

Colorado Legislative Council Staff Fiscal Note

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0606	Date: July 13, 2012
Prime Sponsor(s): Rep. Ferrandino Sen. Heath	Bill Status: Signed into Law
	Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING ENTERPRISE ZONE DESIGNATIONS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures	See the State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect on June 6, 2012.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: None.		

Summary of Legislation

The bill creates a 15-member enterprise zone review task force. The Director of the Office of Economic Development and International Trade (OEDIT) or his designee, shall serve as chair of the task force. Task force members will be appointed by the OEDIT on or before July 1, 2012. Membership criteria are described in the bill. Members will not be compensated or reimbursed for expenses incurred in attending task force meetings. The task force will meet as often as necessary and shall review:

- criteria for designation of an enterprise zone;
- tax credits available within enterprise zones to assess their effectiveness in achieving the purposes of the enterprise zones and expanding economic development in the zones; and
- all other issues, as necessary, related to enterprise zones.

Progress reports, findings, and recommendations will be submitted to the House and Senate Finance Committees, the House Economic and Business Development Committee, and the Senate Business, Labor, and Technology Committee on or before November 1, 2013.

Beginning January 1, 2016, the Director of the OEDIT and the Colorado Economic Development Commission will review enterprise zone designations at least once every five years to ensure that existing enterprise zones continue to meet the criteria established by law. Recommendations for modification shall be reported to the Legislative Audit Committee as well as

to the House and Senate Finance Committees. Finally, except in periods of high unemployment, the bill authorizes the Director of OEDIT and the Commission to modify existing enterprise zone designations based on the results of the five-year review.

State Expenditures

The bill does not directly affect state expenditures, but it will increase the workload for OEDIT staff. This fiscal note assumes that among other responsibilities, OEDIT staff will coordinate meetings, set meeting agendas, provide supporting documentation, record meeting summaries, and prepare final task force reports for presentation to the General Assembly. Staff resources associated with task force activities will be conducted within the normal responsibilities of the office and within the office's annual budget. Furthermore, task force members will not be compensated or reimbursed for meeting expenses.

Beginning in 2016, enterprise zone designations will be reviewed at least every five years to ensure that the criteria to receive enterprise zone status is being maintained. The Director of OEDIT and the Commission may modify existing enterprise zone designations based on the results of the five-year review. Although the bill adds the five-year review, the authority to modify existing enterprise zone designation already exists in current law.

Departments Contacted

Governor's Office

Revenue

State Auditor