

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

**PREAMENDED**

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

LLS NO. 12-0722.01 Esther van Mourik x4215

**HOUSE BILL 12-1286**

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**A BILL FOR AN ACT**

101 **CONCERNING FILM PRODUCTION ACTIVITIES IN COLORADO, AND, IN**  
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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**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 modifies provisions governing the Colorado office of film, television, and media (office). **Section 2** of the bill:

- ! Moves the office to the office of economic development;
- ! Adds "television show" to the definition of "film";
- ! Clarifies that sound recording is included in allowable

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.*

- payments for qualified local expenditures;
- ! Reduces the payments allowed for each employee or contractor from \$3 million to \$1 million;
- ! Creates a loan guarantee program for production activities;
- ! Requires in-state production activities to be made up of at least 50% Colorado residents in order to claim a performance-based incentive for film production in Colorado (incentive), instead of the previous 25% requirement;
- ! Increases the amount of the incentive to 20% of the total amount of the production company's qualified local expenditures;
- ! Except for television commercials, increases the amount of qualified local expenditures for a production company that does not originate the film production activities in Colorado to \$1 million;
- ! Requires the Colorado economic development commission to approve all conditional approvals of the incentives;
- ! Requires a production company that has received conditional approval for an incentive to retain a certified public accountant licensed to practice in this state to conduct an audit of financial documents that detail the expenses incurred in the course of the film production activities in Colorado, and requires such certified public accountant to certify to the office that the requirements were met; and
- ! Creates the Colorado office of film, television, and media operational account cash fund.

**Sections 3 to 5** make conforming amendments related to moving the office and creating the cash fund.

**Section 7** of the bill makes a \$3 million appropriation from the general fund to the Colorado office of film, television, and media operational account cash fund.

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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) Content creation for film, television, games, and advertising  
 5 is an important and growing international business and one of America's  
 6 leading exports;

1 (b) Colorado was once a leader in the film and television business  
2 and has since seen its market share and number of people employed in the  
3 industry radically decline;

4 (c) The decline is traceable to the implementation of incentives in  
5 sister states which have left Colorado in a noncompetitive position;

6 (d) Colorado's once formidable infrastructure for content creation  
7 is rapidly eroding and in danger of collapse;

8 (e) Content creation will have a positive impact on Colorado's  
9 economy, provide jobs for our citizens who graduate from our schools'  
10 film programs, and provide a skilled labor training ground for many other  
11 workers; and

12 (f) Film and television production is a major stimulus to  
13 Colorado's tourism industry.

14 (2) The general assembly further finds and declares that it is the  
15 desire of the legislature to implement an incentive program that will be  
16 competitive with sister states' programs, and House Bill 12-1286 is  
17 intended to remedy this situation.

18 **SECTION 2.** In Colorado Revised Statutes, **add with amended**  
19 **and relocated provisions** 24-48.5-114, 24-48.5-115, and 24-48.5-116 as  
20 follows:

21 **24-48.5-114. [Formerly 24-48.5-309] Film, television, and**  
22 **media - definitions.** As used in this section and sections ~~24-48.5-310~~ and  
23 ~~24-48.5-311~~ 24-48.5-115 AND 24-48.5-116, unless the context otherwise  
24 requires:

25 (1) "Film" means any visual or audiovisual work, including,  
26 without limitation, a video game, TELEVISION SHOW, or a television  
27 commercial, that contains a series of related images, regardless of the

1 medium by which the work is fixed and from which it can be viewed or  
2 reproduced, and that is primarily intended to be either:

3 (a) Commercially exploited by being shown in theaters or on  
4 television licensed for the home OR INTERNATIONAL market, or otherwise;  
5 or

6 (b) For internal industrial, corporate, or institutional use.

7 (2) "Office" means the Colorado office of film, television, and  
8 media created pursuant to section ~~24-48.5-310~~ 24-48.5-115.

9 (3) "ORIGINATES" MEANS THE PRODUCTION COMPANY HAS BEEN  
10 A RESIDENT OF THE STATE OR REGISTERED WITH THE SECRETARY OF STATE  
11 FOR AT LEAST TWELVE CONSECUTIVE MONTHS; EXCEPT THAT, IF THE  
12 PRODUCTION COMPANY CREATES A BUSINESS ENTITY FOR THE SOLE  
13 PURPOSE OF CONDUCTING PRODUCTION ACTIVITIES IN THE STATE, THEN  
14 SUCH BUSINESS ENTITY NEED NOT BE REGISTERED WITH THE SECRETARY  
15 OF STATE FOR TWELVE CONSECUTIVE MONTHS, BUT THE OWNER OF THE  
16 BUSINESS ENTITY MUST BE A RESIDENT OF THE STATE FOR AT LEAST  
17 TWELVE CONSECUTIVE MONTHS.

18 ~~(3)~~ (4) "Production activities" means the shooting of a film,  
19 support activities related to such shooting, and any preshooting or  
20 postshooting activities that commence on or after July 1, 2009, and that  
21 are necessary to produce a finished film, including but not limited to  
22 editing and the creation of sets, props, costumes, and special effects.

23 ~~(4)~~ (5) "Production company" means a person, including a  
24 corporation or other business entity, that engages in production activities  
25 for the purpose of producing all or any portion of a film in Colorado.

26 ~~(5)~~ (6) "Qualified local expenditure" means a payment made by  
27 a production company operating in Colorado to a PERSON OR business in

1 Colorado in connection with ~~the production of a film that the production~~  
2 ~~company is producing~~ PRODUCTION ACTIVITIES in Colorado. "Qualified  
3 local expenditure" shall include, but need not be limited to:

4 (a) Payments made in connection with developing or purchasing  
5 the story and scenario to be used for a film;

6 (b) Payments made for the costs of set construction and  
7 operations, wardrobe, accessories, and related services;

8 (c) Payments made for the costs of photography, sound  
9 RECORDING AND synchronization, lighting, and related services;

10 (d) Payments made for the costs of editing, post-production,  
11 music, and related services;

12 (e) Payments made for the costs of renting facilities and  
13 equipment, including location fees, leasing vehicles, and providing food  
14 and lodging to people working on the film production;

15 (f) Payments for airfare purchased through a Colorado-based  
16 travel agency or company;

17 (g) Payments for insurance and bonding purchased through a  
18 Colorado-based insurance agent;

19 (h) Payments for other direct costs incurred by the film production  
20 company that are deemed appropriate by the office; and

21 (i) Payments of up to ~~three~~ ONE million dollars per employee or  
22 contractor, made by a production company to pay the WAGES OR salaries  
23 of ~~actors, management, and crew~~, EMPLOYEES OR CONTRACTORS who  
24 participate in the ~~film~~ production activities. In order for any WAGE OR  
25 salary to be considered a qualified local expenditure, all Colorado income  
26 taxes shall be withheld and paid either by the production company or the  
27 individual. Any payments in excess of ~~three~~ ONE million dollars per

1 employee or contractor shall be excluded.

2 (6) ~~(Deleted by amendment, L. 2010, (HB 10-1180), ch. 232, p.~~  
3 ~~1016, § 1, effective May 18, 2010.)~~

4 **24-48.5-115. [Formerly 24-48.5-310] Film, television, and**

5 **media.** (1) There is hereby created within the ~~division~~ COLORADO OFFICE  
6 OF ECONOMIC DEVELOPMENT the Colorado office of film, television, and  
7 media, the head of which shall be the director of the Colorado office of  
8 film, television, and media. The director of the office shall be assisted by  
9 a staff to fulfill the office's mission to promote Colorado as a location for  
10 making ~~feature~~ films. ~~television shows, television commercials, still~~  
11 ~~photography, music videos, and emerging mass media projects.~~  
12 Beginning on ~~July 1, 2010~~ JULY 1, 2012, the director of the office shall  
13 report to the director of the ~~division~~ OFFICE OF ECONOMIC DEVELOPMENT.

14 (2) The office shall:

15 (a) Market Colorado as a destination for making feature films,  
16 television shows, television commercials, still photography, music videos,  
17 and new media projects;

18 (b) Assist production companies that are interested in conducting  
19 production activities in Colorado in scouting appropriate locations in the  
20 state for the production company's film;

21 (c) Assist state and local government agencies and organizations  
22 in the creation of permitting criteria for production companies that plan  
23 to conduct production activities on state or local government property;

24 (d) Assist production companies in determining the appropriate  
25 state or local government agencies to contact to apply for a permit to  
26 conduct production activities on state or local government property;

27 (e) Serve as a general liaison for production companies and assist

1 in coordination efforts among production companies, any state or local  
2 government agency, and local businesses and individuals before, during,  
3 and after the production company conducts production activities in  
4 Colorado;

5 (f) Serve as a resource for local governments and communities  
6 around Colorado when a production company approaches the local  
7 government or community regarding the possibility of ~~conducting~~  
8 CONDUCTING production activities on the property of the local  
9 government or within the community;

10 (g) Administer the performance-based incentive for film  
11 production in Colorado as specified in section ~~24-48.5-311~~ 24-48.5-116;

12 (h) ADMINISTER THE LOAN GUARANTEE PROGRAM AS SPECIFIED IN  
13 SUBSECTION (3) OF THIS SECTION;

14 ~~(h)~~ (i) Conduct educational seminars to promote the film industry  
15 and people working in the film industry in Colorado; and

16 ~~(i)~~ (j) Perform any other duties in furtherance of the office's  
17 mission as deemed necessary by the director of the office AND the director  
18 of the office of economic development. ~~and the director of the division.~~

19 (3) (a) THE OFFICE, WITH PRIOR APPROVAL FROM THE COLORADO  
20 ECONOMIC DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102,  
21 MAY ENTER INTO A CONTRACT OR OTHER AGREEMENT, OR BOTH A  
22 CONTRACT AND OTHER AGREEMENT, WITH A PRODUCTION COMPANY TO  
23 GUARANTEE LOANS OBTAINED FOR PURPOSES OF FINANCING THE  
24 PRODUCTION ACTIVITIES, NOT TO EXCEED TWENTY PERCENT OF THE  
25 ENTIRE BUDGET FOR THE PRODUCTION ACTIVITIES.

26 (b) THE OFFICE SHALL EMPLOY THE FOLLOWING CRITERIA IN  
27 DETERMINING WHETHER TO AWARD A LOAN GUARANTEE:

1 (I) THE EXPERIENCE, PROFESSIONAL QUALIFICATIONS, AND  
2 BUSINESS BACKGROUND OF THE PRODUCTION COMPANY SHALL BE SUCH AS  
3 TO GIVE THE PRODUCTION ACTIVITIES A REASONABLE CHANCE OF SUCCESS;

4 (II) THE PRODUCTION COMPANY SHALL BE BONDED BY A MAJOR  
5 BONDING COMPANY;

6 (III) THE PRODUCTION COMPANY SHALL HAVE CONTRACTED WITH  
7 A MAJOR SALES COMPANY WITH EXPERIENCE AND STANDING IN THE FILM  
8 INDUSTRY, AND SUCH SALES COMPANY SHALL PROVIDE SALES ESTIMATES  
9 THAT SUPPORT FULL REPAYMENT OF THE LOAN TO BE GUARANTEED; AND

10 (IV) THE FILM AND THE PRODUCTION ACTIVITIES SHALL RESULT IN  
11 A POSITIVE REFLECTION ON THE STATE.

12 (c) THE OFFICE MAY REJECT ANY APPLICATION FOR A LOAN  
13 GUARANTEE PURSUANT TO THIS SUBSECTION (3).

14 (d) THE OFFICE MAY PROVIDE LOAN GUARANTEES FOR  
15 PRODUCTION ACTIVITIES; EXCEPT THAT SUCH LOAN GUARANTEES SHALL  
16 BE LIMITED TO TWENTY PERCENT OF THE ENTIRE BUDGET FOR THE  
17 PRODUCTION ACTIVITIES. LOAN GUARANTEES MAY ONLY BE PROVIDED TO  
18 FEASIBLE PRODUCTION ACTIVITIES FOR AN AMOUNT THAT IS THE LEAST  
19 AMOUNT NECESSARY TO CAUSE THE PRODUCTION ACTIVITIES TO OCCUR,  
20 AS DETERMINED BY THE OFFICE, WITH PRIOR APPROVAL FROM THE  
21 COLORADO ECONOMIC DEVELOPMENT COMMISSION. THE OFFICE MAY  
22 STRUCTURE THE LOAN GUARANTEES IN A WAY THAT FACILITATES THE  
23 PRODUCTION ACTIVITIES AND ALSO PROVIDES FOR A COMPENSATORY  
24 RETURN ON INVESTMENT OR LOAN GUARANTEE FACILITY FEE TO THE  
25 OFFICE BASED ON THE RISK OF THE PRODUCTION ACTIVITIES.

26 (e) THE OFFICE MAY CHARGE A LOAN GUARANTEE FACILITY FEE  
27 CALCULATED ON THE OUTSTANDING PRINCIPAL, WHICH FEE SHALL BE



1 COLLECTED FROM THE ELIGIBLE BORROWER BY THE ELIGIBLE LENDER AND  
2 PAID TO THE OFFICE. MONEYS COLLECTED SHALL BE DEPOSITED IN THE  
3 COLORADO OFFICE OF FILM, TELEVISION, AND MEDIA OPERATIONAL  
4 ACCOUNT CASH FUND CREATED IN SECTION 24-48.5-116 (5).

5 (f) MONEYS PAID TO SATISFY A DEFAULTED LOAN MADE PURSUANT  
6 TO THIS SUBSECTION (3) SHALL ONLY BE PAID OUT OF THE COLORADO  
7 OFFICE OF FILM, TELEVISION, AND MEDIA OPERATIONAL ACCOUNT CASH  
8 FUND CREATED IN SECTION 24-48.5-116 (5).

9 (g) NO GUARANTEE AGREEMENT MADE BY THE OFFICE PURSUANT  
10 TO THIS SUBSECTION (3) SHALL CONSTITUTE OR BECOME AN  
11 INDEBTEDNESS, A DEBT, OR A LIABILITY OF THE STATE, NOR SHALL SUCH  
12 LOAN GUARANTEE THE GIVING, PLEDGING, OR LOANING OF THE FULL FAITH  
13 AND CREDIT OF THE STATE.

14 **24-48.5-116. [Formerly 24-48.5-311] Film, television, and**  
15 **media - performance-based incentive for film production in Colorado**  
16 **- Colorado office of film, television, and media operational account**  
17 **cash fund - creation.** (1) Subject to the provisions of this section, on or  
18 after ~~July 1, 2009~~ JULY 1, 2012, any production company employing a  
19 workforce for any in-state production activities made up of at least  
20 ~~twenty-five~~ FIFTY percent Colorado residents shall be allowed to claim a  
21 performance-based incentive in an amount as follows:

22 (a) For a production company that originates ~~the film~~ production  
23 ACTIVITIES in Colorado, an amount equal to ~~ten~~ TWENTY percent of the  
24 total amount of the production company's qualified local expenditures if  
25 the total of such expenditures equals or exceeds one hundred thousand  
26 dollars; and

27 (b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS

1 PARAGRAPH (b), for a production company that does not originate ~~the film~~  
2 production activities in Colorado, an amount equal to ~~ten~~ TWENTY percent  
3 of the total amount of the production company's qualified local  
4 expenditures if the total of such expenditures equals or exceeds ~~two~~  
5 ~~hundred fifty thousand~~ ONE MILLION dollars.

6 (II) FOR A PRODUCTION COMPANY THAT PRODUCES A TELEVISION  
7 COMMERCIAL AND THAT DOES NOT ORIGINATE PRODUCTION ACTIVITIES IN  
8 COLORADO, ANY PRODUCTION COMPANY EMPLOYING A WORKFORCE FOR  
9 ANY IN-STATE PRODUCTION ACTIVITIES MADE UP OF AT LEAST FIFTY  
10 PERCENT COLORADO RESIDENTS SHALL BE ALLOWED TO CLAIM A  
11 PERFORMANCE-BASED INCENTIVE IN AN AMOUNT EQUAL TO TWENTY  
12 PERCENT OF THE TOTAL AMOUNT OF THE PRODUCTION COMPANY'S  
13 QUALIFIED LOCAL EXPENDITURES IF THE TOTAL OF SUCH EXPENDITURES  
14 EQUALS OR EXCEEDS TWO HUNDRED FIFTY THOUSAND DOLLARS.

15 (2) (a) In order for a production company to claim a  
16 performance-based incentive for ~~film~~ production activities in Colorado  
17 pursuant to this section, the production company shall apply to the office,  
18 in a manner to be determined by the office, prior to beginning production  
19 activities in the state. The application shall include a statement of intent  
20 by the production company to produce a film in Colorado for which the  
21 production company will be eligible to receive the incentive. The  
22 production company shall submit, in conjunction with the application, any  
23 documentation necessary to demonstrate that the production company's  
24 projected qualified local expenditures will satisfy the expenditures  
25 specified in paragraph (a) or (b) of subsection (1) of this section, as  
26 applicable.

27 (b) The office shall review each application submitted by a

1 production company before the production company begins work on a  
2 film in Colorado. Based on the information provided in the production  
3 company's application, the office shall make an initial determination of  
4 whether the production company will be eligible to receive a  
5 performance-based incentive and estimate the amount of the incentive  
6 that will be due to the production company. The ~~council~~ OFFICE, WITH  
7 APPROVAL OF THE COLORADO ECONOMIC DEVELOPMENT COMMISSION  
8 CREATED IN SECTION 24-46-102, shall grant conditional written approval  
9 to ~~every~~ A production company that, based on the information provided  
10 by the production company AND BASED ON AN ANALYSIS OF SUCH  
11 INFORMATION BY THE OFFICE AND THE COLORADO ECONOMIC  
12 DEVELOPMENT COMMISSION, will satisfy the requirements of this section  
13 and be eligible to claim an incentive.

14 (c) (I) Upon completion of production activities in Colorado, a  
15 production company that received conditional approval for a  
16 performance-based incentive from the office shall ~~submit~~ RETAIN A  
17 CERTIFIED PUBLIC ACCOUNTANT ~~TO REVIEW AND REPORT IN WRITING,~~  
18 ~~AND IN ACCORDANCE WITH PROFESSIONAL STANDARDS, REGARDING THE~~  
19 ~~ACCURACY OF THE~~ financial documents ~~to the office~~ that detail the  
20 expenses incurred in the course of the film production activities in  
21 Colorado. ~~along with a signed affidavit stating that the financial~~  
22 ~~documents are an accurate accounting of the production company's~~  
23 ~~qualified local expenditures.~~ If the PRODUCTION COMPANY PROVIDES A  
24 COPY OF THE CERTIFIED PUBLIC ACCOUNTANT'S WRITTEN REPORT AND THE  
25 PRODUCTION COMPANY CERTIFIES IN WRITING TO THE OFFICE THAT THE  
26 amount of the production company's actual qualified local expenditures  
27 equals or exceeds the minimum total amount of the production company's

1 qualified local expenditures as specified in subsection (1) of this section,  
2 the office shall issue an incentive to the production company.

3 (II) (A) FOR PURPOSES OF THIS PARAGRAPH (C), "CERTIFIED PUBLIC  
4 ACCOUNTANT" MEANS A CERTIFIED PUBLIC ACCOUNTANT LICENCED TO  
5 PRACTICE IN THIS STATE OR A CERTIFIED PUBLIC ACCOUNTING FIRM THAT  
6 IS REGISTERED IN THIS STATE.

7 (B) ANY SERVICES OF A CERTIFIED PUBLIC ACCOUNTANT PROVIDED  
8 TO MEET THE REQUIREMENTS OF THIS PARAGRAPH (C) SHALL BE  
9 PERFORMED IN COLORADO.

10 (d) The office shall develop procedures for the administration of  
11 this section, including application guidelines for production companies  
12 applying to receive a performance-based incentive and for the office to  
13 issue payment of the incentives pursuant to this section.

14 (3) The office shall include data regarding the number of  
15 production companies that claimed the performance-based incentive  
16 pursuant to this section and the total amount of all incentives claimed  
17 during the most recent fiscal year for which such information is available  
18 in an annual report to the general assembly.

19 ~~(4) and (5) Repealed.~~

20 ~~(6) (4) The total amount of performance-based incentives that the~~  
21 ~~office issues pursuant to this section in any fiscal year shall not exceed the~~  
22 ~~amount appropriated to the division OFFICE to be used for the purposes of~~  
23 ~~this section in the applicable fiscal year and any moneys not expended or~~  
24 ~~encumbered from previous fiscal years that were appropriated to the~~  
25 ~~division OFFICE to be used for the purposes of this section. If the office~~  
26 ~~receives applications for incentives that exceed the amount appropriated~~  
27 ~~by the general assembly for the fiscal year and the amount not expended~~

1 ~~or encumbered from previous fiscal years, the office shall issue incentives~~  
2 ~~to production companies in the order in which the commission received~~  
3 ~~applications until the total amount has been expended.~~

4 (5) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE  
5 COLORADO OFFICE OF FILM, TELEVISION, AND MEDIA OPERATIONAL  
6 ACCOUNT CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE  
7 FUND SHALL CONSIST OF:

8 (I) MONEYS TRANSFERRED TO THE FUND IN ACCORDANCE WITH  
9 SECTION 12-47.1-701 (2), C.R.S.;

10 (II) MONEYS APPROPRIATED TO THE FUND BY THE GENERAL  
11 ASSEMBLY; AND

12 (III) ANY GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC  
13 SOURCES THAT THE OFFICE IS HEREBY AUTHORIZED TO SEEK AND ACCEPT.

14 (b) THE MONEYS IN THE FUND SHALL BE ANNUALLY APPROPRIATED  
15 TO THE OFFICE FOR THE OPERATION OF THE OFFICE, FOR THE  
16 PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN COLORADO AS  
17 SPECIFIED IN SUBSECTION (1) OF THIS SECTION, AND FOR THE LOAN  
18 GUARANTEE PROGRAM AS SPECIFIED IN SECTION 24-48.5-115 (3).

19 (c) ALL MONEYS NOT EXPENDED OR ENCUMBERED, AND ALL  
20 INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEYS IN THE  
21 FUND, REMAIN IN THE FUND AND DO NOT REVERT TO THE GENERAL FUND  
22 OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR. ANY MONEYS NOT  
23 EXPENDED OR ENCUMBERED FROM ANY APPROPRIATION AT THE END OF  
24 ANY FISCAL YEAR REMAIN AVAILABLE FOR EXPENDITURE IN THE NEXT  
25 FISCAL YEAR WITHOUT FURTHER APPROPRIATION.

26 **SECTION 3.** In Colorado Revised Statutes, 12-47.1-701, **amend**  
27 (2) (a) (II) (G) as follows:

1           **12-47.1-701. Limited gaming fund - created.** (2) (a) Except as  
2 provided in paragraph (b) of this subsection (2), at the end of the 2010-11  
3 state fiscal year and at the end of each state fiscal year thereafter, the state  
4 treasurer shall distribute the state share as follows:

5           (II) Any amount of the state share that is greater than nineteen  
6 million two hundred thousand dollars but less than or equal to forty-eight  
7 million five hundred thousand dollars shall be transferred as follows:

8           (G) One percent to the ~~creative industries~~ COLORADO OFFICE OF  
9 FILM, TELEVISION, AND MEDIA OPERATIONAL ACCOUNT cash fund, created  
10 in section ~~24-48.5-301~~ 24-48.5-116, C.R.S., for the operation of the  
11 Colorado office of film, television, and media, ~~and~~ for the  
12 performance-based incentive for film production in Colorado as specified  
13 in section ~~24-48.5-311 (1)~~ 24-48.5-116, C.R.S., AND FOR THE COLORADO  
14 OFFICE OF FILM, TELEVISION, AND MEDIA LOAN GUARANTEE PROGRAM AS  
15 SPECIFIED IN SECTION 24-48.5-115, C.R.S.

16           **SECTION 4.** In Colorado Revised Statutes, 24-46-104, **add** (1)  
17 (o) as follows:

18           **24-46-104. Powers and duties of commission.** (1) The  
19 commission has the following powers and duties:

20           (o) TO OVERSEE THE COLORADO OFFICE OF FILM, TELEVISION, AND  
21 MEDIA LOAN GUARANTEE PROGRAM PURSUANT TO SECTION 24-48.5-115  
22 AND THE PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN  
23 COLORADO PURSUANT TO SECTION 24-48.5-116.

24           **SECTION 5.** In Colorado Revised Statutes, 24-48.5-301, **amend**  
25 (1) and (2) (a) (II); **repeal** (2) (b) (II); and **add** (2) (a) (II.5) as follows:

26           **24-48.5-301. Creative industries division - creative industries**  
27 **cash fund - creation - repeal.** (1) There is hereby created within the

1 Colorado office of economic development the creative industries division,  
2 which shall be referred to in this part 3 as the "division". The director of  
3 the division shall be the person who is appointed director of the council  
4 on creative industries by the director of the Colorado office of economic  
5 development. The division shall be comprised of ~~the office of film,~~  
6 ~~television, and media,~~ the council on creative industries and the art in  
7 public places program, and the director of the division shall oversee such  
8 office, council and program.

9 (2) (a) There is hereby created in the state treasury the creative  
10 industries cash fund, referred to in this section as the "fund". The fund  
11 shall consist of:

12 (II) Moneys transferred to the fund in accordance with section  
13 ~~12-47.1-701 (2)~~ 12-47.1-701 (2) (a) (II) (F), C.R.S.;

14 (II.5) (A) FOR FISCAL YEARS PRIOR TO THE 2012-13 FISCAL YEAR,  
15 MONEYS TRANSFERRED TO THE FUND IN ACCORDANCE WITH SECTION  
16 12-47.1-701 (2) (a) (II) (G), C.R.S.

17 (B) ANY MONEYS REMAINING IN THE FUND FROM THE SOURCE  
18 SPECIFIED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II.5) ON  
19 JUNE 30, 2012, SHALL BE TRANSFERRED TO THE COLORADO OFFICE OF  
20 FILM, TELEVISION, AND MEDIA OPERATIONAL ACCOUNT CASH FUND,  
21 CREATED IN SECTION 24-48.5-116.

22 (C) THIS SUBPARAGRAPH (II.5) IS REPEALED, EFFECTIVE JULY 1,  
23 2013.

24 (b) The moneys in the fund shall be annually appropriated to the  
25 division for the operation of the division, and for the following:

26 (II) ~~For the operation of the Colorado office of film, television,~~  
27 ~~and media and for the performance-based incentive for film production~~

1 ~~in Colorado as specified in section 24-48.5-311 (1); and~~

2 **SECTION 6. Repeal of provisions being relocated in this act.**

3 In Colorado Revised Statutes, **repeal** 24-48.5-309, 24-48.5-310, and  
4 24-48.5-311.

5 **SECTION 7. Appropriation.** In addition to any other  
6 appropriation, there is hereby appropriated, out of any moneys in the  
7 general fund not otherwise appropriated, to the Colorado office of film,  
8 television, and media created in section 24-48.5-115, Colorado Revised  
9 Statutes, for the fiscal year beginning July 1, 2012, the sum of  
10 \$3,000,000, or so much thereof as may be necessary, for allocation to the  
11 Colorado office of film, television, and media operational account cash  
12 fund.

13 **SECTION 8. Effective date.** This act takes effect July 1, 2012.

14 **SECTION 9. Safety clause.** The general assembly hereby finds,  
15 determines, and declares that this act is necessary for the immediate  
16 preservation of the public peace, health, and safety.