

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 22-1026.04 Megan Waples x4348

HOUSE BILL 22-1408

HOUSE SPONSORSHIP

Herod,

SENATE SPONSORSHIP

(None),

House Committees

Business Affairs & Labor
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE COLORADO**
102 **PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN**
103 **COLORADO.**

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://leg.colorado.gov>.)

The bill creates a film incentive task force to study how to make the performance-based incentive for film production in Colorado more effective. The task force is required to submit its findings to the house of representatives business affairs and labor committee and the senate business, labor, and technology committee by January 1, 2023.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

The executive director of the office of economic development is authorized, in the executive director's discretion, to authorize the approval or issuance of an incentive in an amount that exceeds the current statutory limit of 20% of qualifying local expenditures for a production company that qualifies for an incentive.

The bill makes a \$2 million transfer from the general fund to the Colorado office of film, television, and media operational account cash fund for fiscal year 2022-23.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-48.5-116.5
3 as follows:

4 **24-48.5-116.5. Film incentive task force - creation - study -**
5 **report - repeal.** (1) THE FILM INCENTIVE TASK FORCE, REFERRED TO IN
6 THIS SECTION AS THE "TASK FORCE", IS HEREBY CREATED. THE TASK
7 FORCE CONSISTS OF THE FOLLOWING **EIGHT** MEMBERS:

8 (a) TWO MEMBERS OF THE COLORADO HOUSE OF
9 REPRESENTATIVES, ONE FROM THE MINORITY PARTY AND ONE FROM THE
10 MAJORITY PARTY, APPOINTED BY THE SPEAKER OF THE HOUSE;

11 (b) TWO MEMBERS OF THE COLORADO SENATE, ONE FROM THE
12 MINORITY PARTY AND ONE FROM THE MAJORITY PARTY, APPOINTED BY
13 THE PRESIDENT OF THE SENATE;

14 (c) ONE REPRESENTATIVE OF THE MOTION PICTURE ASSOCIATION,
15 APPOINTED BY THE EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC
16 DEVELOPMENT;

17 (d) ONE REPRESENTATIVE OF THE FILM AND TELEVISION
18 PRODUCTION LABOR SECTOR, APPOINTED BY THE EXECUTIVE DIRECTOR OF
19 THE OFFICE OF ECONOMIC DEVELOPMENT; [REDACTED]

20 (e) ONE REPRESENTATIVE FROM A BUSINESS SCHOOL IN A
21 COLORADO INSTITUTION OF HIGHER EDUCATION, APPOINTED BY THE

1 EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT; AND

2 (f) THE DIRECTOR OF THE OFFICE OF FILM, TELEVISION, AND MEDIA
3 CREATED IN SECTION 24-48.5-115 OR THE DIRECTOR'S DESIGNEE.

4 (2) MEMBERS OF THE TASK FORCE SERVE WITHOUT
5 COMPENSATION; EXCEPT THAT EACH LEGISLATIVE MEMBER OF THE TASK
6 FORCE IS ENTITLED TO RECEIVE PAYMENT OF PER DIEM AND
7 REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES AS AUTHORIZED
8 IN SECTION 2-2-326.

9 (3) THE TASK FORCE SHALL CONDUCT A STUDY AND PREPARE A
10 REPORT WITH RECOMMENDATIONS ON HOW TO MAKE THE
11 PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN COLORADO
12 MORE EFFECTIVE. IN CONDUCTING THE STUDY, THE TASK FORCE MAY
13 CONSULT WITH AND CONDUCT OUTREACH TO STAKEHOLDERS AND
14 INTERESTED PARTIES.

15 (4) THE TASK FORCE SHALL SUBMIT ITS REPORT TO THE HOUSE OF
16 REPRESENTATIVES BUSINESS AFFAIRS AND LABOR COMMITTEE AND THE
17 SENATE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE, OR THEIR
18 SUCCESSOR COMMITTEES, NO LATER THAN JANUARY 1, 2023.

19 (5) THE OFFICE OF ECONOMIC DEVELOPMENT SHALL PROVIDE
20 OFFICE SPACE, EQUIPMENT, AND STAFF SERVICES AS MAY BE NECESSARY
21 TO IMPLEMENT THIS SECTION.

22 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2023.

23 **SECTION 2.** In Colorado Revised Statutes, 24-48.5-116, **amend**
24 (1) introductory portion, (1)(a), (1)(b), and (5)(a)(II); and **add** (1.5) and
25 (5)(a.5) as follows:

26 **24-48.5-116. Film, television, and media - performance-based**
27 **incentive for film production in Colorado - Colorado office of film,**

1 **television, and media operational account cash fund - creation -**

2 **definition.** (1) Subject to the provisions of this section, on or after July
3 1, 2012, any production company employing a workforce for any in-state
4 production activities made up of at least fifty percent Colorado residents
5 ~~shall be allowed to~~ MAY claim a performance-based incentive in an
6 amount as follows:

7 (a) EXCEPT AS PROVIDED IN SUBSECTION (1.5) OF THIS SECTION, for
8 a production company that originates production activities in Colorado,
9 an amount equal to twenty percent of the total amount of the production
10 company's qualified local expenditures if the total of such expenditures
11 equals or exceeds one hundred thousand dollars; and

12 (b) (I) Except as provided in ~~subparagraph (II) of this paragraph~~
13 ~~(b)~~ SUBSECTIONS (1)(b)(II) AND (1.5) OF THIS SECTION, for a production
14 company that does not originate production activities in Colorado, an
15 amount equal to twenty percent of the total amount of the production
16 company's qualified local expenditures if the total of such expenditures
17 equals or exceeds one million dollars.

18 (II) EXCEPT AS PROVIDED IN SUBSECTION (1.5) OF THIS SECTION,
19 for a production company that produces a television commercial or video
20 game and that does not originate production activities in Colorado, any
21 production company employing a workforce for any in-state production
22 activities made up of at least fifty percent Colorado residents ~~shall be~~
23 ~~allowed to~~ MAY claim a performance-based incentive in an amount equal
24 to twenty percent of the total amount of the production company's
25 qualified local expenditures if the total of such expenditures equals or
26 exceeds two hundred fifty thousand dollars.

27 (1.5) THE EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC

1 DEVELOPMENT MAY, IN THE EXECUTIVE DIRECTOR'S DISCRETION,
2 AUTHORIZE THE APPROVAL OR ISSUANCE OF AN INCENTIVE IN AN AMOUNT
3 THAT EXCEEDS TWENTY PERCENT OF LOCAL EXPENDITURES FOR A
4 PRODUCTION COMPANY THAT QUALIFIES FOR AN INCENTIVE UNDER
5 SUBSECTION (1) OF THIS SECTION.

6 (5) (a) There is hereby created in the state treasury the Colorado
7 office of film, television, and media operational account cash fund,
8 referred to in this section as the "fund". The fund consists of:

9 (II) Money transferred to the fund, including ~~three million dollars~~
10 ~~that shall be transferred on July 1, 2012, and~~ five million dollars that shall
11 be transferred on July 1, 2021, from the general fund, ~~and~~ up to one
12 million dollars transferred pursuant to section 24-32-129 (3)(b)(II) to the
13 Colorado office of film, television, and media operational account cash
14 fund, AND MONEY TRANSFERRED PURSUANT TO SUBSECTION (5)(a.5) OF
15 THIS SECTION; and

16 (a.5) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER
17 TWO MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

18 **SECTION 3. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, or safety.