

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

ENGROSSED

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

LLS NO. 13-0647.01 Ed DeCecco x4216

HOUSE BILL 13-1193

HOUSE SPONSORSHIP

Kraft-Tharp and McLachlan,

SENATE SPONSORSHIP

Jahn and Roberts,

House Committees

Business, Labor, Economic, & Workforce Development

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE ADVANCED INDUSTRIES EXPORT**
102 **ACCELERATION PROGRAM.**

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 the advanced industries export acceleration program to be administered by the Colorado international trade office (office). The program, which lasts for 5 years, is for the benefit of the advanced industries. The advanced industries are advanced manufacturing, aerospace, bioscience, electronics, energy and natural

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
Amended 2nd Reading
April 8, 2013

resources, infrastructure engineering, and information technology. The program consists of international export development expense reimbursement, export training, and global network consultation.

Under the first part of the program, the office may reimburse a qualifying business for up to one-half of its international export development expenses. The maximum amount that a business may be reimbursed is \$15,000. The office may conditionally approve an expense prior to the business incurring it and it may also establish conditions based on export sales under which the office receives payments from a business that received a reimbursement.

As part of the export training, the office is required to provide export training for businesses in the advanced industries to learn the fundamentals of exporting. The office may collaborate with private trade organizations and federal export assistance organizations to conduct the training. Examples of the types of training the office may offer are conferences, seminars, and workshops on trade-related topics. The office is permitted to charge reasonable fees for a business to attend a training session.

The global network consultation component of the program requires the office to develop a global network of trade consultants in key international markets to assist the office in accelerating advanced industries exports. The office may work with the consultants to increase its knowledge about the market and make the consultants available for Colorado businesses to access. The office may pay for these services on behalf of a business, and if so, recoup some of the fee from the business.

The bill also creates the advanced industries export acceleration cash fund. Contingent on the passage of another bill introduced in the 2013 legislative session, the state treasurer will annually transfer \$300,000 to the fund over the next 5 years. Moneys in the fund are continuously appropriated to the office for the administration of the program.

The office is required to annually report to legislative committees about the program.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-47-103 as
3 follows:

4 **24-47-103. Advanced industry - export acceleration program**

5 **- definitions - repeal.** (1) **Legislative declaration.** (a) THE GENERAL

6 ASSEMBLY FINDS AND DECLARES THAT:

1 (I) MOST CONSUMERS LIVE OUTSIDE OF THE UNITED STATES OF
2 AMERICA;

3 (II) THE INTERNATIONAL MONETARY FUND FORECASTS THAT OVER
4 THE NEXT FIVE YEARS EIGHTY-SEVEN PERCENT OF WORLD ECONOMIC
5 GROWTH WILL OCCUR OUTSIDE OF THIS COUNTRY;

6 (III) IT IS DIFFICULT FOR COLORADO BUSINESSES, PARTICULARLY
7 SMALL AND MID-SIZED ONES, TO BECOME EXPORTERS BECAUSE OF A LACK
8 OF THE REQUISITE INFORMATION AND MARKET RESEARCH AND OTHER
9 CHALLENGES RELATED TO INTERNATIONAL TRADE;

10 (IV) THE COLORADO INTERNATIONAL TRADE OFFICE HAS SEVERAL
11 EXPORTING PROGRAMS THAT ENJOY SIGNIFICANT RETURNS ON
12 INVESTMENT AS MEASURED BY A BUSINESS'S INTERNATIONAL SALES PER
13 DOLLAR RECEIVED.

14 (b) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO CREATE A NEW
15 PROGRAM THAT COMBINES FINANCIAL RESOURCES, TRAINING, AND
16 CONSULTING SERVICES TO PROVIDE A ROBUST AND COMPREHENSIVE
17 TRADE EXPORT PROMOTION SERVICE FOR COLORADO BUSINESSES.

18 (2) **Definitions.** AS USED IN THIS SECTION:

19 (a) "ADVANCED INDUSTRY" MEANS THE FOLLOWING INDUSTRIES:

20 (I) ADVANCED MANUFACTURING;

21 (II) AEROSPACE;

22 (III) BIOSCIENCE;

23 (IV) ELECTRONICS;

24 (V) ENERGY AND NATURAL RESOURCES;

25 (VI) INFRASTRUCTURE ENGINEERING; AND

26 (VII) INFORMATION TECHNOLOGY.

27 (b) "FUND" MEANS THE ADVANCED INDUSTRIES EXPORT

1 ACCELERATION CASH FUND CREATED IN PARAGRAPH (a) OF SUBSECTION (8)
2 OF THIS SECTION.

3 (c) "OFFICE" MEANS THE COLORADO INTERNATIONAL TRADE
4 OFFICE CREATED IN SECTION 24-47-101.

5 (d) "PROGRAM" MEANS THE ADVANCED INDUSTRIES EXPORT
6 ACCELERATION PROGRAM CREATED IN PARAGRAPH (a) OF SUBSECTION (3)
7 OF THIS SECTION.

8 (3) THE ADVANCED INDUSTRY EXPORT ACCELERATION PROGRAM
9 IS CREATED IN THE COLORADO INTERNATIONAL TRADE OFFICE. THE
10 PROGRAM IS ADMINISTERED BY THE OFFICE AND INCLUDES EXPORT
11 EXPENSE REIMBURSEMENT, EXPORT TRAINING, AND GLOBAL NETWORK
12 CONSULTATION.

13 (4) **International export development expense**
14 **reimbursement.** (a) BEGINNING JANUARY 1, 2014, THE OFFICE MAY
15 REIMBURSE A QUALIFYING BUSINESS UNDER PARAGRAPH (c) OF THIS
16 SUBSECTION (4) FOR UP TO ONE-HALF OF ITS INTERNATIONAL EXPORT
17 DEVELOPMENT EXPENSES.

18 (b) THE MAXIMUM AMOUNT THAT A BUSINESS MAY BE
19 REIMBURSED UNDER THIS SUBSECTION (4) IS FIFTEEN THOUSAND DOLLARS.
20 THE OFFICE MAY CONDITIONALLY APPROVE AN EXPENSE PRIOR TO THE
21 BUSINESS INCURRING IT.

22 (c) IN ORDER TO BE ELIGIBLE FOR AN INTERNATIONAL EXPORT
23 DEVELOPMENT EXPENSE REIMBURSEMENT FROM THE OFFICE, A BUSINESS
24 MUST:

25 (I) BE IN AN ADVANCED INDUSTRY;

26 (II) BE NEW TO EXPORTING OR EXPANDING INTO A NEW EXPORT
27 MARKET;

- 1 (III) EMPLOY FEWER THAN TWO HUNDRED EMPLOYEES GLOBALLY;
- 2 (IV) HAVE ITS HEADQUARTERS LOCATED IN COLORADO OR HAVE
- 3 AT LEAST FIFTY PERCENT OF ITS EMPLOYEES BASED IN COLORADO;
- 4 (V) HAVE AT LEAST TWO YEARS OF DOMESTIC SALES EXPERIENCE;
- 5 (VI) SHOW A PROFIT DURING THE LAST FISCAL YEAR;
- 6 (VII) BE REGISTERED AND IN GOOD STANDING WITH THE
- 7 COLORADO SECRETARY OF STATE; AND
- 8 (VIII) HAVE A PRODUCT OR SERVICE THAT IS READY TO BE
- 9 EXPORTED.
- 10 (d) ELIGIBLE INTERNATIONAL EXPORT DEVELOPMENT EXPENSES
- 11 INCLUDE:
- 12 (I) PARTICIPATION IN AN OVERSEAS TRADE MISSION;
- 13 (II) PARTICIPATION IN AN INTERNATIONAL OR DOMESTIC TRADE
- 14 SHOW;
- 15 (III) AN INTERNATIONAL MARKET SALES TRIP;
- 16 (IV) LEGAL FEES RELATED TO A CONTRACT, INTELLECTUAL
- 17 PROPERTY PROTECTION, OR OTHER ISSUES RELATING TO EXPORTING GOODS
- 18 OR SERVICES;
- 19 (V) DESIGN OR PRODUCTION OF INTERNATIONAL MARKETING
- 20 MATERIALS;
- 21 (VI) DUE DILIGENCE ON, OR CREDIT REVIEWS OF, POTENTIAL
- 22 INTERNATIONAL BUYERS AND DISTRIBUTORS;
- 23 (VII) COMPLIANCE WITH INTERNATIONAL REQUIREMENTS FOR
- 24 LABELING, PACKAGING, OR SHIPPING;
- 25 (VIII) TRANSLATION SERVICES FOR A CONTRACT, AN OFFICIAL
- 26 DOCUMENT, MARKETING MATERIALS, OR A WEB SITE;
- 27 (IX) QUALITY OR ENVIRONMENTAL CERTIFICATIONS; AND

1 (X) PREPARATION OF PRODUCT DOCUMENTS, PRODUCT
2 REGISTRATION, OR ASSEMBLY OR MAINTENANCE INSTRUCTIONS.

3 (d.5) ONLY THOSE EXPENSES ALLOWED TO STATE EMPLOYEES
4 UNDER STATE LAW MAY BE REIMBURSED PURSUANT TO THIS SECTION.

5 (e) THE OFFICE MAY ESTABLISH CONDITIONS BASED ON EXPORT
6 SALES UNDER WHICH THE OFFICE RECEIVES PAYMENTS FROM A BUSINESS
7 THAT RECEIVED AN INTERNATIONAL EXPORT DEVELOPMENT EXPENSE
8 REIMBURSEMENT. THE OFFICE SHALL TRANSFER ANY MONEYS SO RECEIVED
9 TO THE STATE TREASURER FOR DEPOSIT IN THE FUND.

10 (f) ON OR BEFORE DECEMBER 1, 2013, THE OFFICE SHALL
11 ESTABLISH PROCEDURES AND TIMELINES FOR REIMBURSEMENT
12 APPLICATIONS; CRITERIA FOR DETERMINING REIMBURSEMENT AMOUNTS;
13 RECIPIENT REPORTING REQUIREMENTS; AND ANY OTHER PROGRAM
14 POLICIES. THE OFFICE MAY AMEND THESE POLICIES AT ANY TIME.

15 (5) **Export training.** (a) THE OFFICE SHALL PROVIDE EXPORT
16 TRAINING FOR ADVANCED INDUSTRY BUSINESSES TO LEARN ABOUT THE
17 FUNDAMENTALS OF EXPORTING. THE OFFICE MAY COLLABORATE WITH
18 PRIVATE TRADE ORGANIZATIONS AND FEDERAL EXPORT ASSISTANCE
19 ORGANIZATIONS TO CONDUCT THE TRAINING. TO THE EXTENT POSSIBLE,
20 THE OFFICE SHALL TAILOR THE CURRICULUM TO THE NEEDS AND DEMANDS
21 OF EACH TYPE OF ADVANCED INDUSTRY.

22 (b) EXPORT TRAINING MAY INCLUDE CONFERENCES, SEMINARS,
23 AND WORKSHOPS ON TRADE-RELATED TOPICS, WHICH INCLUDE
24 CHALLENGES AND OPPORTUNITIES IN INTERNATIONAL TRADE. THE
25 CONFERENCES MAY INCLUDE TRADE EXPERTS, EXPORTING BUSINESSES,
26 INDUSTRY PARTNERS, AND THE OFFICE.

27 (c) THE OFFICE MAY CHARGE REASONABLE FEES FOR A BUSINESS

1 TO ATTEND A TRAINING SESSION. THE OFFICE SHALL TRANSFER THESE FEES
2 TO THE STATE TREASURER FOR DEPOSIT IN THE FUND.

3 (6) **Global network consultation.** (a) THE OFFICE SHALL DEVELOP
4 A GLOBAL NETWORK OF TRADE CONSULTANTS IN KEY INTERNATIONAL
5 MARKETS TO ASSIST THE OFFICE IN ACCELERATING ADVANCED INDUSTRIES
6 EXPORTS. THE TYPES OF SERVICES THE OFFICE MAY UTILIZE THE
7 CONSULTANTS FOR INCLUDE:

8 (I) MARKET RESEARCH AND OTHER INSIGHTS ABOUT THE LOCAL
9 MARKETS;

10 (II) IN-COUNTRY INTRODUCTIONS;

11 (III) DEVELOPING MARKET ENTRY STRATEGIES;

12 (IV) MATCHING COLORADO COMPANIES WITH POTENTIAL TRADE
13 PARTNERS AND DISTRIBUTORS;

14 (V) CONDUCTING DUE DILIGENCE ON POTENTIAL TRADE PARTNERS;

15 (VI) HELPING COMPANIES DEFINE THEIR COMPETITIVE
16 ADVANTAGES;

17 (VII) UNDERSTANDING A COUNTRY'S IMPORTATION PROCESS,
18 INCLUDING LICENSING REQUIREMENTS, TARIFFS AND TAXES, AND
19 APPLICABLE REGULATIONS; AND

20 (VIII) TRANSLATION SERVICES AND CULTURAL INTERPRETATION.

21 (b) THE OFFICE MAY MATCH A COLORADO BUSINESS WITH A
22 CONSULTANT FOR THE SERVICES IDENTIFIED IN PARAGRAPH (a) OF THIS
23 SUBSECTION (6), AND OTHER SERVICES. THE OFFICE MAY PAY THE
24 CONSULTANT ON BEHALF OF THE BUSINESS, AND THEN MAY CHARGE THE
25 BUSINESS RECEIVING THE CONSULTING SERVICE FOR SOME OR ALL OF THE
26 COSTS OF THE CONSULTATION. THE OFFICE SHALL TRANSFER ANY OF THESE
27 FEES TO THE STATE TREASURER FOR DEPOSIT IN THE FUND.

1 (7) **Reporting.** (a) ON OR BEFORE NOVEMBER 1, 2014, AND
2 NOVEMBER 1 OF THE NEXT FOUR YEARS THEREAFTER, THE OFFICE SHALL
3 SUBMIT A REPORT TO THE FINANCE AND THE BUSINESS, LABOR, ECONOMIC,
4 AND WORKFORCE DEVELOPMENT COMMITTEES OF THE HOUSE OF
5 REPRESENTATIVES AND TO THE BUSINESS, LABOR, AND TECHNOLOGY AND
6 THE FINANCE COMMITTEES OF THE SENATE, OR ANY SUCCESSOR
7 COMMITTEES, SUMMARIZING PROGRAM ACTIVITIES DURING THE PRECEDING
8 FISCAL YEAR.

9 (b) SECTION 24-1-136 (11) DOES NOT APPLY TO THE REPORT
10 REQUIRED BY PARAGRAPH (a) OF THIS SUBSECTION (8).

11 (8) **Fund.** (a) THE ADVANCED INDUSTRIES EXPORT ACCELERATION
12 CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF:

13 (I) PAYMENTS CREDITED TO THE FUND PURSUANT TO PARAGRAPH
14 (e) OF SUBSECTION (4) OF THIS SECTION;

15 (II) FEES CREDITED TO THE FUND PURSUANT TO PARAGRAPH (c) OF
16 SUBSECTION (5) AND PARAGRAPH (b) OF SUBSECTION (6) OF THIS SECTION;

17 (III) ANY GIFTS, GRANTS, OR DONATIONS CREDITED TO IT
18 PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (8);

19 (IV) ANY MONEYS THAT THE GENERAL ASSEMBLY APPROPRIATES
20 TO IT; AND

21 (V) THREE HUNDRED THOUSAND DOLLARS THAT THE STATE
22 TREASURER IS REQUIRED TO TRANSFER FROM THE GENERAL FUND TO THE
23 FUND ON JANUARY 1, 2014, AND JANUARY 1 OF THE NEXT FOUR YEARS
24 THEREAFTER.

25 (b) (I) THE OFFICE IS AUTHORIZED TO SEEK AND ACCEPT GIFTS,
26 GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE
27 PURPOSES OF THE PROGRAM; EXCEPT THAT THE OFFICE MAY NOT ACCEPT

1 A GIFT, GRANT, OR DONATION THAT IS SUBJECT TO CONDITIONS THAT ARE
2 INCONSISTENT WITH THIS SECTION OR ANY OTHER LAW OF THE STATE. THE
3 OFFICE SHALL TRANSMIT ALL PRIVATE AND PUBLIC MONEYS RECEIVED
4 THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO
5 SHALL CREDIT THE SAME TO THE FUND.

6 (II) THE GENERAL ASSEMBLY FINDS THAT THE IMPLEMENTATION
7 OF THIS PROGRAM DOES NOT RELY ENTIRELY OR IN ANY PART ON THE
8 RECEIPT OF ADEQUATE FUNDING THROUGH GIFTS, GRANTS, OR DONATIONS.
9 THEREFORE, THE OFFICE IS NOT SUBJECT TO THE NOTICE REQUIREMENTS
10 SPECIFIED IN SECTION 24-75-1303 (3).

11 (c) THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL
12 APPROPRIATION BY THE GENERAL ASSEMBLY TO THE OFFICE FOR THE
13 PURPOSE OF ADMINISTERING THE PROGRAM. THE OFFICE'S
14 ADMINISTRATIVE EXPENSES FOR THE PROGRAM IN A FISCAL YEAR SHALL
15 NOT EXCEED FIVE PERCENT OF THE MONEYS TRANSFERRED OR
16 APPROPRIATED TO THE FUND IN THE FISCAL YEAR. THE OFFICE SHALL
17 MAKE ALL EXPORT EXPENSE REIMBURSEMENTS FROM MONEYS IN THE
18 FUND.

19 (d) AS PROVIDED BY LAW, THE STATE TREASURER MAY INVEST ANY
20 UNEXPENDED MONEYS IN THE ADVANCED INDUSTRIES ACCELERATION
21 CASH FUND. ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT
22 AND DEPOSIT OF MONEYS IN THE FUND ARE CREDITED TO THE FUND. ANY
23 UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT
24 THE END OF A FISCAL YEAR SHALL NOT BE CREDITED OR TRANSFERRED TO
25 THE GENERAL FUND OR ANOTHER FUND; EXCEPT THAT ANY UNEXPENDED
26 AND UNENCUMBERED MONEYS REMAINING IN THE FUND UPON THE REPEAL
27 OF THIS SECTION ARE TRANSFERRED TO THE GENERAL FUND.

1 (9) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1,
2 2019.

3 **SECTION 2. Act subject to petition - effective date.** (1) Except
4 as set forth in subsection (2) of this section, this act takes effect at 12:01
5 a.m. on the day following the expiration of the ninety-day period after
6 final adjournment of the general assembly (August 7, 2013, if
7 adjournment sine die is on May 8, 2013); except that, if a referendum
8 petition is filed pursuant to section 1 (3) of article V of the state
9 constitution against this act or an item, section, or part of this act within
10 such period, then the act, item, section, or part will not take effect unless
11 approved by the people at the general election to be held in November
12 2014 and, in such case, will take effect on the date of the official
13 declaration of the vote thereon by the governor.

14 (2) Section 24-47-103 (8) (a) (V), Colorado Revised Statutes, as
15 enacted in section 1 of this act, takes effect only if House Bill 13-1142
16 becomes law and takes effect on the effective date of this act or House
17 Bill 13-1142, whichever is later.