

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 22-1026.04 Megan Waples x4348

HOUSE BILL 22-1408

HOUSE SPONSORSHIP

Herod and Esgar,

SENATE SPONSORSHIP

Hisey and Moreno,

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, AND, IN CONNECTION THEREWITH, MAKING AN**
104 **APPROPRIATION.**

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

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.

HOUSE
Amended 2nd Reading
April 29, 2022

representatives business affairs and labor committee and the senate business, labor, and technology committee by January 1, 2023.

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 **NINE** 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 **OF AMERICA**, APPOINTED BY THE EXECUTIVE DIRECTOR OF THE OFFICE OF
16 ECONOMIC DEVELOPMENT;

17 (d) ONE MEMBER **RECOMMENDED BY CONSENSUS FROM A**
18 **COALITION OF STATEWIDE LABOR ORGANIZATIONS ACTIVELY INVOLVED IN**
19 **REPRESENTING THE WORK FORCE WITHIN PRODUCTION**, APPOINTED BY THE
20 **EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT. A**

1 STATEWIDE LABOR ORGANIZATION IS A STATE-LEVEL ORGANIZATION WITH
2 MULTIPLE AFFILIATES IN THE STATE OR AN ORGANIZATION THAT HAS
3 JURISDICTION FOR THE ENTIRE STATE.

4 (e) ONE MEMBER RECOMMENDED BY CONSENSUS FROM A
5 COALITION OF STATEWIDE LABOR ORGANIZATIONS ACTIVELY INVOLVED IN
6 REPRESENTING THE WORK FORCE WITHIN THE INDUSTRY TALENT AND
7 ON-CAMERA PERFORMERS, APPOINTED BY THE EXECUTIVE DIRECTOR OF
8 THE OFFICE OF ECONOMIC DEVELOPMENT. A STATEWIDE LABOR
9 ORGANIZATION IS A STATE-LEVEL ORGANIZATION WITH MULTIPLE
10 AFFILIATES IN THE STATE OR AN ORGANIZATION THAT HAS JURISDICTION
11 FOR THE ENTIRE STATE.

12 (f) ONE REPRESENTATIVE FROM A BUSINESS SCHOOL IN A
13 COLORADO INSTITUTION OF HIGHER EDUCATION, APPOINTED BY THE
14 EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT; AND

15 (g) THE DIRECTOR OF THE OFFICE OF FILM, TELEVISION, AND MEDIA
16 CREATED IN SECTION 24-48.5-115 OR THE DIRECTOR'S DESIGNEE.

17 (2) MEMBERS OF THE TASK FORCE SERVE WITHOUT
18 COMPENSATION; EXCEPT THAT EACH LEGISLATIVE MEMBER OF THE TASK
19 FORCE IS ENTITLED TO RECEIVE PAYMENT OF PER DIEM AND
20 REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES AS AUTHORIZED
21 IN SECTION 2-2-326.

22 (3) THE TASK FORCE SHALL CONDUCT A STUDY AND PREPARE A
23 REPORT WITH RECOMMENDATIONS ON HOW TO MAKE THE
24 PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN COLORADO
25 MORE EFFECTIVE. IN CONDUCTING THE STUDY, THE TASK FORCE SHALL
26 CONSULT WITH AND CONDUCT OUTREACH TO STAKEHOLDERS AND
27 INTERESTED PARTIES.

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

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

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

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

12 **24-48.5-116. Film, television, and media - performance-based**
13 **incentive for film production in Colorado - Colorado office of film,**
14 **television, and media operational account cash fund - creation -**
15 **definition.** (1) Subject to the provisions of this section, on or after July
16 1, 2012, any production company employing a workforce for any in-state
17 production activities made up of at least fifty percent Colorado residents
18 ~~shall be allowed to~~ MAY claim a performance-based incentive in an
19 amount as follows:

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

25 (b) (I) Except as provided in ~~subparagraph (II) of this paragraph~~
26 ~~(b)~~ SUBSECTIONS (1)(b)(II) AND (1.5) OF THIS SECTION, for a production
27 company that does not originate production activities in Colorado, an

1 amount equal to twenty percent of the total amount of the production
2 company's qualified local expenditures if the total of such expenditures
3 equals or exceeds one million dollars.

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

13 (1.5) THE EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC
14 DEVELOPMENT MAY, IN THE EXECUTIVE DIRECTOR'S DISCRETION,
15 AUTHORIZE THE APPROVAL OR ISSUANCE OF AN INCENTIVE IN AN AMOUNT
16 THAT EXCEEDS TWENTY PERCENT OF LOCAL EXPENDITURES FOR A
17 PRODUCTION COMPANY THAT QUALIFIES FOR AN INCENTIVE UNDER
18 SUBSECTION (1) OF THIS SECTION.

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

22 (II) Money transferred to the fund, including ~~three million dollars~~
23 ~~that shall be transferred on July 1, 2012, and~~ five million dollars that shall
24 be transferred on July 1, 2021, from the general fund, ~~and~~ up to one
25 million dollars transferred pursuant to section 24-32-129 (3)(b)(II) to the
26 Colorado office of film, television, and media operational account cash
27 fund, AND MONEY TRANSFERRED PURSUANT TO SUBSECTION (5)(a.5) OF

1 THIS SECTION; and

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

4 **SECTION 3. Appropriation.** (1) For the 2022-23 state fiscal
5 year, \$2,000,000 is appropriated to the office of the governor. This
6 appropriation is from the Colorado office of film, television, and media
7 operational account cash fund created in section 24-48.5-116 (5)(a),
8 C.R.S. To implement this act, the office of economic development and
9 international trade may use this appropriation for Colorado office of film,
10 television, and media.

11 (2) For the 2022-23 state fiscal year, \$2,131 is appropriated to the
12 legislative department for use by the general assembly. This appropriation
13 is from the general fund. To implement this act, the department may use
14 this appropriation for legislator per diem and expense reimbursements.

15 **SECTION 4. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, or safety.