

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0415.01 Kate Meyer x4348

HOUSE BILL 12-1133

HOUSE SPONSORSHIP

Lee and Hullinghorst, Court, Duran, Fischer, Jones, Kefalas, Kerr A., Labuda, Levy, McCann, Pabon, Ryden, Schafer S., Tyler, Williams A., Young, Casso, Ferrandino, Fields, Hamner, Todd, Vigil

SENATE SPONSORSHIP

(None),

House Committees

Economic and Business Development

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE ECONOMIC GARDENING PILOT**
102 **PROGRAM IN THE COLORADO OFFICE OF ECONOMIC**
103 **DEVELOPMENT.**

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>.)

The bill creates an economic gardening pilot program (pilot program) in the Colorado office of economic development (office). Under the pilot program, the office contracts with entities that will provide management and technical assistance to the eligible businesses

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.

participating in the pilot program. The participating businesses are selected by the entities from among nominees forwarded by economic gardening partnerships. The number of participating businesses in the state is capped at 49, or 7 in each of 7 economic gardening regions in the state, in equal allotments per region.

The office is authorized to accept gifts, grants, and donations to finance costs incurred in establishing the pilot program.

The pilot program terminates in 2020, and the office's duty to report annually on the results of the pilot program to the general assembly expires in 2022.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) Colorado's persistently high unemployment rate during the
5 recent recession has created economic and social hardships for the people
6 of the state;

7 (b) Local start-up companies and small businesses are likely, as
8 they grow, to remain in their communities of origin, thereby creating local
9 jobs and an economic multiplier effect with their payrolls and taxes while
10 providing local economic stimuli, which increases the local tax base;

11 (c) Statewide economic prosperity and job creation, therefore, are
12 advanced significantly by creating, promoting, and retaining local start-up
13 companies and small businesses with high growth potential;

14 (d) Entrepreneurs and small business owners of second-stage
15 growth companies, which are those companies that are beyond the
16 start-up stage but have not yet fully matured, with innovative products or
17 services that satisfy market needs have particular potential for expansion
18 and job creation;

19 (e) Such entrepreneurs and owners can benefit from specialized
20 business assistance to refine core strategies and provide access to in-depth

1 market research, competitor analyses, geographic information systems,
2 search engine optimization, and other strategic information, as well as
3 relationships with mentors and advisers;

4 (f) The aspects of economic gardening that incorporate these
5 principles have proven successful in improving the entrepreneurial
6 process and promoting economically sustainable local businesses; and

7 (g) It is vital to the overall health and growth of the state's
8 economy to promote favorable conditions for those expanding Colorado
9 businesses that demonstrate the ability to grow.

10 (2) In recognition of the foregoing findings and principles, it is the
11 intent of the general assembly to create a Colorado economic gardening
12 pilot program in the Colorado office of economic development.

13 **SECTION 2.** In Colorado Revised Statutes, **add** 24-48.5-102.5
14 as follows:

15 **24-48.5-102.5. Economic gardening pilot program - eligibility**
16 **- supervising economic gardening contractors - annual report - notice**
17 **of funding through gifts, grants, and donations - economic gardening**
18 **pilot program fund - creation - definitions - repeal.** (1) AS USED IN
19 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

20 (a) "CORPORATE LEVEL TOOLS" INCLUDES DATABASES,
21 GEOGRAPHIC INFORMATION SYSTEMS, NEW MEDIA MARKETING, AND
22 NETWORK ANALYSES.

23 (b) "ECONOMIC GARDENING" MEANS GROWING LOCAL ECONOMIES
24 BY PROVIDING STRATEGIC ASSISTANCE TO STAGE TWO EMERGING GROWTH
25 COMPANIES USING CORPORATE LEVEL TOOLS AND NEW SCIENCE CONCEPTS.

26 (c) "ECONOMIC GARDENING MANAGEMENT AND TECHNICAL
27 ASSISTANCE" INCLUDES PERFORMING DATABASE RESEARCH, UTILIZING

1 GEOGRAPHIC INFORMATION SYSTEMS, ADVISING ON NEW MEDIA
2 MARKETING, ASSISTING WITH NETWORK ANALYSES AND INNOVATION
3 STRATEGIES, AND STRATEGIC ASSISTANCE.

4 (d) "ECONOMIC GARDENING REGION" MEANS ANY OF THE SEVEN
5 AREAS THAT ARE COEXTENSIVE WITH THE STATE'S CONGRESSIONAL
6 DISTRICT BOUNDARIES, AS THOSE BOUNDARIES EXIST FOR THE 2012
7 GENERAL ELECTION.

8 (e) "ELIGIBLE BUSINESS" MEANS A FOR-PROFIT, PRIVATELY HELD
9 BUSINESS THAT:

10 (I) EMPLOYS FULL-TIME AT LEAST SIX PERSONS BUT NOT MORE
11 THAN FIFTY PERSONS;

12 (II) HAS MAINTAINED ITS PRINCIPAL PLACE OF BUSINESS IN THE
13 STATE FOR AT LEAST THE PREVIOUS TWO YEARS; AND

14 (III) GENERATES AT LEAST SEVEN HUNDRED FIFTY THOUSAND
15 DOLLARS BUT NOT MORE THAN TWENTY-FIVE MILLION DOLLARS IN
16 ANNUAL GROSS REVENUES.

17 (f) "LOCAL ECONOMIC GARDENING PARTNERSHIP" MEANS AN
18 ORGANIZATION, FORMED BY ITS REGION'S SUPERVISING ECONOMIC
19 GARDENING CONTRACTOR, THAT CONSISTS OF ONE OR MORE ENTITIES
20 SUCH AS A SMALL BUSINESS DEVELOPMENT CENTER, SMALL BUSINESS
21 COUNSELING OFFICE, CHAMBER OF COMMERCE, LOCAL OR REGIONAL
22 ECONOMIC DEVELOPMENT CORPORATION, POSTSECONDARY EDUCATIONAL
23 INSTITUTION, OR LIBRARY.

24 (g) "LOCAL GROWTH COMPANY" MEANS AN ELIGIBLE BUSINESS
25 THAT, IN THE CONSIDERED OPINION OF THE LOCAL ECONOMIC GARDENING
26 PARTNERSHIP, PRODUCES A PRODUCT OR OFFERS A SERVICE WITH THE
27 POTENTIAL TO BE SOLD IN REGIONAL, NATIONAL, OR INTERNATIONAL

1 MARKETS.

2 (h) "NEW SCIENCE CONCEPTS" INCLUDES NETWORK THEORY,
3 SYSTEMS THINKING, COMPLEXITY SCIENCE, AND TEMPERAMENT.

4 (i) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
5 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

6 (j) "PILOT PROGRAM" MEANS THE ECONOMIC GARDENING PILOT
7 PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

8 (k) "RESOURCE PROVIDERS" INCLUDES TRADE ASSOCIATIONS;
9 THINK TANKS; ACADEMIC INSTITUTIONS; AND PROVIDERS OF BUSINESS
10 ROUNDTABLES, PEER-TO-PEER LEARNING SESSIONS,
11 TEMPERAMENT-PAIRING COLLABORATIONS, OR MENTORING PROGRAMS.

12 (l) "STRATEGIC ASSISTANCE" INCLUDES PERFORMING MARKET
13 RESEARCH, DEVELOPING CORE STRATEGIES, BUSINESS MODELING,
14 IDENTIFYING QUALIFIED SALES LEADS, TEAM-BUILDING, AND PROVIDING
15 GROWTH FINANCING REFERRALS.

16 (2) (a) THERE IS HEREBY CREATED WITHIN THE OFFICE THE
17 ECONOMIC GARDENING PILOT PROGRAM. THE PURPOSE OF THE PILOT
18 PROGRAM IS TO STIMULATE COLORADO'S ECONOMY AND CREATE
19 GOOD-PAYING, SUSTAINABLE JOBS BY PROVIDING ECONOMIC GARDENING
20 MANAGEMENT AND TECHNICAL ASSISTANCE TO THE LOCAL GROWTH
21 COMPANIES NOMINATED TO AND ACCEPTED FOR THE PILOT PROGRAM IN
22 ACCORDANCE WITH THIS SECTION.

23 (b) THE PILOT PROGRAM TERMINATES ON SEPTEMBER 1, 2020.

24 (3) (a) THE OFFICE SHALL CONTRACT WITH ONE OR MORE
25 SUPERVISING ECONOMIC GARDENING CONTRACTORS, BUT NOT MORE THAN
26 ONE CONTRACTOR PER ECONOMIC GARDENING REGION, TO ADMINISTER
27 THE PILOT PROGRAM ESTABLISHED UNDER THIS SECTION.

1 (b) THE OFFICE SHALL AWARD EACH CONTRACT IN ACCORDANCE
2 WITH THE COMPETITIVE SEALED BEST VALUE BIDDING REQUIREMENTS
3 SPECIFIED IN SECTION 24-103-202.3 TO A PERSON THAT:

4 (I) HAS A PROVEN RECORD OF SUCCESSFULLY IMPLEMENTING
5 ECONOMIC GARDENING PROGRAMS;

6 (II) DEMONSTRATES THE ABILITY TO IMPLEMENT THE PILOT
7 PROGRAM IN THE ECONOMIC GARDENING REGIONS INCLUDED IN THE
8 CONTRACT;

9 (III) HAS AN OUTREACH PLAN; AND

10 (IV) IS ABLE TO PROVIDE:

11 (A) SPECIALIZED ECONOMIC GARDENING MANAGEMENT AND
12 TECHNICAL ASSISTANCE;

13 (B) ACCESS TO AFFORDABLE INFORMATION TECHNOLOGY AND
14 CONSULTING SERVICES, INCLUDING INFORMATION AND SERVICES RELATED
15 TO MARKETS, CUSTOMERS, AND COMPETITORS, AND SPECIFICALLY TO
16 BUSINESS DATABASES, GEOGRAPHIC INFORMATION SYSTEMS, SEARCH
17 ENGINE OPTIMIZATION INFORMATION, AND MARKETING INFORMATION;

18 (C) DEVELOPMENT OF BUSINESS CONNECTIONS, INCLUDING
19 INTERACTION AND EXCHANGE AMONG BUSINESS OWNERS AND RESOURCE
20 PROVIDERS; AND

21 (D) OTHER SIMILAR SERVICES.

22 (c) A SUPERVISING ECONOMIC GARDENING CONTRACTOR SHALL:

23 (I) DESIGNATE A LOCAL ECONOMIC GARDENING PARTNERSHIP FOR
24 THE CONTRACTOR'S REGION;

25 (II) PROVIDE ECONOMIC GARDENING MANAGEMENT AND
26 TECHNICAL ASSISTANCE TO THE LOCAL GROWTH COMPANIES
27 PARTICIPATING IN THE PILOT PROGRAM; AND

1 (III) REPORT PERIODICALLY TO THE DIRECTOR OF THE OFFICE
2 REGARDING THE PILOT PROGRAM.

3 (4) (a) A LOCAL ECONOMIC GARDENING PARTNERSHIP SHALL
4 NOMINATE LOCAL GROWTH COMPANIES LOCATED IN THE PARTNERSHIP'S
5 ECONOMIC GARDENING REGION FOR INCLUSION IN THE PILOT PROGRAM.

6 (b) FROM THOSE COMPANIES NOMINATED UNDER PARAGRAPH (a)
7 OF THIS SUBSECTION (4), THE SUPERVISING ECONOMIC GARDENING
8 CONTRACTOR SHALL SELECT LOCAL GROWTH COMPANIES TO PARTICIPATE
9 IN THE PILOT PROGRAM. EACH ECONOMIC GARDENING REGION SHALL
10 RECEIVE AN EQUAL NUMBER, NOT TO EXCEED SEVEN PER REGION, OF
11 LOCAL GROWTH COMPANIES SELECTED TO PARTICIPATE IN THE PILOT
12 PROGRAM.

13 (c) A PARTICIPATING LOCAL GROWTH COMPANY RECEIVES THE
14 FOLLOWING UNDER THE PILOT PROGRAM:

15 (I) FREE OR LOW-COST ASSISTANCE WITH MARKETING,
16 ACCOUNTING, LEGAL SERVICES, OR OTHER CONSULTING SERVICES;

17 (II) FREE OR LOW-COST INFORMATION SERVICES AND CONSULTING
18 SERVICES, INCLUDING SERVICES RELATING TO INFORMATION ON MARKETS,
19 CUSTOMERS, AND COMPETITORS, SUCH AS BUSINESS DATABASES,
20 GEOGRAPHIC INFORMATION SYSTEMS, AND SEARCH ENGINE MARKETING;
21 AND

22 (III) DEVELOPMENT OF BUSINESS CONNECTIONS, INCLUDING
23 INTERACTION AND EXCHANGE AMONG BUSINESS OWNERS AND RESOURCE
24 PROVIDERS SUCH AS TRADE ASSOCIATIONS, THINK TANKS, ACADEMIC
25 INSTITUTIONS, BUSINESS ROUNDTABLES, PEER-TO-PEER LEARNING
26 SESSIONS, LENDING INSTITUTIONS AND VENTURE CAPITAL FIRMS, AND
27 MENTORING PROGRAMS.

1 (5) ON OR BEFORE FEBRUARY 1, 2013, AND ON OR BEFORE
2 FEBRUARY 1 EACH YEAR THEREAFTER THROUGH FEBRUARY 1, 2022, THE
3 DIRECTOR OF THE OFFICE SHALL SUBMIT A REPORT TO THE GOVERNOR, THE
4 PRESIDENT OF THE SENATE, AND THE SPEAKER OF THE HOUSE OF
5 REPRESENTATIVES DESCRIBING IN DETAIL THE STATUS OF THE PILOT
6 PROGRAM. THE REPORT MUST INCLUDE, AT A MINIMUM:

7 (a) A STATEMENT OF INCOME FOR AND EXPENDITURES BY THE
8 PILOT PROGRAM THAT SPECIFICALLY DELINEATES EXPENDITURES MADE ON
9 EACH LOCAL GROWTH COMPANY AND IN EACH ECONOMIC GARDENING
10 REGION; AND

11 (b) THE CHANGE IN REVENUES, JOBS, AND SALARY RANGES FOR
12 EACH LOCAL GROWTH COMPANY, AGGREGATED BY ECONOMIC GARDENING
13 REGION SO THAT NO PARTICULAR LOCAL GROWTH COMPANY IS
14 SPECIFICALLY IDENTIFIED IN A MANNER THAT MIGHT DIVULGE
15 CONFIDENTIAL BUSINESS INFORMATION.

16 (6) (a) THE OFFICE IS AUTHORIZED TO SEEK AND ACCEPT GIFTS,
17 GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE
18 PURPOSES OF THIS SECTION; EXCEPT THAT THE OFFICE MAY NOT ACCEPT A
19 GIFT, GRANT, OR DONATION THAT IS SUBJECT TO CONDITIONS THAT ARE
20 INCONSISTENT WITH THIS SECTION OR ANY OTHER LAW OF THE STATE. THE
21 OFFICE SHALL TRANSMIT ALL PRIVATE AND PUBLIC MONEYS RECEIVED
22 THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO
23 SHALL CREDIT THE SAME TO THE ECONOMIC GARDENING PILOT PROGRAM
24 FUND, WHICH FUND IS HEREBY CREATED. THE MONEYS IN THE FUND ARE
25 SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY TO THE
26 OFFICE FOR THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH
27 IMPLEMENTING THIS SECTION.

1 (b) (I) IN SEEKING OR ACCEPTING A GIFT, GRANT, OR DONATION,
2 THE OFFICE SHALL NOTIFY THE LEGISLATIVE COUNCIL STAFF WHEN IT HAS
3 RECEIVED ADEQUATE FUNDING THROUGH GIFTS, GRANTS, OR DONATIONS
4 FOR THE PILOT PROGRAM AND SHALL INCLUDE IN THE NOTIFICATION THE
5 INFORMATION SPECIFIED IN SECTION 24-75-1303 (3).

6 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE SEPTEMBER 1,
7 2015.

8 (7) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2022.

9 **SECTION 3. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly (August
12 7, 2012, if adjournment sine die is on May 9, 2012); except that, if a
13 referendum petition is filed pursuant to section 1 (3) of article V of the
14 state constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2012 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.