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Fiscal Note

Drafting Number: LLS 21-0897 Date: April 23, 2021
Prime Sponsors: Rep. Benavidez; Herod Bill Status: House Business
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Bill Topic: FUNDING TO SUPPORT CREATIVE ARTS INDUSTRIES

- Summary of Fiscal Impact:
State Revenue (unchecked)
State Expenditure (checked)
State Transfer (checked)
TABOR Refund (unchecked)
Local Government (checked)
Statutory Public Entity (unchecked)

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 appropriates \$5.0 million in the current FY 2020-21 and \$5.0 million in FY 2021-22 to the Office of Economic Development and International Trade.

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

Table 1
State Fiscal Impacts Under HB 21-1285

Table with 4 columns: Category, Sub-category, Current Year FY 2020-21, Budget Year FY 2021-22, Out Year FY 2022-23. Rows include Revenue, Expenditures (General Fund, Cash Funds, Total Expenditures), Transfers (General Fund, Cash Funds, Net Transfer), and TABOR Refund.

1 Funds may be spent in 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 and appropriates \$5.0 million in FY 2021-22 from the General Fund to the Colorado Office of Film, Television, and Media Operational Account Cash Fund 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 any money unencumbered or unexpended for the small business relief program in the Department of Local Affairs by June 30, 2021, to the Creative Industries Cash Fund for the arts relief program.

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.

At the end of FY 2021-22, the bill transfers any remaining funding for the Small Business Relief Program to the Creative Industries Cash Fund for the arts relief program. This amount has not been determined.

State Expenditures

Beginning in the current FY 2020-21 through FY 2021-22, expenditures will increase in the Office of Economic Development by \$10.0 million. As outlined in the bill, the Colorado Office of Film, Television, and Media will use \$5.0 million to award performance-based incentives for film production in Colorado and for the loan guarantee program to finance production activities. In addition, the Creative Industries Council will direct \$3.5 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 takes effect upon signature of the Governor, or upon becoming law without his signature.

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.

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.

State and Local Government Contacts

Economic Development

Governor

Local Affairs