

**First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 15-0457.02 Jery Payne x2157

**HOUSE BILL 15-1320**

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**HOUSE SPONSORSHIP**

**Young and Arndt**, Ginal, Becker J., Brown, Danielson

**SENATE SPONSORSHIP**

**Grantham**,

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**House Committees**

Agriculture, Livestock, & Natural Resources  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING A PROGRAM FOR FUNDING THE DEVELOPMENT OF**  
102             **AGRICULTURAL BUSINESSES, AND, IN CONNECTION THEREWITH,**  
103             **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 creates an agricultural grant and reimbursement program within the department of agriculture. The Colorado agricultural value-added development board will oversee the program. The following grants and requirements are established:

To be eligible for a proof-of-concept and feasibility study grant,

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.*

the applicant must:

- ! Submit a description of the project;
- ! Provide an analysis of the potential economic increase or competitive advantage for Colorado agriculture; and
- ! Have a dedicated source of funding that is at least 25% of the amount of the requested grant.

To be eligible for an early-stage capital and business expansion grant, an applicant must:

- ! Be headquartered in Colorado, have at least 50% of the applicant's employees residing in Colorado, or indicate that Colorado's agricultural industry will be the primary beneficiary of the project;
- ! Submit a description outlining the need for capital;
- ! Provide an analysis indicating that the project could enhance the commercialization of an agricultural product or service within Colorado; and
- ! Have a dedicated source of funding that is at least 200% of the amount of the requested grant.

To be eligible for a reimbursement of market development and promotion expenses, the applicant must:

- ! Employ fewer than 100 employees;
- ! Be headquartered in Colorado, have at least 50% of the applicant's employees residing in Colorado, or indicate that Colorado's agricultural industry will be the primary beneficiary of the project;
- ! Have a product that is market-ready;
- ! Have a dedicated source of funding that is at least 50% of the amount of the requested grant; and
- ! Have reimbursable project and expenses authorized by the board before the applicant incurs the expense.

The bill sets basic requirements for the programs and authorizes the board to establish administration policies. Funding limits are placed on each grant or reimbursement.

The bill also authorizes the board to fund promotional programs for Colorado agriculture.

An appropriation is made to implement the bill.

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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 finds that:

4 (a) Colorado's food and agriculture industry contributes annually

1 more than \$40 billion to the state's economy and supports more than  
2 170,000 jobs;

3 (b) The food and agriculture industry accounts for at least one of  
4 every ten jobs in nearly one-half of Colorado's counties;

5 (c) Colorado food and agricultural product exports have tripled in  
6 the past decade, now exceeding \$2 billion annually, and are purchased by  
7 customers in nearly 120 countries around the world;

8 (d) Colorado's food and agriculture industry is recognized as a key  
9 industry network for advancing the "Colorado Blueprint" for economic  
10 development, addressing the core objectives of:

11 (I) Building a business-friendly environment;

12 (II) Recruiting, growing, and retaining businesses;

13 (III) Increasing access to capital;

14 (IV) Creating and marketing a stronger Colorado brand;

15 (V) Educating and training the future workforce; and

16 (VI) Cultivating innovation and technology;

17 (e) Colorado's food and beverage manufacturing jobs increased by  
18 8 percent from 2008 to 2013, generating 1,900 new jobs during a time  
19 when Colorado's total jobs from manufacturing decreased 6.7 percent, an  
20 overall loss of 19,500 jobs; and

21 (f) In November 2014, a Colorado State University study  
22 identified the emergence of a food and agriculture innovation cluster in  
23 Colorado and a need for greater access to capital to assist in the creation  
24 and growth of food and agricultural businesses.

25 (2) The general assembly therefore declares that the creation of a  
26 development, investment, and promotional program for agriculture will  
27 help advance innovations and technologies for the benefit of Colorado's

1 food and agriculture industry and all of Colorado.

2 **SECTION 2.** In Colorado Revised Statutes, **add** 35-75-206 as  
3 follows:

4 **35-75-206. Agricultural innovations and market promotion -**  
5 **repeal. (1) Program administered by board.** THERE IS HEREBY  
6 CREATED THE AGRICULTURAL DEVELOPMENT AND INVESTMENT  
7 PARTNERSHIP PROGRAM TO AID AGRICULTURAL INNOVATION AND SUPPORT  
8 PROMOTIONAL MARKETING OPPORTUNITIES FOR AGRICULTURAL PRODUCTS  
9 AND SERVICES. THE BOARD SHALL ADMINISTER THE PROGRAM, WHICH  
10 INCLUDES PROOF-OF-CONCEPT AND FEASIBILITY STUDY GRANTS,  
11 EARLY-STAGE CAPITAL AND BUSINESS EXPANSION GRANTS, AND  
12 REIMBURSEMENT OF MARKET DEVELOPMENT AND PROMOTION EXPENSES.

13 **(2) Proof-of-concept and feasibility study grant.** (a) TO BE  
14 ELIGIBLE FOR A PROOF-OF-CONCEPT AND FEASIBILITY STUDY GRANT, THE  
15 APPLICANT MUST:  
16

17 (I) SUBMIT A DESCRIPTION OF THE PROJECT;  
18 (II) PROVIDE AN ANALYSIS OF THE POTENTIAL ECONOMIC INCREASE  
19 OR COMPETITIVE ADVANTAGE OF THE PROJECT FOR COLORADO  
20 AGRICULTURE; AND

21 (III) HAVE FUNDING DEDICATED TO THE PROJECT THAT IS AT LEAST  
22 TWENTY-FIVE PERCENT OF THE AMOUNT OF THE REQUESTED GRANT.

23 (b) THE BOARD SHALL NOT AWARD A GRANT OF MORE THAN ONE  
24 HUNDRED THOUSAND DOLLARS.

25 (3) **Early-stage capital and business-expansion grant.** (a) TO BE  
26 ELIGIBLE FOR AN EARLY-STAGE CAPITAL AND BUSINESS EXPANSION  
27 GRANT, AN APPLICANT MUST:

1 (I) BE HEADQUARTERED IN COLORADO, HAVE AT LEAST FIFTY  
2 PERCENT OF THE APPLICANT'S EMPLOYEES RESIDING IN COLORADO, OR  
3 INDICATE THAT COLORADO'S AGRICULTURAL INDUSTRY WILL BE THE  
4 PRIMARY BENEFICIARY OF THE PROJECT;

5 (II) SUBMIT A DESCRIPTION OUTLINING THE NEED FOR CAPITAL;

6 (III) PROVIDE AN ANALYSIS INDICATING THAT THE SCOPE OF THE  
7 PROJECT COULD ENHANCE THE COMMERCIALIZATION OF AN  
8 AGRICULTURAL PRODUCT OR SERVICE WITHIN COLORADO; AND

9 (IV) HAVE FUNDING DEDICATED TO THE PROJECT THAT IS AT LEAST  
10 ONE HUNDRED PERCENT OF THE AMOUNT OF THE REQUESTED GRANT.

11 (b) THE BOARD SHALL NOT AWARD A GRANT OF MORE THAN TWO  
12 HUNDRED FIFTY THOUSAND DOLLARS.

13 (4) **Reimbursement of market development and promotion**  
14 **expenses.** (a) TO BE ELIGIBLE FOR A REIMBURSEMENT OF MARKET  
15 DEVELOPMENT AND PROMOTION EXPENSES, THE APPLICANT MUST:

16 (I) EMPLOY FEWER THAN ONE HUNDRED EMPLOYEES;

17 (II) BE HEADQUARTERED IN COLORADO, HAVE AT LEAST FIFTY  
18 PERCENT OF THE APPLICANT'S EMPLOYEES RESIDING IN COLORADO, OR  
19 INDICATE THAT COLORADO'S AGRICULTURAL INDUSTRY WILL BE THE  
20 PRIMARY BENEFICIARY OF THE PROJECT;

21 (III) HAVE A PRODUCT THAT IS MARKET-READY;

22 (IV) HAVE FUNDING DEDICATED TO THE PROJECT THAT IS AT LEAST  
23 FIFTY PERCENT OF THE AMOUNT OF THE REQUESTED GRANT; AND

24 (V) HAVE THE EXPENSES TO BE REIMBURSED AND THE PROJECT  
25 AUTHORIZED BY THE BOARD BEFORE THE APPLICANT INCURS THE EXPENSE.

26 (b) EXPENSES ELIGIBLE FOR REIMBURSEMENT MAY INCLUDE:

27 (I) DESIGN AND PRODUCTION OF MARKET MATERIALS;

1 (II) PARTICIPATION IN AN INTERNATIONAL OR DOMESTIC TRADE  
2 SHOW;

3 (III) LEGAL FEES FOR MARKETING AND PROMOTION OF THE  
4 PRODUCT OR SERVICE;

5 (IV) DUE DILIGENCE ON OR CREDIT REVIEWS OF POTENTIAL  
6 BUYERS AND DISTRIBUTORS; AND

7 (V) COMPLIANCE WITH INTERNATIONAL REQUIREMENTS FOR  
8 LABELING, PACKAGING, OR SHIPPING.

9 (c) THE BOARD SHALL NOT REIMBURSE EXPENSES OF MORE THAN  
10 FIFTEEN THOUSAND DOLLARS TO AN APPLICANT IN A FISCAL YEAR.

11 (5) **Grant and award policies.** (a) TO BE ELIGIBLE FOR A GRANT  
12 OR REIMBURSEMENT, AN APPLICANT MUST:

13 (I) BE REGISTERED WITH AND IN GOOD STANDING WITH THE  
14 SECRETARY OF STATE; AND

15 (II) IDENTIFY:

16 (A) THE NUMBER OF JOBS THAT COULD BE CREATED OR RETAINED  
17 IN THE STATE;

18 (B) THE ANTICIPATED CAPITAL INVESTED OR RETAINED IN THE  
19 STATE; AND

20 (C) ANY OTHER PROJECTED ECONOMIC EFFECTS THAT COULD  
21 RESULT FROM THE GRANT OR REIMBURSEMENT.

22 (b) THE BOARD SHALL NOT REIMBURSE A RECIPIENT UNLESS THE  
23 RECIPIENT HAS USED THE MATCHING FUNDS REQUIRED FOR THE GRANT OR  
24 REIMBURSEMENT.

25 (c) UPON COMPLETION OF THE PROJECT THAT WAS THE BASIS FOR  
26 THE AWARD OF A GRANT, A RECIPIENT SHALL IDENTIFY HOW THE FUNDS  
27 WERE USED, THE NUMBER OF JOBS CREATED OR RETAINED IN THE STATE,

1 CAPITAL INVESTED OR RETAINED, AND ANY OTHER ECONOMIC EFFECTS  
2 THAT RESULTED FROM THE GRANT.

3 (6) **Fund administration.** (a) THE BOARD SHALL ESTABLISH  
4 PROCEDURES AND TIMELINES FOR:

5 (I) THE APPLICATION PROCESS;

6 (II) CRITERIA USED IN DETERMINING AWARD AMOUNTS AND  
7 PROJECT TIME PERIODS;

8 (III) GRANTEE REPORTING REQUIREMENTS; AND

9 (IV) ANY OTHER PROGRAM POLICIES.

10 (b) THE BOARD MAY AMEND THESE POLICIES AT ANY TIME.

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12 (7) **Business incubators and aggregators.** THE BOARD MAY  
13 IMPLEMENT THIS SECTION BY MAKING GRANTS TO BUSINESS INCUBATORS  
14 AND AGGREGATORS WHO AGREE TO MAKE GRANTS BASED ON THE  
15 REQUIREMENTS AND PURPOSES OF THIS SECTION.

16 (8) **Appropriations.** (a) THE GENERAL ASSEMBLY SHALL  
17 ANNUALLY APPROPRIATE FROM THE GENERAL FUND FIVE HUNDRED  
18 THOUSAND DOLLARS TO IMPLEMENT THIS SECTION.

19 (b) THIS SUBSECTION (9) IS REPEALED, EFFECTIVE JULY 1, 2020.

20 **SECTION 3. Appropriation.** For the 2015-16 state fiscal year,  
21 \$500,000 is appropriated to the department of agriculture for use by the  
22 Colorado agricultural value-added development board. To implement this  
23 act, the department may use this appropriation for administration of this  
24 act or making grants or reimbursements to fund agricultural innovations  
25 under this act. Any moneys appropriated in this section not expended  
26 prior to July 1, 2016, are further appropriated to the department of  
27 agriculture for the 2016-17 state fiscal year for the same purpose.

1           **SECTION 4. Act subject to petition - effective date.** This act  
2 takes effect at 12:01 a.m. on the day following the expiration of the  
3 ninety-day period after final adjournment of the general assembly (August  
4 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a  
5 referendum petition is filed pursuant to section 1 (3) of article V of the  
6 state constitution against this act or an item, section, or part of this act  
7 within such period, then the act, item, section, or part will not take effect  
8 unless approved by the people at the general election to be held in  
9 November 2016 and, in such case, will take effect on the date of the  
10 official declaration of the vote thereon by the governor.