

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING AN ADVANCED INDUSTRY GRANT PROGRAM, AND, IN CONNECTION THEREWITH, ENACTING THE "ADVANCED INDUSTRIES ACCELERATION ACT"; ADDING REPRESENTATIVES FROM ADVANCED INDUSTRIES TO THE ECONOMIC DEVELOPMENT COMMISSION; REPEALING THE BIOSCIENCE DISCOVERY EVALUATION GRANT PROGRAM AND THE CLEAN TECHNOLOGY DISCOVERY EVALUATION GRANT PROGRAM; AND CREATING THE COLORADO ADVANCED INDUSTRIES ACCELERATION CASH FUND TO BE USED TO PROVIDE PROOF-OF-CONCEPT GRANTS, EARLY-STAGE CAPITAL AND RETENTION GRANTS, AND INFRASTRUCTURE FUNDING GRANTS.

Prime Sponsors: Reps. Young and Gerou
Sens. Heath and Steadman

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 01/16/13.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Business, Labor, Economic, and Workforce Development Committee Report (01/17/13) includes amendments to the bill. The committee amendments change the fiscal impact of the bill in that the remainder of the Bioscience Discovery Evaluation Cash Fund will be transferred to the Advanced Industries Acceleration Cash Fund on January 1, 2015 rather than the January 1, 2014 date included in the introduced bill. Legislative Council Staff and JBC Staff agree that all funds in the Bioscience Discovery Evaluation Cash Fund will be expended by January 1, 2015, thus the transfer of the remaining balance to the Advanced Industries Acceleration Cash Fund on January 1, 2015 will be zero dollars. Additionally, Legislative Council Staff and JBC Staff also agree that new information contained in the December 2012 Legislative Council Staff economic forecast indicates that the Bioscience Discovery Evaluation Cash Fund will receive a transfer of limited gaming tax revenue for FY 2013-14 that is \$244,505 less than the amount included in the most recent Legislative Council Staff Fiscal Note (a total limited gaming transfer of \$4,314,556 to the Bioscience Discovery Evaluation Cash Fund for FY 2013-14).

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2013-14. First, the bill redirects revenues for two existing cash funds to a newly created Advanced Industries Acceleration Cash Fund, and repeals the two existing cash funds. These two existing cash funds are subject to annual appropriation. Thus, absent this bill, the FY 2013-14 Long Bill will include cash fund appropriations from these two cash funds. For purposes of this fiscal analysis, staff assumes that this bill will pass prior to the introduction of the FY 2013-14 Long Bill (March 25). If this bill does not pass prior to the Long Bill introduction, this bill will require an appropriation clause that eliminates these two Long Bill appropriations.

Second, this bill redirects limited gaming moneys, certain income tax revenues, and the fund balance in the Bioscience Discovery Evaluation Cash Fund to the newly created Advanced Industries Acceleration Cash Fund. Moneys in the new fund are continuously appropriated to the Office of Economic Development for the purpose of administering the Advanced Industries Acceleration Grant Program.

Points to Consider

Is it necessary to "continuously appropriate" moneys in the Advanced Industries Acceleration Cash Fund? This method of funding the activities of the Office of Economic Development and International Trade essentially moves related expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process.