

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

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

Prime Sponsors: Reps. Young and Gerou
Sens. Heath and Steadman

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Date Prepared: May 1, 2013

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 01/16/13.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
XXX	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Business, Labor, Economic, and Workforce Development Committee Report (01/17/13) and the House on Second Reading (02/11/13) includes amendments to the bill:

- In accordance with S.B. 13-133 (Distribution Of State Share Of Ltd Gaming Revenues), for the 2012-13 and 2013-14 fiscal years, the Bioscience Discovery Evaluation Cash Fund will receive a transfer of \$5,500,000 from the Limited Gaming Fund;
- For FY 2014-15, and each fiscal year thereafter, the transfer of \$5,500,000 from the Limited Gaming Fund to the Bioscience Discovery Evaluation Cash Fund is eliminated and replaced by a transfer to the Advanced Industries Acceleration Cash Fund of the same amount;
- Transfers the balance of the Bioscience Discovery Evaluation Cash Fund to the Advanced Industries Acceleration Cash Fund on January 1, 2015. Legislative Council Staff and JBC Staff agree that this transfer will be approximately \$2,750,000;
- Clarifies that an amount equal to one half of the amount credited to the Advanced Industries Acceleration Cash Fund pursuant to Section 39-22-604.3, C.R.S. (enacted via S.B. 11-047,

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and estimated to be \$1,231,508) on March 1, 2014, and March 1 of each year thereafter, will be used for program grants to clean technology companies or projects;

- In calendar year 2015, and each calendar year thereafter, the Governor's Office of Economic Development and International Trade shall award \$5,500,000 for grants to bioscience projects;
- The Office may use any excess moneys not required to be expended for bioscience or clean technology grants for grants to any of the seven advanced industries;
- Clarifies that the Office shall award at least 15.0 percent of total program grants in a calendar year to each of the three grant types (proof-of-concept, early-stage capital and retention, and infrastructure funding). If the Office is unable to award this percentage in a given year due to a lack of qualified applicants, the deficiency does not roll forward to the next year; and
- Clarifies the industry codes that apply to the tax withholding structure in Section 39-22-604.3, C.R.S. (enacted via S.B. 11-047).

The amendments change the fiscal impact of the bill, as outlined above. Legislative Council Staff and JBC Staff agree with this assessment.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.003	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause for FY 2013-14.

Description of Amendments in This Packet

J.003 Staff has prepared amendment **J.003** (attached) to add a provision decreasing the FY 2013-14 Long Bill appropriation for the Bioscience Discovery Evaluation line item in the Office from \$7,963,016 from the Bioscience Discovery Evaluation Cash Fund to \$5,500,000 cash funds (a reduction of \$2,463,016 cash funds). House Bill 13-1001 amends current law to transfer \$2,463,016 cash funds from Section 39-22-604.3, C.R.S. (enacted via S.B. 11-047) to the Advanced Industries Acceleration Cash Fund. Moneys in the Advanced Industries Acceleration Cash Fund are continuously appropriated to the Office. As such, an appropriation clause is not required to give spending authority to the Office from the Advanced Industries Acceleration Cash Fund.

Points to Consider

Technical Issues

Is it necessary to "continuously appropriate" moneys in the Advanced Industries Acceleration Cash Fund? This method of funding the activities of the Office of Economic Development and International Trade essentially moves related expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process.