

CHAPTER 355

GOVERNMENT - STATE

HOUSE BILL 22-1408

BY REPRESENTATIVE(S) Herod and Esgar, Bacon, Cutter, Duran, Froelich, Lindsay, Lontine, McCluskie, McCormick, McLachlan, Michaelson Jenet, Sullivan, Titone, Valdez A., Valdez D., Woodrow, Garnett;
also SENATOR(S) Hisey and Moreno, Bridges, Jaquez Lewis, Pettersen.

AN ACT

CONCERNING MODIFICATIONS TO THE COLORADO PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION IN COLORADO, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

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

24-48.5-116.5. Film incentive task force - creation - study - report - repeal.

(1) THE FILM INCENTIVE TASK FORCE, REFERRED TO IN THIS SECTION AS THE "TASK FORCE", IS HEREBY CREATED. THE TASK FORCE CONSISTS OF THE FOLLOWING NINE MEMBERS:

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

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

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

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

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

STATE-LEVEL ORGANIZATION WITH MULTIPLE AFFILIATES IN THE STATE OR AN ORGANIZATION THAT HAS JURISDICTION FOR THE ENTIRE STATE.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) For the 2022-23 state fiscal year, \$2,131 is appropriated to the legislative department for use by the general assembly. This appropriation is from the general

fund. To implement this act, the department may use this appropriation for legislator per diem and expense reimbursements.

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

Approved: June 3, 2022