

**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. 13-0620.02 Ed DeCecco x4216

HOUSE BILL 13-1001

HOUSE SPONSORSHIP

Young and Gerou, Ferrandino

SENATE SPONSORSHIP

Heath and Steadman,

House Committees

Business, Labor, Economic, & Workforce Development

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AN ADVANCED INDUSTRY GRANT PROGRAM, AND, IN**
102 **CONNECTION THEREWITH, ENACTING THE "ADVANCED**
103 **INDUSTRIES ACCELERATION ACT"; ADDING REPRESENTATIVES**
104 **FROM ADVANCED INDUSTRIES TO THE ECONOMIC DEVELOPMENT**
105 **COMMISSION; REPEALING THE BIOSCIENCE DISCOVERY**
106 **EVALUATION GRANT PROGRAM AND THE CLEAN TECHNOLOGY**
107 **DISCOVERY EVALUATION GRANT PROGRAM; AND CREATING THE**
108 **COLORADO ADVANCED INDUSTRIES ACCELERATION CASH FUND**
109 **TO BE USED TO PROVIDE PROOF-OF-CONCEPT GRANTS,**
110 **EARLY-STAGE CAPITAL AND RETENTION GRANTS, AND**
111 **INFRASTRUCTURE FUNDING GRANTS.**

Bill Summary

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
February 11, 2013

(Note: This summary applies to this bill as introduced and does not necessarily 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 the advanced industries acceleration grant program (program) in the Colorado office of economic development (office). The following industries are defined to be advanced industries: Advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and information technology.

The program includes the following types of grants:

- ! A proof-of-concept grant for an advanced industry research project to an eligible office of technology transfer;
- ! An early-stage capital and retention grant to an eligible company for the purpose of accelerating the commercialization of advanced industry products or services to be manufactured or performed in the state; and
- ! An infrastructure grant for an advanced industry project that builds or utilizes infrastructure to support or enhance the commercialization of advanced industry products or services or that contributes to the development of an advanced industry workforce.

Each type of grant has its own eligibility requirements, preferences, and maximum grant amounts. If an applicant qualifies for a preference, the maximum grant amounts do not apply. All grant applicants are required to identify the anticipated number of jobs created or retained in the state, capital invested or attracted in the state, and any other economic impacts that may result from the grant.

The program absorbs the bioscience discovery evaluation grant program and the clean technology discovery evaluation grant program, which are both repealed in the bill.

In administering the program, the office is required to:

- ! Consult with the economic development commission about all of the potential grants and monetary incentives that a grant applicant is eligible for;
- ! Consult with Colorado-based advanced industries or representatives from advanced industries about the program;
- ! Require a minimum amount of grant moneys for bioscience and clean technology projects and companies, which is based on existing funding from the repealed programs that provide grants for those industries; and
- ! Annually report to legislative committees about the program.

All program grants are made from the advanced industries acceleration cash fund. The fund consists of moneys transferred from the bioscience discovery evaluation cash fund prior to the fund's repeal; limited gaming moneys that were previously used in the bioscience discovery evaluation grant program; income tax withholdings that were to be split between the bioscience discovery evaluation grant program and the clean technology discovery evaluation grant program; gifts, grants, or donations; and any moneys that the general assembly appropriates to the fund.

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

2 **SECTION 1. Short title.** This act shall be known and may be
3 cited as the "Colorado Advanced Industries Acceleration Act".

4 **SECTION 2.** In Colorado Revised Statutes, 12-47.1-701, **amend**
5 **as amended by Senate Bill 13-133** (2) (a) (II) as follows:

6 **12-47.1-701. Limited gaming fund - created.** (2) (a) Except as
7 provided in paragraph (b) of this subsection (2), at the end of the 2012-13
8 state fiscal year and at the end of each state fiscal year thereafter, the state
9 treasurer shall transfer the state share as follows:

10 (II) (A) FOR THE 2012-13 AND 2013-14 STATE FISCAL YEARS, five
11 million five hundred thousand dollars to the bioscience discovery
12 evaluation cash fund for the implementation of the bioscience discovery
13 evaluation grant program created in section 24-48.5-108, C.R.S. THIS
14 SUB-SUBPARAGRAPH (A) IS REPEALED, EFFECTIVE JANUARY 1, 2015;

15 (B) FOR THE 2014-15 STATE FISCAL YEAR AND EACH STATE FISCAL
16 YEAR THEREAFTER, FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS TO
17 THE ADVANCED INDUSTRIES ACCELERATION CASH FUND, CREATED IN
18 SECTION 24-48.5-117, C.R.S.;

19 **SECTION 3.** In Colorado Revised Statutes, 24-46-102, **amend**
20 (3) as follows:

1 **24-46-102. Colorado economic development commission -**
2 **creation - membership - definition.** (3) (a) The commission shall
3 consist of the governor or the governor's designee and eight members
4 who shall be appointed no later than August 1, 1996, as follows: Four
5 members shall be appointed by the governor; two members shall be
6 appointed by the speaker of the house of representatives; and two
7 members shall be appointed by the president of the senate.

8 (b) ON AND AFTER SEPTEMBER 1, 2013, THE COMMISSION
9 INCLUDES TWO ADDITIONAL MEMBERS TO REPRESENT ADVANCED
10 INDUSTRIES. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
11 PRESIDENT OF THE SENATE SHALL EACH APPOINT ONE MEMBER, AND THESE
12 MEMBERS MUST HAVE ADVANCED INDUSTRY BUSINESS AND RESEARCH
13 EXPERIENCE. IN MAKING THESE APPOINTMENTS, THE SPEAKER AND THE
14 PRESIDENT SHALL GIVE PREFERENCE TO A PERSON WHOSE EXPERIENCE IS
15 IN MORE THAN ONE ADVANCED INDUSTRY.

16 (c) No member of the general assembly shall be appointed as a
17 member of the commission. The governor shall appoint at least one
18 person from west of the continental divide and one person from the
19 eastern slope predominately from the rural area. Members shall serve at
20 the pleasure of their appointing authority.

21 (d) AS USED IN THIS SUBSECTION (3), "ADVANCED INDUSTRY"
22 MEANS THE FOLLOWING INDUSTRIES:

- 23 (I) ADVANCED MANUFACTURING;
- 24 (II) AEROSPACE;
- 25 (III) BIOSCIENCE;
- 26 (IV) ELECTRONICS;
- 27 (V) ENERGY AND NATURAL RESOURCES;

1 (VI) INFRASTRUCTURE ENGINEERING; AND

2 (VII) INFORMATION TECHNOLOGY.

3 **SECTION 4.** In Colorado Revised Statutes, 24-46-104, **amend**

4 (1) (o); and **add** (1) (p) as follows:

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

7 (o) To oversee the Colorado office of film, television, and media
8 loan guarantee program pursuant to section 24-48.5-115 and the
9 performance-based incentive for film production in Colorado pursuant to
10 section 24-48.5-116; AND

11 (p) TO CONSULT WITH THE COLORADO OFFICE OF ECONOMIC
12 DEVELOPMENT PURSUANT TO SECTION 24-48.5-117.

13 **SECTION 5.** In Colorado Revised Statutes, 24-48.5-108, **amend**

14 (6); and **add** (5) (c) as follows:

15 **24-48.5-108. Bioscience research - evaluation - grants - fund**
16 **- definitions - repeal.** (5) **Fund.** (c) NOTWITHSTANDING ANY PROVISION
17 OF THIS SUBSECTION (5) TO THE CONTRARY, THE STATE TREASURER SHALL
18 TRANSFER ANY UNEXPENDED AND UNENCUMBERED MONEYS IN THE FUND
19 AS OF JANUARY 1, 2015, TO THE ADVANCED INDUSTRIES ACCELERATION
20 CASH FUND CREATED IN SECTION 24-48.5-117 (7) (a). THE COLORADO
21 OFFICE OF ECONOMIC DEVELOPMENT SHALL MAKE PROGRAM GRANTS IN
22 ACCORDANCE WITH THIS SECTION UNTIL THE MONEYS IN THE FUND ARE
23 TRANSFERRED.

24 (6) This section is repealed, effective ~~July 1, 2024~~ JANUARY 2,
25 2015.

26 **SECTION 6.** In Colorado Revised Statutes, **add** 24-48.5-117 as
27 follows:

1 **24-48.5-117. Advanced industry - grants - fund - definitions -**

2 **repeal. (1) Legislative declaration.** (a) THE GENERAL ASSEMBLY FINDS
3 AND DECLARES THAT COLORADO IS HOME TO A NETWORK OF ASSETS AND
4 RESOURCES, WHICH INCLUDE RESEARCH UNIVERSITIES, COMMUNITY
5 COLLEGES, FEDERAL LABORATORIES, INNOVATIVE COMPANIES,
6 MANUFACTURING INFRASTRUCTURE, WORKFORCE TRAINING INSTITUTIONS,
7 AND ENTREPRENEURS. TO DRIVE GROWTH IN COLORADO'S ECONOMY, THE
8 STATE MUST FOCUS ON INCREASING THE CAPACITY AND COMPETITIVENESS
9 OF THESE ASSETS AND RESOURCES AND THEREBY ATTRACT GREATER
10 INVESTMENT AND PROVIDE A COMPETITIVE ADVANTAGE FOR COLORADO'S
11 ADVANCED INDUSTRIES. INVESTMENT IN ADVANCED INDUSTRIES WILL
12 BUILD PUBLIC-PRIVATE PARTNERSHIPS, DRIVE INNOVATION, AND INCREASE
13 CAPITAL INVESTMENT IN COLORADO'S ECONOMY.

14 (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT
15 INVESTMENT IN ADVANCED INDUSTRIES WILL:

- 16 (I) DRIVE GROWTH IN HIGH-PAYING, HIGH-SKILL JOBS;
- 17 (II) ALIGN EDUCATIONAL INSTITUTIONS TO CREATE THE
18 WORKFORCE FOR ADVANCED INDUSTRY NEEDS;
- 19 (III) INCREASE EXPORTS AND COMPETITIVENESS IN GLOBAL
20 MARKETS;
- 21 (IV) ACCELERATE THE COMMERCIALIZATION OF TECHNOLOGIES;
- 22 AND
- 23 (V) PROMOTE RESEARCH AND DEVELOPMENT CAPABILITIES
24 ACROSS RESEARCH UNIVERSITIES, COMMUNITY COLLEGES, AND FEDERAL
25 LABORATORIES.

26 (c) THE GENERAL ASSEMBLY RECOGNIZES THE VALUE OF
27 CROSS-SECTOR COLLABORATION AND PARTNERSHIPS WITH RESEARCH

1 INSTITUTIONS AND INDUSTRY AND ENCOURAGES THE COLORADO OFFICE
2 OF ECONOMIC DEVELOPMENT TO PLAY AN ACTIVE ROLE IN ALIGNING
3 RESOURCES TO CREATE AND IMPLEMENT STRATEGIC INITIATIVES ACROSS
4 ADVANCED INDUSTRIES.

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

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

7 (I) ADVANCED MANUFACTURING;

8 (II) AEROSPACE;

9 (III) BIOSCIENCE;

10 (IV) ELECTRONICS;

11 (V) ENERGY AND NATURAL RESOURCES;

12 (VI) INFRASTRUCTURE ENGINEERING; AND

13 (VII) INFORMATION TECHNOLOGY.

14 (b) "FUND" MEANS THE ADVANCED INDUSTRIES ACCELERATION
15 CASH FUND CREATED IN PARAGRAPH (a) OF SUBSECTION (7) OF THIS
16 SECTION.

17 (c) "OFFICE OF ECONOMIC DEVELOPMENT" OR "OFFICE" MEANS THE
18 COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION
19 24-48.5-101.

20 (d) "OFFICE OF TECHNOLOGY TRANSFER" MEANS AN OFFICE THAT:

21 (I) IS AFFILIATED WITH A RESEARCH INSTITUTE;

22 (II) IS RESPONSIBLE FOR TECHNOLOGY TRANSFERS; AND

23 (III) ARRANGES FOR THE SALE OR LICENSURE OF AN ADVANCED
24 INDUSTRY PROJECT TO A PRIVATE ENTITY.

25 (e) "PROGRAM" MEANS THE ADVANCED INDUSTRIES
26 ACCELERATION GRANT PROGRAM CREATED IN SUBSECTION (3) OF THIS
27 SECTION.

1 (f) "RESEARCH INSTITUTION" MEANS AN INSTITUTION LOCATED
2 AND OPERATING IN COLORADO THAT IS A:

3 (I) PUBLIC OR PRIVATE, NONPROFIT INSTITUTION OF HIGHER
4 EDUCATION OR TEACHING HOSPITAL;

5 (II) FEDERAL LABORATORY;

6 (III) PRIVATE TECHNOLOGY AND RESEARCH CENTER; OR

7 (IV) PRIVATE, NONPROFIT MEDICAL AND RESEARCH CENTER.

8 (3) **Program.** (a) THE ADVANCED INDUSTRIES ACCELERATION
9 GRANT PROGRAM IS CREATED WITHIN THE [REDACTED] OFFICE OF ECONOMIC
10 DEVELOPMENT. THE PURPOSE OF THE PROGRAM IS TO ACCELERATE
11 ECONOMIC GROWTH THROUGH GRANTS THAT IMPROVE AND EXPAND THE
12 DEVELOPMENT OF ADVANCED INDUSTRIES, FACILITATE THE
13 COLLABORATION OF ADVANCED INDUSTRY STAKEHOLDERS, AND FURTHER
14 THE DEVELOPMENT OF NEW ADVANCED INDUSTRY PRODUCTS AND
15 SERVICES. THE [REDACTED] OFFICE OF ECONOMIC DEVELOPMENT SHALL ADMINISTER
16 THE PROGRAM, WHICH INCLUDES PROOF-OF-CONCEPT GRANTS,
17 EARLY-STAGE CAPITAL AND RETENTION GRANTS, AND INFRASTRUCTURE
18 FUNDING GRANTS. ALL GRANTS ARE FROM MONEYS IN THE ADVANCED
19 INDUSTRIES ACCELERATION CASH FUND CREATED IN SUBSECTION (7) OF
20 THIS SECTION. EXCEPT FOR THE REPORTING REQUIREMENT IN SUBSECTION
21 (6) OF THIS SECTION, THE PROGRAM ENDS ON JULY 1, 2024, AND ALL
22 GRANTS MUST BE DISBURSED PRIOR TO THAT DATE.

23 (b) (I) THE OFFICE OF ECONOMIC DEVELOPMENT MAY AWARD A
24 PROOF-OF-CONCEPT GRANT FOR AN ADVANCED INDUSTRY RESEARCH
25 PROJECT TO AN ELIGIBLE OFFICE OF TECHNOLOGY TRANSFER.

26 (II) TO BE ELIGIBLE FOR A PROOF-OF-CONCEPT GRANT, AN OFFICE
27 OF TECHNOLOGY TRANSFER MUST:

1 (A) SUBMIT A DESCRIPTION OF THE ADVANCED INDUSTRY
2 RESEARCH PROJECT;

3 (B) PROVIDE AN ANALYSIS DEMONSTRATING THAT THE PROJECT
4 WILL PROVIDE SIGNIFICANT ECONOMIC IMPACT OR COMPETITIVE
5 ADVANTAGE FOR THE STATE AND ADVANCED INDUSTRIES AND THAT IT
6 WILL ACCELERATE THE PACE OF APPLIED RESEARCH LEADING TO RAPID
7 COMMERCIALIZATION OF PRODUCTS AND SERVICES RESULTING FROM THE
8 PROJECT; AND

9 (C) HAVE A DEDICATED, MATCHING SOURCE OF MONEYS FROM ITS
10 AFFILIATED RESEARCH INSTITUTION THAT IS GREATER THAN OR EQUAL TO
11 ONE-THIRD OF THE AMOUNT OF THE REQUESTED GRANT.

12 (III) IN SELECTING THE RECIPIENTS OF A PROOF-OF-CONCEPT
13 GRANT, THE OFFICE OF ECONOMIC DEVELOPMENT SHALL GIVE PREFERENCE
14 TO PROJECTS SPONSORED BY AN OFFICE OF TECHNOLOGY TRANSFER THAT:

15 (A) INCLUDE IMPACTS ACROSS MORE THAN ONE ADVANCED
16 INDUSTRY; █

17 (B) INVOLVE MORE THAN ONE RESEARCH INSTITUTION OR
18 ADVANCED INDUSTRY STAKEHOLDER; OR

19 (C) ORIGINATE FROM A NONPROFIT RESEARCH INSTITUTION.

20 (IV) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF SUBSECTION (4)
21 OF THIS SECTION, THE MAXIMUM AMOUNT OF A PROOF-OF-CONCEPT GRANT
22 IS ONE HUNDRED FIFTY THOUSAND DOLLARS.

23 (V) A RECIPIENT OF A PROOF-OF-CONCEPT GRANT SHALL USE THE
24 GRANT ONLY TO ACCELERATE PRODUCT OR SERVICE COMMERCIALIZATION
25 AND SHALL NOT USE THE GRANT TO SUPPORT BASIC RESEARCH.

26 (c) (I) THE OFFICE OF ECONOMIC DEVELOPMENT MAY AWARD AN
27 EARLY-STAGE CAPITAL AND RETENTION GRANT TO AN ELIGIBLE COMPANY

1 FOR THE PURPOSE OF ACCELERATING THE COMMERCIALIZATION OF
2 ADVANCED INDUSTRY PRODUCTS OR SERVICES TO BE MANUFACTURED OR
3 PERFORMED IN COLORADO.

4 (II) TO BE ELIGIBLE FOR AN EARLY-STAGE CAPITAL AND
5 RETENTION GRANT, A COMPANY MUST:

6 (A) BE IN AN ADVANCED INDUSTRY;

7 (B) HAVE ITS HEADQUARTERS LOCATED IN COLORADO OR HAVE AT
8 LEAST FIFTY PERCENT OF ITS EMPLOYEES BASED IN COLORADO;

9 (C) HAVE RECEIVED LESS THAN TWENTY MILLION DOLLARS FROM
10 OTHER GRANTS AND THIRD-PARTY INVESTORS;

11 (D) HAVE ANNUAL REVENUES OF LESS THAN TEN MILLION
12 DOLLARS;

13 (E) PROVIDE AN ANALYSIS DEMONSTRATING THAT THE SCOPE OF
14 THE PROJECT IS REQUIRED TO ENHANCE THE COMMERCIALIZATION OF ONE
15 OR MORE ADVANCED INDUSTRY PRODUCTS OR SERVICES WITHIN THE
16 STATE; AND

17 (F) HAVE A DEDICATED, MATCHING SOURCE OF MONEYS THAT IS
18 GREATER THAN OR EQUAL TO TWICE THE AMOUNT OF THE REQUESTED
19 GRANT.

20 (III) IN SELECTING THE RECIPIENT OF AN EARLY-STAGE CAPITAL
21 AND RETENTION GRANT, THE OFFICE OF ECONOMIC DEVELOPMENT SHALL
22 GIVE PREFERENCE TO A COMPANY WHOSE TECHNOLOGY OR RESEARCH AND
23 DEVELOPMENT HAS APPLICATION TO MORE THAN ONE ADVANCED
24 INDUSTRY.

25 (IV) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF SUBSECTION (4)
26 OF THIS SECTION, THE MAXIMUM AMOUNT OF AN EARLY-STAGE CAPITAL
27 AND RETENTION GRANT IS TWO HUNDRED FIFTY THOUSAND DOLLARS.

1 (d) (I) THE OFFICE OF ECONOMIC DEVELOPMENT MAY AWARD AN
2 INFRASTRUCTURE FUNDING GRANT FOR AN ADVANCED INDUSTRY PROJECT
3 THAT BUILDS OR UTILIZES INFRASTRUCTURE TO SUPPORT OR ENHANCE THE
4 COMMERCIALIZATION OF ADVANCED INDUSTRY PRODUCTS OR SERVICES OR
5 THAT CONTRIBUTES TO THE DEVELOPMENT OF AN ADVANCED INDUSTRY
6 WORKFORCE.

7 (II) TO BE ELIGIBLE FOR AN INFRASTRUCTURE FUNDING GRANT, A
8 PROJECT MUST:

9 (A) SUBSTANTIALLY INCREASE ALIGNMENT BETWEEN PRIVATE
10 COMPANIES WITHIN AN ADVANCED INDUSTRY AND RESEARCH
11 INSTITUTIONS; AND

12 (B) HAVE A MATCHING SOURCE OF MONEYS THAT IS GREATER
13 THAN OR EQUAL TO TWICE THE AMOUNT OF THE REQUESTED GRANT.

14 (III) IN SELECTING RECIPIENTS FOR THE INFRASTRUCTURE FUNDING
15 GRANTS, THE OFFICE OF ECONOMIC DEVELOPMENT SHALL GIVE
16 PREFERENCE TO PROJECTS THAT:

17 (A) ACCELERATE ECONOMIC GROWTH IN MORE THAN ONE
18 ADVANCED INDUSTRY OR INCLUDE MORE THAN ONE RESEARCH
19 INSTITUTION OR ADVANCED INDUSTRY STAKEHOLDER;

20 (B) ORIGINATE FROM NONPROFIT RESEARCH INSTITUTIONS;

21 (C) FOCUS ON APPLIED RESEARCH AND DEVELOPMENT,
22 TECHNOLOGY ACCELERATION, OR PRODUCTION-ORIENTED OR
23 MANUFACTURING-ORIENTED FACILITIES; OR

24 (D) FOCUS ON WORKFORCE DEVELOPMENT THAT ADDRESSES THE
25 ADVANCED INDUSTRIES' WORKFORCE SKILLS THAT ARE NEEDED TO
26 FACILITATE COMMERCIALIZATION OF PRODUCTS OR SERVICES.

27 (IV) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF SUBSECTION (4)

1 OF THIS SECTION, THE MAXIMUM AMOUNT OF AN INFRASTRUCTURE
2 FUNDING GRANT IS FIVE HUNDRED THOUSAND DOLLARS.

3 (4) **Common grant policies.** ANY GRANT AWARDED PURSUANT TO
4 SUBSECTION (3) OF THIS SECTION IS SUBJECT TO THE FOLLOWING:

5 (a) IN ORDER TO BE ELIGIBLE FOR A GRANT, A GRANT APPLICANT
6 MUST:

7 (I) IDENTIFY THE NUMBER OF JOBS THAT WILL BE CREATED OR
8 RETAINED IN THE STATE, ANTICIPATED CAPITAL INVESTED OR RETAINED IN
9 THE STATE, AND ANY OTHER PROJECTED ECONOMIC IMPACTS THAT WILL
10 RESULT FROM THE GRANT; AND

11 (II) SUBMIT ANY INFORMATION REQUIRED BY THE OFFICE OF
12 ECONOMIC DEVELOPMENT TO BE ELIGIBLE FOR A GRANT;

13 (b) A LIMIT ON THE MAXIMUM AMOUNT OF GRANTS DOES NOT
14 APPLY TO ANY APPLICANT THAT QUALIFIES FOR A PREFERENCE IDENTIFIED
15 IN SUBSECTION (3) OF THIS SECTION;

16 (c) THE OFFICE OF ECONOMIC DEVELOPMENT SHALL NOT PAY A
17 GRANT TO A RECIPIENT UNLESS THE RECIPIENT HAS RECEIVED THE
18 MATCHING SOURCE OF MONEYS THAT IS REQUIRED FOR THE GRANT;

19 (d) (I) UPON COMPLETION OF A PROJECT THAT WAS THE BASIS OF
20 A GRANT, A RECIPIENT SHALL IDENTIFY HOW THE GRANT WAS USED, THE
21 NUMBER OF JOBS CREATED OR RETAINED IN THE STATE, CAPITAL INVESTED
22 OR RETAINED IN THE STATE, AND ANY OTHER ECONOMIC IMPACTS THAT
23 RESULTED FROM THE GRANT; AND

24 (II) RETURN ANY UNUSED GRANT MONEYS TO THE OFFICE OF
25 ECONOMIC DEVELOPMENT, WHICH SHALL TRANSFER THE MONEYS TO THE
26 STATE TREASURER FOR DEPOSIT IN THE ADVANCED INDUSTRIES
27 ACCELERATION CASH FUND.

1 (5) **Grant administration.** (a) ON OR BEFORE SEPTEMBER 1,
2 2013, THE OFFICE OF ECONOMIC DEVELOPMENT SHALL ESTABLISH
3 PROCEDURES AND TIMELINES FOR GRANT APPLICATIONS; CRITERIA FOR
4 DETERMINING GRANT AMOUNTS, INCLUDING HOW PREFERENCES WILL BE
5 APPLIED; GRANTEE REPORTING REQUIREMENTS; AND ANY OTHER PROGRAM
6 POLICIES. THE OFFICE MAY AMEND THESE POLICIES AT ANY TIME.

7 (b) PRIOR TO AWARDING A GRANT, THE OFFICE OF ECONOMIC
8 DEVELOPMENT SHALL CONSULT WITH THE ECONOMIC DEVELOPMENT
9 COMMISSION ABOUT ALL OF THE POTENTIAL GRANTS AND OTHER
10 MONETARY INCENTIVES THAT AN OFFICE OF TECHNOLOGY TRANSFER,
11 COMPANY, OR PROJECT IS ELIGIBLE TO RECEIVE FROM THE STATE.

12 (c) THE OFFICE OF ECONOMIC DEVELOPMENT SHALL CONSULT WITH
13 COLORADO-BASED ADVANCED INDUSTRIES ASSOCIATIONS OR OTHER
14 REPRESENTATIVES FROM ADVANCED INDUSTRIES ABOUT THE PROGRAM.
15 THIS CONSULTATION MUST INCLUDE REVIEWING OF PROGRAM GRANT
16 APPLICATIONS AND MONITORING AND EVALUATING THE GRANTEES AND
17 THE ADVANCED INDUSTRY PROJECTS.

18 (d) SUBJECT TO THE AVAILABLE MONEYS, THERE IS NO LIMIT ON
19 THE NUMBER OF GRANTS THAT THE OFFICE OF ECONOMIC DEVELOPMENT
20 MAY ANNUALLY AWARD.

21 (e) (I) IN THE 2014 CALENDAR YEAR, THE OFFICE OF ECONOMIC
22 DEVELOPMENT SHALL AWARD, AT A MINIMUM, AN AMOUNT EQUAL TO
23 ONE-HALF OF THE AMOUNT CREDITED TO THE FUND ON MARCH 1, 2014,
24 PURSUANT TO SECTION 39-22-604.3, C.R.S., FOR PROGRAM GRANTS TO
25 CLEAN TECHNOLOGY COMPANIES OR PROJECTS.

26 (II) IN THE 2015 CALENDAR YEAR AND EACH CALENDAR YEAR

1 THEREAFTER, THE OFFICE OF ECONOMIC DEVELOPMENT SHALL AWARD, AT
2 A MINIMUM:

3 (A) FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS FOR
4 PROGRAM GRANTS TO BIOSCIENCE COMPANIES OR PROJECTS; AND

5 (B) AN AMOUNT EQUAL TO ONE-HALF OF THE AMOUNT CREDITED
6 TO THE FUND DURING THE YEAR PURSUANT TO SECTION 39-22-604.3,
7 C.R.S., FOR PROGRAM GRANTS TO CLEAN TECHNOLOGY COMPANIES OR
8 PROJECTS.

9 (III) THE OFFICE OF ECONOMIC DEVELOPMENT MAY USE ANY
10 MONEYS IN THE FUND THAT ARE NOT REQUIRED FOR THE MANDATORY
11 GRANTS UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH (e) FOR PROGRAM
12 GRANTS TO COMPANIES OR PROJECTS FROM ANY OF THE SEVEN ADVANCED
13 INDUSTRIES.

14 (f) THE OFFICE OF ECONOMIC DEVELOPMENT SHALL AWARD AT
15 LEAST FIFTEEN PERCENT OF THE TOTAL PROGRAM GRANTS IN A CALENDAR
16 YEAR TO EACH OF THE THREE TYPES OF GRANTS. IF THE OFFICE IS UNABLE
17 TO AWARD THIS PERCENTAGE IN A GIVEN YEAR DUE TO A LACK OF
18 QUALIFIED APPLICANTS, THE DEFICIENCY DOES NOT ROLL FORWARD TO THE
19 NEXT YEAR.

20 (6) **Reporting.** (a) ON OR BEFORE NOVEMBER 1, 2014, AND
21 NOVEMBER 1 OF THE NEXT TEN YEARS THEREAFTER, THE OFFICE OF
22 ECONOMIC DEVELOPMENT SHALL SUBMIT A REPORT TO THE FINANCE AND
23 THE BUSINESS, LABOR, AND ECONOMIC AND WORKFORCE DEVELOPMENT
24 COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND TO THE BUSINESS,
25 LABOR, AND TECHNOLOGY AND THE FINANCE COMMITTEES OF THE SENATE,
26 OR ANY SUCCESSOR COMMITTEES, SUMMARIZING ALL OF THE GRANTS
27 AWARDED IN THE PROGRAM DURING THE PRECEDING FISCAL YEAR. AT A

1 MINIMUM, THE REPORT MUST INCLUDE THE AMOUNT THAT EACH RECIPIENT
2 RECEIVED, A DESCRIPTION OF EACH RECIPIENT'S USE OF THE GRANT, THE
3 NUMBER OF JOBS CREATED OR RETAINED IN THE STATE, CAPITAL INVESTED
4 OR RETAINED IN THE STATE, AND ANY OTHER ECONOMIC IMPACTS THAT
5 RESULTED FROM THE GRANT.

6 (b) SECTION 24-1-136 (11) DOES NOT APPLY TO THE REPORT
7 REQUIRED BY PARAGRAPH (a) OF THIS SUBSECTION (6).

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

10 (I) MONEYS TRANSFERRED TO IT PURSUANT TO SECTION
11 24-48.5-108 (5) (c);

12 (II) MONEYS CREDITED TO IT PURSUANT TO SECTION 39-22-604.3,
13 C.R.S.;

14 (III) MONEYS TRANSFERRED TO IT PURSUANT TO SECTION
15 12-47.1-701 (2), C.R.S.;

16 (IV) MONEYS CREDITED TO IT PURSUANT TO SUBPARAGRAPH (II)
17 OF PARAGRAPH (d) OF SUBSECTION (4) OF THIS SECTION;

18 (V) ANY GIFTS, GRANTS, OR DONATIONS CREDITED TO IT PURSUANT
19 TO PARAGRAPH (b) OF THIS SUBSECTION (7); AND

20 (VI) ANY OTHER MONEYS THAT THE GENERAL ASSEMBLY
21 APPROPRIATES TO IT.

22 (b) (I) THE OFFICE OF ECONOMIC DEVELOPMENT IS AUTHORIZED
23 TO SEEK AND ACCEPT GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR
24 PUBLIC SOURCES FOR THE PURPOSES OF THE PROGRAM; EXCEPT THAT THE
25 OFFICE MAY NOT ACCEPT A GIFT, GRANT, OR DONATION THAT IS SUBJECT
26 TO CONDITIONS THAT ARE INCONSISTENT WITH THIS SECTION OR ANY
27 OTHER LAW OF THE STATE. THE OFFICE SHALL TRANSMIT ALL PRIVATE AND

1 PUBLIC MONEYS RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO
2 THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE FUND.

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

8 (c) THE MONEYS IN THE FUND ARE CONTINUOUSLY APPROPRIATED
9 TO THE OFFICE OF ECONOMIC DEVELOPMENT FOR THE PURPOSE OF
10 AWARDING GRANTS ALLOWED BY THIS SECTION AND FOR ITS
11 ADMINISTRATIVE COSTS ASSOCIATED WITH THE PROGRAM. THE OFFICE'S
12 ADMINISTRATIVE EXPENSES FOR THE PROGRAM IN A FISCAL YEAR SHALL
13 NOT EXCEED FIVE PERCENT OF THE MONEYS TRANSFERRED OR
14 APPROPRIATED TO THE FUND IN THE FISCAL YEAR.

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

24 (8) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1,
25 2025.

26 **SECTION 7.** In Colorado Revised Statutes, 39-22-604.3, **amend**
27 (3) (b) and (4) as follows:

1 **39-22-604.3. Innovation reinvestment - withholding - transfers**
2 **- bioscience - clean technology - short title - legislative declaration -**
3 **definitions - repeal.** (3) As used in this section, unless the context

4 otherwise requires:

5 (b) "Bioscience or clean technology industry code" means any of
6 the following codes within the North American industry classification
7 system established by the federal office of management and budget:
8 311221, 311222, 311223, 325193, 325199, 325221, 325311, 325312,
9 325314, 325320, 325411, 325412, 325413, 325414, 334510, 334516,
10 334517, 339111, 339112, 339113, 339114, 339115, 339116, 541380,
11 541710, 621511, 621512, 221111, ~~221119, 221330, 237110, 237130,~~
12 ~~238220, 325188, 333414, 333611, 334413, 334512, 335312, 335911,~~
13 ~~335999, 336111, 423720, 541620, 541690, and 541712~~ 221114, 221115,
14 221116, 221117, 221118, 221330, 237110, 237130, 238220, 325188,
15 333414, 333611, 334413, 334512, 335312, 335911, 335999, 336111,
16 336510, 423720, 541620, 541690, 541712, AND ANY SUCCESSOR CODES.

17 (4) Notwithstanding any provision of law to the contrary,
18 beginning March 1, 2014, and March 1 of the next nine years thereafter,
19 the state treasurer shall credit an amount equal to one-half of the
20 bioscience and clean technology income tax withholding growth from the
21 moneys remitted by employers to the department of revenue pursuant to
22 section 39-22-604 to the ~~bioscience discovery evaluation cash fund~~
23 ~~created in section 24-48.5-108 (5), C.R.S., and the clean technology~~
24 ~~discovery evaluation cash fund created in section 24-48.5-111 (5), C.R.S.,~~
25 ~~with each fund receiving an equal share~~ ADVANCED INDUSTRIES
26 ACCELERATION CASH FUND CREATED IN SECTION 24-48.5-117 (7), C.R.S.

27 **SECTION 8.** In Colorado Revised Statutes, **repeal** 24-48.5-111.

1 **SECTION 9. 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 7, 2013, if adjournment sine die is on May 8, 2013); 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 2014 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.