

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 12-0722.01 Esther van Mourik x4215

HOUSE BILL 12-1286

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House Committees

Economic and Business Development
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A BILL FOR AN ACT

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

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.

HOUSE
3rd Reading Unamended
April 12, 2012

HOUSE
Amended 2nd Reading
April 11, 2012

- 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.

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 (4) NO LATER THAN JULY 1, 2017, THE STATE AUDITOR SHALL
15 COMPLETE A PERFORMANCE AUDIT OF THE OFFICE, THE
16 PERFORMANCE-BASED INCENTIVE PROGRAM FOR FILM PRODUCTION IN
17 COLORADO SPECIFIED IN SECTION 24-48.5-116, AND THE LOAN
18 GUARANTEE PROGRAM SPECIFIED IN SUBSECTION (3) OF THIS SECTION. THE
19 STATE AUDITOR SHALL PRESENT THE PERFORMANCE AUDIT REPORT TO THE
20 LEGISLATIVE AUDIT COMMITTEE. AFTER THE PERFORMANCE AUDIT REPORT
21 IS RELEASED BY THE LEGISLATIVE AUDIT COMMITTEE, THE STATE AUDITOR
22 SHALL PROVIDE COPIES TO THE FINANCE COMMITTEES OF THE HOUSE OF
23 REPRESENTATIVES AND SENATE.

24 **24-48.5-116. [Formerly 24-48.5-311] Film, television, and**
25 **media - performance-based incentive for film production in Colorado**
26 **- Colorado office of film, television, and media operational account**
27 **cash fund - creation.** (1) Subject to the provisions of this section, on or

1 after ~~July 1, 2009~~ JULY 1, 2012, any production company employing a
2 workforce for any in-state production activities made up of at least
3 ~~twenty-five~~ FIFTY percent Colorado residents shall be allowed to claim a
4 performance-based incentive in an amount as follows:

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

10 (b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
11 PARAGRAPH (b), for a production company that does not originate ~~the film~~
12 production activities in Colorado, an amount equal to ~~ten~~ TWENTY percent
13 of the total amount of the production company's qualified local
14 expenditures if the total of such expenditures equals or exceeds ~~two~~
15 ~~hundred fifty thousand~~ ONE MILLION dollars.

16 (II) FOR A PRODUCTION COMPANY THAT PRODUCES A TELEVISION
17 COMMERCIAL OR VIDEO GAME AND THAT DOES NOT ORIGINATE
18 PRODUCTION ACTIVITIES IN COLORADO, ANY PRODUCTION COMPANY
19 EMPLOYING A WORKFORCE FOR ANY IN-STATE PRODUCTION ACTIVITIES
20 MADE UP OF AT LEAST FIFTY PERCENT COLORADO RESIDENTS SHALL BE
21 ALLOWED TO CLAIM A PERFORMANCE-BASED INCENTIVE IN AN AMOUNT
22 EQUAL TO TWENTY PERCENT OF THE TOTAL AMOUNT OF THE PRODUCTION
23 COMPANY'S QUALIFIED LOCAL EXPENDITURES IF THE TOTAL OF SUCH
24 EXPENDITURES EQUALS OR EXCEEDS TWO HUNDRED FIFTY THOUSAND
25 DOLLARS.

26 (2) (a) In order for a production company to claim a
27 performance-based incentive for ~~film~~ production activities in Colorado

1 pursuant to this section, the production company shall apply to the office,
2 in a manner to be determined by the office, prior to beginning production
3 activities in the state. The application shall include a statement of intent
4 by the production company to produce a film in Colorado for which the
5 production company will be eligible to receive the incentive. The
6 production company shall submit, in conjunction with the application, any
7 documentation necessary to demonstrate that the production company's
8 projected qualified local expenditures will satisfy the expenditures
9 specified in paragraph (a) or (b) of subsection (1) of this section, as
10 applicable.

11 (b) The office shall review each application submitted by a
12 production company before the production company begins work on a
13 film in Colorado. Based on the information provided in the production
14 company's application, the office shall make an initial determination of
15 whether the production company will be eligible to receive a
16 performance-based incentive and estimate the amount of the incentive
17 that will be due to the production company. The ~~council~~ OFFICE, WITH
18 APPROVAL OF THE COLORADO ECONOMIC DEVELOPMENT COMMISSION
19 CREATED IN SECTION 24-46-102, shall grant conditional written approval
20 to ~~every~~ A production company that, based on the information provided
21 by the production company AND BASED ON AN ANALYSIS OF SUCH
22 INFORMATION BY THE OFFICE AND THE COLORADO ECONOMIC
23 DEVELOPMENT COMMISSION, will satisfy the requirements of this section
24 and be eligible to claim an incentive.

25 (c) (I) Upon completion of production activities in Colorado, a
26 production company that received conditional approval for a
27 performance-based incentive from the office shall ~~submit~~ RETAIN A

1 CERTIFIED PUBLIC ACCOUNTANT TO REVIEW AND REPORT IN WRITING,
2 AND IN ACCORDANCE WITH PROFESSIONAL STANDARDS, REGARDING THE
3 ACCURACY OF THE financial documents ~~to the office~~ that detail the
4 expenses incurred in the course of the film production activities in
5 Colorado. ~~along with a signed affidavit stating that the financial~~
6 ~~documents are an accurate accounting of the production company's~~
7 ~~qualified local expenditures.~~ If the PRODUCTION COMPANY PROVIDES A
8 COPY OF THE CERTIFIED PUBLIC ACCOUNTANT'S WRITTEN REPORT AND THE
9 PRODUCTION COMPANY CERTIFIES IN WRITING TO THE OFFICE THAT THE
10 amount of the production company's actual qualified local expenditures
11 equals or exceeds the minimum total amount of the production company's
12 qualified local expenditures as specified in subsection (1) of this section,
13 the office shall issue an incentive to the production company.

14 (II) (A) FOR PURPOSES OF THIS PARAGRAPH (C), "CERTIFIED PUBLIC
15 ACCOUNTANT" MEANS A CERTIFIED PUBLIC ACCOUNTANT LICENCED TO
16 PRACTICE IN THIS STATE OR A CERTIFIED PUBLIC ACCOUNTING FIRM THAT
17 IS REGISTERED IN THIS STATE.

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

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

25 (3) The office shall include data regarding the number of
26 production companies that claimed the performance-based incentive
27 pursuant to this section and the total amount of all incentives claimed

1 during the most recent fiscal year for which such information is available
2 in an annual report to the general assembly.

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

4 ~~(6) (4) The total amount of performance-based incentives that the
5 office issues pursuant to this section in any fiscal year shall not exceed the
6 amount appropriated to the ~~division~~ OFFICE to be used for the purposes of
7 this section in the applicable fiscal year and any moneys not expended or
8 encumbered from previous fiscal years that were appropriated to the
9 ~~division~~ OFFICE to be used for the purposes of this section. ~~If the office
10 receives applications for incentives that exceed the amount appropriated
11 by the general assembly for the fiscal year and the amount not expended
12 or encumbered from previous fiscal years, the office shall issue incentives
13 to production companies in the order in which the commission received
14 applications until the total amount has been expended.~~~~

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

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

21 (II) MONEYS TRANSFERRED TO THE FUND, INCLUDING THREE
22 MILLION DOLLARS THAT SHALL BE TRANSFERRED ON JULY 1, 2012, FROM
23 THE GENERAL FUND TO THE COLORADO OFFICE OF FILM, TELEVISION, AND
24 MEDIA OPERATIONAL ACCOUNT CASH FUND; AND

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

27 (b) THE MONEYS IN THE FUND SHALL BE ANNUALLY APPROPRIATED

1 TO THE OFFICE FOR THE OPERATION OF THE OFFICE, FOR THE
2 PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN COLORADO AS
3 SPECIFIED IN SUBSECTION (1) OF THIS SECTION, AND FOR THE LOAN
4 GUARANTEE PROGRAM AS SPECIFIED IN SECTION 24-48.5-115 (3).

5 (c) ALL MONEYS NOT EXPENDED OR ENCUMBERED, AND ALL
6 INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEYS IN THE
7 FUND, REMAIN IN THE FUND AND DO NOT REVERT TO THE GENERAL FUND
8 OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR. ANY MONEYS NOT
9 EXPENDED OR ENCUMBERED FROM ANY APPROPRIATION AT THE END OF
10 ANY FISCAL YEAR REMAIN AVAILABLE FOR EXPENDITURE IN THE NEXT
11 FISCAL YEAR WITHOUT FURTHER APPROPRIATION.

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

14 **12-47.1-701. Limited gaming fund - created.** (2) (a) Except as
15 provided in paragraph (b) of this subsection (2), at the end of the 2010-11
16 state fiscal year and at the end of each state fiscal year thereafter, the state
17 treasurer shall distribute the state share as follows:

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

21 (G) One percent to the ~~creative industries~~ COLORADO OFFICE OF
22 FILM, TELEVISION, AND MEDIA OPERATIONAL ACCOUNT cash fund, created
23 in section ~~24-48.5-301~~ 24-48.5-116, C.R.S., for the operation of the
24 Colorado office of film, television, and media, ~~and~~ for the
25 performance-based incentive for film production in Colorado as specified
26 in section ~~24-48.5-311 (1)~~ 24-48.5-116, C.R.S., AND FOR THE COLORADO
27 OFFICE OF FILM, TELEVISION, AND MEDIA LOAN GUARANTEE PROGRAM AS

1 SPECIFIED IN SECTION 24-48.5-115, C.R.S.

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

4 **24-46-104. Powers and duties of commission.** (1) The
5 commission has the following powers and duties:

6 (o) TO OVERSEE THE COLORADO OFFICE OF FILM, TELEVISION, AND
7 MEDIA LOAN GUARANTEE PROGRAM PURSUANT TO SECTION 24-48.5-115
8 AND THE PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN
9 COLORADO PURSUANT TO SECTION 24-48.5-116.

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

12 **24-48.5-301. Creative industries division - creative industries**
13 **cash fund - creation - repeal.** (1) There is hereby created within the
14 Colorado office of economic development the creative industries division,
15 which shall be referred to in this part 3 as the "division". The director of
16 the division shall be the person who is appointed director of the council
17 on creative industries by the director of the Colorado office of economic
18 development. The division shall be comprised of ~~the office of film,~~
19 ~~television, and media,~~ the council on creative industries and the art in
20 public places program, and the director of the division shall oversee such
21 ~~office,~~ council and program.

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

25 (II) Moneys transferred to the fund in accordance with section
26 ~~12-47.1-701(2)~~ 12-47.1-701 (2) (a) (II) (F), C.R.S.;

27 (II.5) (A) FOR FISCAL YEARS PRIOR TO THE 2012-13 FISCAL YEAR,

1 MONEYS TRANSFERRED TO THE FUND IN ACCORDANCE WITH SECTION
2 12-47.1-701 (2) (a) (II) (G), C.R.S.

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

8 (C) THIS SUBPARAGRAPH (II.5) IS REPEALED, EFFECTIVE JULY 1,
9 2013.

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

12 ~~(II) For the operation of the Colorado office of film, television,~~
13 ~~and media and for the performance-based incentive for film production~~
14 ~~in Colorado as specified in section 24-48.5-311 (1); and~~

15 **SECTION 6. Repeal of provisions being relocated in this act.**
16 In Colorado Revised Statutes, **repeal** 24-48.5-309, 24-48.5-310, and
17 24-48.5-311.

18 ■

19 **SECTION 7. Appropriation.** In addition to any other
20 appropriation, there is hereby appropriated, out of any moneys in the
21 Colorado office of film, television, and media operational account cash
22 fund created in section 24-48.5-116 (5) (a), Colorado Revised Statutes,
23 not otherwise appropriated, to the governor - lieutenant governor - state
24 planning and budgeting, for the fiscal year beginning July 1, 2012, the
25 sum of \$3,000,000, or so much thereof as may be necessary, for allocation
26 to economic development programs for the Colorado office of film,
27 television, and media related to the implementation of this act.

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

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