CHAPTER 259

GOVERNMENT - STATE

HOUSE BILL 13-1193


AN ACT

CONCERNING THE CREATION OF THE ADVANCED INDUSTRIES EXPORT ACCELERATION PROGRAM, 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 24-47-103 as follows:

24-47-103. Advanced industry - export acceleration program - definitions - repeal. (1) Legislative declaration. (a) The general assembly finds and declares that:

(I) Most consumers live outside of the United States of America;

(II) The international monetary fund forecasts that over the next five years eighty-seven percent of world economic growth will occur outside of this country;

(III) It is difficult for Colorado businesses, particularly small and mid-sized ones, to become exporters because of a lack of the requisite information and market research and other challenges related to international trade;

(IV) The Colorado International Trade Office has several exporting programs that enjoy significant returns on investment as measured by a business's international sales per dollar received.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.
(b) It is the intent of the General Assembly to create a new program that combines financial resources, training, and consulting services to provide a robust and comprehensive trade export promotion service for Colorado businesses.

(2) Definitions. As used in this section:

(a) "Advanced industry" means the following industries:

(I) Advanced manufacturing;

(II) Aerospace;

(III) Bioscience;

(IV) Electronics;

(V) Energy and natural resources;

(VI) Infrastructure engineering; and

(VII) Information technology.

(b) "Fund" means the Advanced Industries Export Acceleration Cash Fund created in paragraph (a) of subsection (8) of this section.

(c) "Office" means the Colorado International Trade Office created in section 24-47-101.

(d) "Program" means the Advanced Industries Export Acceleration Program created in paragraph (a) of subsection (3) of this section.

(3) The Advanced Industry Export Acceleration Program is created in the Colorado International Trade Office. The program is administered by the Office and includes export expense reimbursement, export training, and global network consultation.

(4) International export development expense reimbursement.

(a) Beginning January 1, 2014, the Office may reimburse a qualifying business under paragraph (c) of this subsection (4) for up to one-half of its international export development expenses.

(b) The maximum amount that a business may be reimbursed under this subsection (4) is fifteen thousand dollars. The Office may conditionally approve an expense prior to the business incurring it.

(c) In order to be eligible for an international export development expense reimbursement from the Office, a business must:

(I) Be in an advanced industry;
(II) Be new to exporting or expanding into a new export market;

(III) Employ fewer than two hundred employees globally;

(IV) Have its headquarters located in Colorado or have at least fifty percent of its employees based in Colorado;

(V) Have at least two years of domestic sales experience;

(VI) Show a profit during the last fiscal year;

(VII) Be registered and in good standing with the Colorado Secretary of State; and

(VIII) Have a product or service that is ready to be exported.

(d) Eligible international export development expenses include:

(I) Participation in an overseas trade mission;

(II) Participation in an international or domestic trade show;

(III) An international market sales trip;

(IV) Legal fees related to a contract, intellectual property protection, or other issues relating to exporting goods or services;

(V) Design or production of international marketing materials;

(VI) Due diligence on, or credit reviews of, potential international buyers and distributors;

(VII) Compliance with international requirements for labeling, packaging, or shipping;

(VIII) Translation services for a contract, an official document, marketing materials, or a web site;

(IX) Quality or environmental certifications; and

(X) Preparation of product documents, product registration, or assembly or maintenance instructions.

(e) The office shall not reimburse a business under this subsection (4) for any expense that a state agency would be prohibited under state law to reimburse an employee for.

(f) The office may establish conditions based on export sales under which the office receives payments from a business that received an international export development expense reimbursement. The office shall transfer any moneys so received to the state treasurer for deposit.
(g) On or before December 1, 2013, the office shall establish procedures and timelines for reimbursement applications; criteria for determining reimbursement amounts; recipient reporting requirements; and any other program policies. The office may amend these policies at any time.

(5) **Export training.** (a) The office shall provide export training for advanced industry businesses to learn about the fundamentals of exporting. The office may collaborate with private trade organizations and federal export assistance organizations to conduct the training. To the extent possible, the office shall tailor the curriculum to the needs and demands of each type of advanced industry.

(b) Export training may include conferences, seminars, and workshops on trade-related topics, which include challenges and opportunities in international trade. The conferences may include trade experts, exporting businesses, industry partners, and the office.

(c) The office may charge reasonable fees for a business to attend a training session. The office shall transfer these fees to the state treasurer for deposit in the fund.

(6) **Global network consultation.** (a) The office shall develop a global network of trade consultants in key international markets to assist the office in accelerating advanced industries exports. The types of services the office may utilize the consultants for include:

(I) Market research and other insights about the local markets;

(II) In-country introductions;

(III) Developing market entry strategies;

(IV) Matching Colorado companies with potential trade partners and distributors;

(V) Conducting due diligence on potential trade partners;

(VI) Helping companies define their competitive advantages;

(VII) Understanding a country’s importation process, including licensing requirements, tariffs and taxes, and applicable regulations; and

(VIII) Translation services and cultural interpretation.

(b) The office may match a Colorado business with a consultant for the services identified in paragraph (a) of this subsection (6), and other services. The office may pay the consultant on behalf of the business, and
THEN MAY CHARGE THE BUSINESS RECEIVING THE CONSULTING SERVICE FOR SOME OR ALL OF THE COSTS OF THE CONSULTATION. THE OFFICE SHALL TRANSFER ANY OF THESE FEES TO THE STATE TREASURER FOR DEPOSIT IN THE FUND.

(7) Reporting. (a) On or before November 1, 2014, and November 1 of the next four years thereafter, the office shall submit a report to the finance and the business, labor, economic, and workforce development committees of the house of representatives and to the business, labor, and technology and the finance committees of the senate, or any successor committees, summarizing program activities during the preceding fiscal year.

(b) Section 24-1-136 (11) does not apply to the report required by paragraph (a) of this subsection (8).

(8) Fund. (a) The advanced industries export acceleration cash fund is created in the state treasury. The fund consists of:

(I) Payments credited to the fund pursuant to paragraph (e) of subsection (4) of this section;

(II) Fees credited to the fund pursuant to paragraph (c) of subsection (5) and paragraph (b) of subsection (6) of this section;

(III) Any gifts, grants, or donations credited to it pursuant to paragraph (b) of this subsection (8);

(IV) Any moneys that the general assembly appropriates to it; and

(V) Three hundred thousand dollars that the state treasurer is required to transfer from the general fund to the fund on January 1, 2014, and January 1 of the next four years thereafter.

(b) (I) The office is authorized to seek and accept gifts, grants, or donations from private or public sources for the purposes of the program; except that the office may not accept a gift, grant, or donation that is subject to conditions that are inconsistent with this section or any other law of the state. The office shall transmit all private and public moneys received through gifts, grants, or donations to the state treasurer, who shall credit the same to the fund.

(II) The general assembly finds that the implementation of this program does not rely entirely or in any part on the receipt of adequate funding through gifts, grants, or donations. Therefore, the office is not subject to the notice requirements specified in section 24-75-1303 (3).

(c) The moneys in the fund are subject to annual appropriation by the general assembly to the office for the purpose of administering the program. The office's administrative expenses for the program in a fiscal year shall not exceed five percent of the moneys transferred or appropriated to the fund in the fiscal year. The office shall make all
(d) As provided by law, the state treasurer may invest any unexpended moneys in the Advanced Industries Acceleration Cash Fund. All interest and income derived from the investment and deposit of moneys in the Fund are credited to the Fund. Any unexpended and unencumbered moneys remaining in the Fund at the end of a fiscal year shall not be credited or transferred to the General Fund or another Fund; except that any unexpended and unencumbered moneys remaining in the Fund upon the repeal of this section are transferred to the General Fund.

(9) Repeal. This section is repealed, effective January 1, 2019.

SECTION 2. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the advanced industry export acceleration fund created in section 24-47-103 (8) (a), Colorado Revised Statutes, not otherwise appropriated, to the governor - lieutenant governor - state planning and budgeting, for the fiscal year beginning July 1, 2013, the sum of $300,000, or so much thereof as may be necessary, for allocation to economic development programs for the implementation of the advanced industry export acceleration program related to the implementation of this act.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2014 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 23, 2013