



Legislative Council Staff

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Final Fiscal Note

Drafting Number: LLS 21-0897 **Date:** September 7, 2021
Prime Sponsors: Rep. Benavidez; Herod **Bill Status:** Signed into Law
 Sen. Jaquez Lewis; Buckner **Fiscal Analyst:** Erin Reynolds | 303-866-4146
 Erin.Reynolds@state.co.us

Bill Topic: **FUNDING TO SUPPORT CREATIVE ARTS INDUSTRIES**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill provides funding to support the creative arts industries and arts-related economic development. It creates two state transfers and increases state expenditures in FY 2020-21 and FY 2021-22. Local governments that receive funding will have an increase in revenue and expenditures.

Appropriation Summary: The bill includes appropriations totaling \$23.0 million to the Office of Economic Development and International Trade. See State Appropriations section.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 21-1285

		Current Year FY 2020-21	Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-	-
Expenditures	General Fund ¹	\$5.0 million	-	-
	Cash Funds	-	up to \$18.0 million	-
	Total Expenditures	\$5.0 million	up to \$18.0 million	-
Transfers	General Fund		(\$5.0 million)	
	Cash Funds	-	up to (\$13.0 million)	-
	Cash Funds	-	up to \$18.0 million	-
	Net Transfer	-	\$0	-
TABOR Refund		-	-	-

¹ Funds appropriated in the current FY 2020-21 may be spent through FY 2021-22.

Summary of Legislation

The bill provides funding to support the creative arts industries and arts-related economic development.

Colorado Office of Film, Television, and Media. The bill transfers \$5.0 million in FY 2021-22 from the General Fund to the Colorado Office of Film, Television, and Media Operational Account Cash Fund and appropriates this funding for use in awarding performance-based incentives for film production in Colorado and for the loan guarantee program to finance production activities.

Creative Industries. The bill appropriates \$5.0 million in FY 2020-21, with spending authority through FY 2021-22, from the General Fund to the Creative Industries Cash Fund. Of this amount:

- \$3.5 million is directed to the arts relief program, and the bill removes the prohibition against an applicant that received a relief payment from the small business relief program from also receiving a relief payment under the arts relief program; and
- \$1.5 million is directed to the Creative Industries Cash Fund for allocation by the Creative Industries Division to a nonprofit organization that administers grants to certain cultural facilities that focus on programming for, and have board representation from, defined historically marginalized and under-resourced communities.

Small Business Relief Program Transfer. The bill transfers unencumbered or unexpended funds for the Small Business Relief Program in the Department of Local Affairs by June 30, 2021, as follows:

- up to \$12.0 million to the Creative Industries Cash Fund; and
- up to \$1.0 million to the Colorado Office of Film, Television, and Media Operational Account Cash Fund.

Reporting. Finally, the bill requires various reporting on the use of the funds appropriated in this bill.

State Transfers

In FY 2021-22, the bill transfers \$5.0 million from the General Fund to the Colorado Office of Film, Television, and Media Operational Account Cash Fund.

The bill also transfers any remaining funding for the Small Business Relief Program to the Creative Industries Cash Fund and to the Colorado Office of Film, Television, and Media Operational Account Cash Fund. These amounts are expected to be up to \$12.0 million and \$1.0 million, respectively.

State Expenditures

Beginning in the current FY 2020-21 through FY 2021-22, expenditures will increase in the Office of Economic Development by up to \$23.0 million. As outlined in the bill, the Colorado Office of Film, Television, and Media will use up to \$6.0 million to award performance-based incentives for film production in Colorado and for the loan guarantee program to finance production activities. The Creative Industries Council will direct up to \$15.5 million to the Arts Relief Program and \$1.5 million

to a nonprofit organization that administers grants to certain cultural facilities that focus on programming for and have board representation from, historically marginalized and under-resourced communities.

Local Government

Any local government entity that is the recipient of incentives or grants under the bill will have increased revenue and expenditures.

Effective Date

The bill was signed into law by the Governor and took effect June 14, 2021.

State Appropriations

In FY 2020-21, the bill includes an appropriation of \$5,000,000 from the General Fund to the Creative Industries Cash Fund in OEDIT, which is appropriated through FY 2021-22. It also requires an appropriation of up to \$12,000,000 in transferred funds to this fund.

In FY 2021-22, the bill includes an appropriation of \$5,000,000 from the Colorado Office of Film, Television, and Media Operational Account Cash Fund to OEDIT. It also requires an appropriation of up to \$1,000,000 in transferred funds to this fund.

State and Local Government Contacts

Economic Development

Governor

Local Affairs