

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

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

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/bills/summaries>.)*

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.*

SENATE  
3rd Reading Unamended  
May 9, 2012

SENATE  
Amended 2nd Reading  
May 8, 2012

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.

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

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

7 (b) "FILM" DOES NOT INCLUDE AN OBSCENE FILM.

8 (2) "OBSCENE" HAS THE SAME MEANING AS SET FORTH IN SECTION  
9 18-7-101 (2), C.R.S.

10 ~~(2)~~ (3) "Office" means the Colorado office of film, television, and  
11 media created pursuant to section ~~24-48.5-310~~ 24-48.5-115.

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

21 ~~(3)~~ (5) "Production activities" means the shooting of a film,  
22 support activities related to such shooting, and any preshooting or  
23 postshooting activities that commence on or after July 1, 2009, and that  
24 are necessary to produce a finished film, including but not limited to  
25 editing and the creation of sets, props, costumes, and special effects.

26 ~~(4)~~ (6) "Production company" means a person, including a  
27 corporation or other business entity, that engages in production activities

1 for the purpose of producing all or any portion of a film in Colorado.

2 ~~(5)~~ (7) "Qualified local expenditure" means a payment made by  
3 a production company operating in Colorado to a PERSON OR business in  
4 Colorado in connection with ~~the production of a film that the production~~  
5 ~~company is producing~~ PRODUCTION ACTIVITIES in Colorado. "Qualified  
6 local expenditure" shall include, but need not be limited to:

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

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

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

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

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

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

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

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

24 (i) Payments of up to ~~three~~ ONE million dollars per employee or  
25 contractor, made by a production company to pay the WAGES OR salaries  
26 of ~~actors, management, and crew~~, EMPLOYEES OR CONTRACTORS who  
27 participate in the film production activities. In order for any WAGE OR

1 salary to be considered a qualified local expenditure, all Colorado income  
2 taxes shall be withheld and paid either by the production company or the  
3 individual. Any payments in excess of ~~three~~ ONE million dollars per  
4 employee or contractor shall be excluded.

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

7 **24-48.5-115. [Formerly 24-48.5-310] Film, television, and**  
8 **media.** (1) There is hereby created within the ~~division~~ COLORADO OFFICE  
9 OF ECONOMIC DEVELOPMENT the Colorado office of film, television, and  
10 media, the head of which shall be the director of the Colorado office of  
11 film, television, and media. The director of the office shall be assisted by  
12 a staff to fulfill the office's mission to promote Colorado as a location for  
13 making ~~feature~~ films. ~~television shows, television commercials, still~~  
14 ~~photography, music videos, and emerging mass media projects.~~  
15 Beginning on ~~July 1, 2010~~ JULY 1, 2012, the director of the office shall  
16 report to the director of the ~~division~~ OFFICE OF ECONOMIC DEVELOPMENT.

17 (2) The office shall:

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

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

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

27 (d) Assist production companies in determining the appropriate

1 state or local government agencies to contact to apply for a permit to  
2 conduct production activities on state or local government property;

3 (e) Serve as a general liaison for production companies and assist  
4 in coordination efforts among production companies, any state or local  
5 government agency, and local businesses and individuals before, during,  
6 and after the production company conducts production activities in  
7 Colorado;

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

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

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

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

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

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

1 ENTIRE BUDGET FOR THE PRODUCTION ACTIVITIES.

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

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

7 (II) THE PRODUCTION COMPANY SHALL BE BONDED BY A MAJOR  
8 BONDING COMPANY;

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

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

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

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



1 OFFICE BASED ON THE RISK OF THE PRODUCTION ACTIVITIES.

2 (e) THE OFFICE MAY CHARGE A LOAN GUARANTEE FACILITY FEE  
3 CALCULATED ON THE OUTSTANDING PRINCIPAL, WHICH FEE SHALL BE  
4 COLLECTED FROM THE ELIGIBLE BORROWER BY THE ELIGIBLE LENDER AND  
5 PAID TO THE OFFICE. MONEYS COLLECTED SHALL BE DEPOSITED IN THE  
6 COLORADO OFFICE OF FILM, TELEVISION, AND MEDIA OPERATIONAL  
7 ACCOUNT CASH FUND CREATED IN SECTION 24-48.5-116 (5).

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

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

17 (4) NO LATER THAN JULY 1, 2017, THE STATE AUDITOR SHALL  
18 COMPLETE A PERFORMANCE AUDIT OF THE OFFICE, THE  
19 PERFORMANCE-BASED INCENTIVE PROGRAM FOR FILM PRODUCTION IN  
20 COLORADO SPECIFIED IN SECTION 24-48.5-116, AND THE LOAN  
21 GUARANTEE PROGRAM SPECIFIED IN SUBSECTION (3) OF THIS SECTION. THE  
22 STATE AUDITOR SHALL PRESENT THE PERFORMANCE AUDIT REPORT TO THE  
23 LEGISLATIVE AUDIT COMMITTEE. AFTER THE PERFORMANCE AUDIT REPORT  
24 IS RELEASED BY THE LEGISLATIVE AUDIT COMMITTEE, THE STATE AUDITOR  
25 SHALL PROVIDE COPIES, IN ACCORDANCE WITH SECTION 24-1-136 (9), TO  
26 THE FINANCE COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND  
27 SENATE.

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

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

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

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

1 EXPENDITURES EQUALS OR EXCEEDS TWO HUNDRED FIFTY THOUSAND  
2 DOLLARS.

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

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

1 and be eligible to claim an incentive.

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

18 (II) (A) FOR PURPOSES OF THIS PARAGRAPH (c), "CERTIFIED PUBLIC  
19 ACCOUNTANT" MEANS A CERTIFIED PUBLIC ACCOUNTANT LICENCED TO  
20 PRACTICE IN THIS STATE OR A CERTIFIED PUBLIC ACCOUNTING FIRM THAT  
21 IS REGISTERED IN THIS STATE.

22 (B) ANY SERVICES OF A CERTIFIED PUBLIC ACCOUNTANT PROVIDED  
23 TO MEET THE REQUIREMENTS OF THIS PARAGRAPH (c) SHALL BE  
24 PERFORMED IN COLORADO.

25 (d) The office shall develop procedures for the administration of  
26 this section, including application guidelines for production companies  
27 applying to receive a performance-based incentive and for the office to

1 issue payment of the incentives pursuant to this section.

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

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

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

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

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

25 (II) MONEYS TRANSFERRED TO THE FUND, INCLUDING THREE  
26 MILLION DOLLARS THAT SHALL BE TRANSFERRED ON JULY 1, 2012, FROM  
27 THE GENERAL FUND TO THE COLORADO OFFICE OF FILM, TELEVISION, AND

1 MEDIA OPERATIONAL ACCOUNT CASH FUND; AND

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

4 (b) THE MONEYS IN THE FUND SHALL BE ANNUALLY APPROPRIATED  
5 TO THE OFFICE FOR THE OPERATION OF THE OFFICE, FOR THE  
6 PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN COLORADO AS  
7 SPECIFIED IN SUBSECTION (1) OF THIS SECTION, AND FOR THE LOAN  
8 GUARANTEE PROGRAM AS SPECIFIED IN SECTION 24-48.5-115 (3).

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

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

18 **12-47.1-701. Limited gaming fund - created.** (2) (a) Except as  
19 provided in paragraph (b) of this subsection (2), at the end of the 2010-11  
20 state fiscal year and at the end of each state fiscal year thereafter, the state  
21 treasurer shall distribute the state share as follows:

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

25 (G) One percent to the ~~creative industries~~ COLORADO OFFICE OF  
26 FILM, TELEVISION, AND MEDIA OPERATIONAL ACCOUNT cash fund, created  
27 in section ~~24-48.5-301~~ 24-48.5-116, C.R.S., for the operation of the

1 Colorado office of film, television, and media, ~~and~~ for the  
2 performance-based incentive for film production in Colorado as specified  
3 in section ~~24-48.5-311(1)~~ 24-48.5-116, C.R.S., AND FOR THE COLORADO  
4 OFFICE OF FILM, TELEVISION, AND MEDIA LOAN GUARANTEE PROGRAM AS  
5 SPECIFIED IN SECTION 24-48.5-115, C.R.S.

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

8 **24-46-104. Powers and duties of commission.** (1) The  
9 commission has the following powers and duties:

10 (o) TO OVERSEE THE COLORADO OFFICE OF FILM, TELEVISION, AND  
11 MEDIA LOAN GUARANTEE PROGRAM PURSUANT TO SECTION 24-48.5-115  
12 AND THE PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN  
13 COLORADO PURSUANT TO SECTION 24-48.5-116.

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

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

26 (2) (a) There is hereby created in the state treasury the creative  
27 industries cash fund, referred to in this section as the "fund". The fund

1 shall consist of:

2 (II) Moneys transferred to the fund in accordance with section  
3 ~~12-47.1-701(2)~~ 12-47.1-701 (2) (a) (II) (F), C.R.S.;

4 (II.5) (A) FOR FISCAL YEARS PRIOR TO THE 2012-13 FISCAL YEAR,  
5 MONEYS TRANSFERRED TO THE FUND IN ACCORDANCE WITH SECTION  
6 12-47.1-701 (2) (a) (II) (G), C.R.S.


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

12 (C) THIS SUBPARAGRAPH (II.5) IS REPEALED, EFFECTIVE JULY 1,  
13 2013.

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

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

19 **SECTION 6. Repeal of provisions being relocated in this act.**  
20 In Colorado Revised Statutes, **repeal** 24-48.5-309, 24-48.5-310, and  
21 24-48.5-311.

22 

23 **SECTION 7. Appropriation.** In addition to any other  
24 appropriation, there is hereby appropriated, out of any moneys in the  
25 Colorado office of film, television, and media operational account cash  
26 fund created in section 24-48.5-116 (5) (a), Colorado Revised Statutes,  
27 not otherwise appropriated, to the governor - lieutenant governor - state



1 planning and budgeting, for the fiscal year beginning July 1, 2012, the  
2 sum of \$3,000,000, or so much thereof as may be necessary, for allocation  
3 to economic development programs for the Colorado office of film,  
4 television, and media related to the implementation of this act.

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

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