

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 10-0601

**Date:** January 30, 2010

**Prime Sponsor(s):** Rep. Massey

**Bill Status:** House Business Affairs and Labor

**Fiscal Analyst:** Harry Zeid (303-866-4753)

**TITLE:** CONCERNING THE CRITERIA TO QUALIFY FOR A PERFORMANCE-BASED INCENTIVE FOR FILM PRODUCTION ACTIVITIES IN COLORADO.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature. The bill applies to performance-based applications received by the Colorado Office of Film, Television, and Media on or after the effective date of the bill.		
<b>Appropriation Summary for FY 2010-2011:</b> None required - see the State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

HB10-1180 loosens the criteria required of a film production company to qualify for a performance-based incentive for film production activities in Colorado. Specifically, the bill:

- allows an incentive for a television commercial;
- incorporates the definition of "qualified payroll expenditure" into the definition of "qualified local expenditure";
- removes the requirement that the production company must spend at least 75 percent of its production expenditures on qualified local expenditures and qualified local payroll expenditures;
- reduces the minimum total qualified local expenditures for a production company that does not originate its film production activities in Colorado from \$1 million to \$250,000; and
- lowers the actual qualified local expenditures necessary to receive an incentive.

### **State Expenditures**

The bill does not change the amount of money that will be available for performance-based incentives for film production activities in Colorado. Rather, it modifies the criteria necessary to qualify for an incentive to make it easier for commercial and video-game producers to access incentive funds through the Colorado Office of Film, Television, and Media.

It has been reported that under the current requirements for the 10 percent incentive payment, no funds were awarded for film production activities in Colorado. For FY 2009-10, \$300,000 was appropriated to the Colorado Office of Film, Television, and Media Operational Account Cash Fund for performance-based incentives for film production. This bill will make it easier to award incentives from the fund.

### **State Appropriations**

Any increase in qualified film production activities will come from current or ongoing allocations to the fund. Since no moneys have been spent from the fund, the fund balance is sufficient to provide incentive awards as outlined in the bill. Therefore, no appropriation is required.

### **Departments Contacted**

Governor's Office