereby created in the state treasury the
9 clean technology discovery evaluation cash fund that shall consist of
10 moneys that are credited to the fund pursuant to paragraph (b) or (c) of
11 this subsection (5) AND CREDITED PURSUANT TO SECTION 39-22-604.3,
12 C.R.S. The moneys in the fund shall be subject to annual appropriation
13 by the general assembly to the Colorado office of economic development
14 for the direct and indirect costs associated with the implementation of the
15 program. Any moneys in the fund not expended for the purpose of this
16 section may be invested by the state treasurer as provided by law. All
17 interest and income derived from the investment and deposit of moneys
18 in the fund shall be credited to the fund. Any unexpended and
19 unencumbered moneys remaining in the fund at the end of a fiscal year
20 shall remain in the fund and shall not be credited or transferred to the
21 general fund or another fund.

22 (6) **Repeal.** This section is repealed, effective ~~July 1, 2014~~ JULY
23 1, 2024.

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25 **SECTION 4.** **Act subject to petition - effective date.** This act
26 shall take effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly (August

1 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a
2 referendum petition is filed pursuant to section 1 (3) of article V of the
3 state constitution against this act or an item, section, or part of this act
4 within such period, then the act, item, section, or part shall not take effect
5 unless approved by the people at the general election to be held in
6 November 2012 and shall take effect on the date of the official
7 declaration of the vote thereon by the governor.