

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 13-0397.02 Kate Meyer x4348

HOUSE BILL 13-1003

HOUSE SPONSORSHIP

Lee and Garcia, Tyler

SENATE SPONSORSHIP

(None),

House Committees

Business, Labor, Economic, & Workforce Development

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF AN ECONOMIC GARDENING PILOT**
102 **PROJECT IN THE COLORADO OFFICE OF ECONOMIC**
103 **DEVELOPMENT.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates an economic gardening pilot project in the Colorado office of economic development (office). Through the pilot project, staff members of the office and small business development centers (SBDCs) who have been trained and certified in economic

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

gardening principles and practices provide 12 months of strategic assistance to at least 20 Colorado-headquartered second-stage companies and SBDC clients selected by the state director of SBDCs in the office. The state director reports annually on the results of the pilot project to the general assembly, and the pilot project terminates in 2016.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) Colorado's persistently high unemployment rate during the
5 recent recession has created economic and social hardships for the people
6 of the state;

7 (b) Local start-up companies and small businesses are likely, as
8 they grow, to remain in their communities of origin, thereby creating local
9 jobs and an economic multiplier effect with their payrolls and taxes while
10 providing local economic stimuli, which increases the local tax base;

11 (c) Statewide economic prosperity and job creation are advanced
12 significantly by creating, promoting, and retaining local start-up
13 companies and small businesses with high growth potential;

14 (d) Entrepreneurs and small business owners of second-stage
15 companies, which are those companies that are beyond the start-up stage
16 but have not yet fully matured, with innovative products or services that
17 satisfy market needs, have particular potential for expansion and job
18 creation;

19 (e) Such entrepreneurs and owners can benefit from specialized
20 business assistance to refine core strategies and from access to in-depth
21 market research, competitor analyses, geographic information systems,
22 search engine optimization, and other strategic information, as well as
23 from relationships with mentors and advisers;

1 (f) The aspects of economic gardening that incorporate these
2 principles have proven successful in improving the entrepreneurial
3 process and promoting economically sustainable local businesses; and

4 (g) It is important to the overall health and growth of the state's
5 economy to promote favorable conditions for those expanding Colorado
6 businesses that demonstrate the ability to grow.

7 (2) In recognition of the foregoing findings and principles, it is the
8 intent of the general assembly to create a Colorado economic gardening
9 pilot project in the Colorado office of economic development.

10 **SECTION 2.** In Colorado Revised Statutes, **add** 24-48.5-102.5
11 as follows:

12 **24-48.5-102.5. Economic gardening pilot project - small**
13 **business development centers - economic gardening pilot project fund**
14 **- created - annual report - definitions - repeal.** (1) AS USED IN THIS
15 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

16 (a) "COLORADO COMPANIES TO WATCH" MEANS BUSINESSES THAT
17 HAVE BEEN NOMINATED AND MET THE ELIGIBILITY CRITERIA FOR AN
18 AWARDS PROGRAM OPERATED BY A NATIONAL PHILANTHROPIC
19 FOUNDATION IDENTIFIED BY THE STATE DIRECTOR, REGARDLESS OF
20 WHETHER THE BUSINESSES ACTUALLY WON AWARDS SUBSEQUENT TO
21 NOMINATION.

22 (b) "ECONOMIC GARDENING" MEANS AN APPROACH TO ECONOMIC
23 GROWTH AND DEVELOPMENT THAT EMPHASIZES NURTURING AND
24 CULTIVATING LOCAL SMALL BUSINESSES BY PROVIDING STRATEGIC
25 ASSISTANCE TO SECOND-STAGE COMPANIES.

26 (c) "KEY INDUSTRY" MEANS AN INDUSTRY CRITICAL TO THE
27 COLORADO ECONOMY, AS IDENTIFIED BY THE OFFICE.

1 (d) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
2 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

3 (e) "PILOT PROJECT" MEANS THE ECONOMIC GARDENING PILOT
4 PROJECT CREATED IN THIS SECTION.

5 (f) "SECOND-STAGE COMPANY" MEANS A PRIVATELY HELD
6 BUSINESS THAT:

7 (I) EMPLOYS FULL-TIME AT LEAST SIX PERSONS BUT NOT MORE
8 THAN NINETY-NINE PERSONS;

9 (II) HAS MAINTAINED ITS PRINCIPAL PLACE OF BUSINESS AND A
10 MAJORITY OF ITS EMPLOYEES IN COLORADO FOR AT LEAST THE PREVIOUS
11 TWO YEARS;

12 (III) CLAIMS AT LEAST FIVE HUNDRED THOUSAND DOLLARS BUT
13 NOT MORE THAN FIFTY MILLION DOLLARS AS ANNUAL GROSS REVENUE OR
14 WORKING CAPITAL; AND

15 (IV) HAS A PRODUCT OR SERVICE THAT IS, OR HAS THE POTENTIAL
16 TO BE, SOLD OUTSIDE THE COMPANY'S LOCAL AREA OR STATE.

17 (g) "STATE DIRECTOR" MEANS THE STATE DIRECTOR OF SMALL
18 BUSINESS DEVELOPMENT CENTERS, OR ANY SUCCESSOR DIVISION, IN THE
19 OFFICE.

20 (h) "STRATEGIC ASSISTANCE" OR "ECONOMIC GARDENING
21 STRATEGIC ASSISTANCE" MEANS PERFORMING HIGH-LEVEL CONSULTING OR
22 DATABASE RESEARCH AND ANALYSIS OR THE DEPLOYMENT OF OFFICE AND
23 SMALL BUSINESS DEVELOPMENT CENTER STAFF MEMBERS CERTIFIED
24 UNDER SUBSECTION (4) OF THIS SECTION TO PERFORM MARKET RESEARCH,
25 DEVELOP CORE STRATEGIES, CONDUCT BUSINESS MODELING, IDENTIFY
26 QUALIFIED SALES LEADS, PROVIDE GROWTH FINANCING REFERRALS,
27 PERFORM SEARCH ENGINE OPTIMIZATION, UTILIZE GEOGRAPHIC

1 INFORMATION SYSTEMS, ADVISE ON NEW MEDIA MARKETING, OR ASSIST
2 WITH NETWORK ANALYSES AND INNOVATION STRATEGIES.

3 (2) THERE IS HEREBY CREATED WITHIN THE OFFICE THE ECONOMIC
4 GARDENING PILOT PROJECT. THE PURPOSE OF THE PILOT PROJECT IS TO
5 STIMULATE COLORADO'S ECONOMY AND CREATE GOOD-PAYING,
6 SUSTAINABLE JOBS BY PROVIDING ECONOMIC GARDENING STRATEGIC
7 ASSISTANCE SERVICES TO SECOND-STAGE COMPANIES IN ACCORDANCE
8 WITH THIS SECTION.

9 (3) THE STATE DIRECTOR SHALL OVERSEE, AND DIRECT ALL
10 RESOURCES FOR THE EXECUTION OF, THE PILOT PROJECT, INCLUDING
11 DEVELOPING THE PROCESSES FOR QUALIFYING AND SELECTING
12 SECOND-STAGE COMPANIES, IDENTIFYING TRAINING COMPONENTS FOR
13 OFFICE AND SMALL BUSINESS DEVELOPMENT CENTER STAFF MEMBERS,
14 ENGAGING TRAINED AND CERTIFIED ECONOMIC GARDENING PRIVATE
15 CONTRACTORS AS NECESSARY, AND PROVIDING ECONOMIC GARDENING
16 STRATEGIC ASSISTANCE TO COMPANIES PARTICIPATING IN THE PILOT
17 PROJECT.

18 (4) (a) (I) ON OR BEFORE SEPTEMBER 1, 2013, THE STATE
19 DIRECTOR SHALL INITIATE A PROGRAM TO PROVIDE OR OBTAIN ALL
20 NECESSARY CREDENTIALS FOR HIGH-IMPACT STRATEGIC ASSISTANCE TO
21 STAFF MEMBERS OF THE OFFICE AND SMALL BUSINESS DEVELOPMENT
22 CENTERS.

23 (II) PRIOR TO THE DATE THAT STRATEGIC ASSISTANCE IS PROVIDED
24 PURSUANT TO THIS SUBSECTION (4):

25 (A) AT LEAST EIGHT STAFF MEMBERS OF SMALL BUSINESS
26 DEVELOPMENT CENTERS IN THE STATE MUST BE CERTIFIED IN ECONOMIC
27 GARDENING BY A NATIONALLY RECOGNIZED CERTIFYING ENTITY

1 IDENTIFIED BY THE STATE DIRECTOR; AND

2 (B) THE STATE DIRECTOR SHALL, AS NECESSARY, CONTRACT WITH
3 TRAINED AND CERTIFIED ECONOMIC GARDENING PRIVATE CONTRACTORS.

4 (III) AFTER THE SMALL BUSINESS DEVELOPMENT CENTER STAFF
5 MEMBERS ARE CERTIFIED PURSUANT TO SUBPARAGRAPH (II) OF THIS
6 PARAGRAPH (a), THE STATE DIRECTOR SHALL USE THE EXISTING
7 INFRASTRUCTURE OF SMALL BUSINESS DEVELOPMENT CENTERS TO
8 PROMOTE THE PILOT PROJECT TO SECOND-STAGE COMPANIES AND TO
9 THOSE SMALL BUSINESS DEVELOPMENT CENTER CLIENTS AND REFERRALS
10 THAT, IN THE STATE DIRECTOR'S OPINION, SHOW GROWTH POTENTIAL IN
11 JOBS, SALES, OR EXPORT POTENTIAL.

12 (b) (I) ON OR BEFORE SEPTEMBER 1, 2013, THE STATE DIRECTOR
13 SHALL PUBLISH CRITERIA FOR A SECOND-STAGE COMPANY [REDACTED] TO BE
14 SELECTED TO PARTICIPATE IN THE PILOT PROJECT. THE CRITERIA MUST
15 INCLUDE JOB GROWTH POTENTIAL, SUSTAINABILITY, EXPORT POTENTIAL,
16 AND A WORKFORCE COMPRISED OF AT LEAST FIFTY PERCENT COLORADO
17 RESIDENTS. APPLICATION CRITERIA MUST ALSO INCLUDE REQUIREMENTS
18 FOR DATA COLLECTION, AS SPECIFIED BY THE STATE DIRECTOR, TO SHOW
19 THE IMPACTS OF SERVICES PROVIDED THROUGH THE PILOT PROJECT. THE
20 STATE DIRECTOR SHALL IDENTIFY SECOND-STAGE COMPANIES [REDACTED]
21 [REDACTED] ELIGIBLE TO PARTICIPATE BY UTILIZING THE OFFICE'S EXISTING
22 STRATEGIC INFRASTRUCTURE AND BY CONSULTING WITH LOCAL AND
23 REGIONAL ECONOMIC DEVELOPMENT PARTNERS, SUCH AS LOCAL SERVICE
24 CORPS OF RETIRED EXECUTIVES, SMALL BUSINESS COUNSELING OFFICES,
25 CHAMBERS OF COMMERCE, REGIONAL BUILDING ALLIANCES, ECONOMIC
26 DEVELOPMENT CORPS, AND OTHER LOCAL OR REGIONAL ECONOMIC
27 DEVELOPMENT ENTITIES. THE ELIGIBLE COMPANIES AND CLIENTS SHALL

1 INCLUDE SECOND-STAGE COMPANIES IN SMALL BUSINESS DEVELOPMENT
2 CENTERS' CLIENT LISTS, KEY INDUSTRY NETWORKS, REGIONAL
3 DEVELOPMENT PLANNING GROUPS, AND COLORADO COMPANIES TO WATCH
4 APPLICANTS.

5 (II) IN ORDER TO PARTICIPATE IN THE PILOT PROJECT, A COMPANY
6 SELECTED FOR PARTICIPATION MUST PAY A ONE-TIME FEE OF SEVEN
7 HUNDRED FIFTY DOLLARS, WHICH MONEYS SHALL BE DEPOSITED INTO THE
8 ECONOMIC GARDENING PILOT PROJECT FUND, CREATED IN SUBSECTION (5)
9 OF THIS SECTION, FOR REINVESTMENT IN THE PILOT PROJECT.

10 (c) ON OR BEFORE MARCH 1, 2014, THE STATE DIRECTOR SHALL
11 SELECT A MINIMUM OF TWENTY COMPANIES TO PARTICIPATE IN THE PILOT
12 PROJECT.

13 (d) (I) THE STATE DIRECTOR SHALL OVERSEE THE OFFICE AND
14 SMALL BUSINESS DEVELOPMENT CENTER STAFF MEMBERS CERTIFIED
15 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4) OR CERTIFIED
16 PRIVATE CONTRACTORS TO DEPLOY STRATEGIC ASSISTANCE TO ALL PILOT
17 PROJECT PARTICIPANTS. THE STATE DIRECTOR SHALL ACQUIRE ANY TOOLS
18 THAT HE OR SHE DEEMS NECESSARY TO PROVIDE THE STRATEGIC
19 ASSISTANCE, INCLUDING DATABASE LICENSES, PERMITS, AND ECONOMIC
20 GARDENING CERTIFICATION.

21 (II) A PARTICIPATING COMPANY HAS TWELVE MONTHS FROM THE
22 DATE THAT THE STATE DIRECTOR SELECTS THE COMPANY TO PARTICIPATE
23 IN THE PILOT PROJECT TO USE THE STRATEGIC ASSISTANCE AND OTHER
24 ECONOMIC GARDENING SERVICES OFFERED PURSUANT TO THE PILOT
25 PROJECT.

26 (III) THE PILOT PROJECT TERMINATES ON JUNE 30, 2016.

27 (5) (a) THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE

1 THE MONEYS IN THE ECONOMIC GARDENING PILOT PROJECT ACCOUNT OF
2 THE SMALL BUSINESS DEVELOPMENT CENTERS FUND, CREATED IN SECTION
3 24-48.5-102.5, CREATED IN HOUSE BILL 13-1002, ENACTED IN 2013, TO
4 THE OFFICE FOR ADMINISTERING THE PILOT PROJECT.

5 (b) THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE
6 MONEYS TO THE OFFICE FOR ADMINISTERING THE PILOT PROJECT.

7 (6) ON OR BEFORE NOVEMBER 1, 2014, AND ON OR BEFORE
8 NOVEMBER 1 EACH YEAR THEREAFTER THROUGH NOVEMBER 1, 2016, THE
9 DIRECTOR SHALL SUBMIT A REPORT TO THE FINANCE AND THE BUSINESS,
10 LABOR, AND ECONOMIC AND WORKFORCE DEVELOPMENT COMMITTEES OF
11 THE HOUSE OF REPRESENTATIVES AND THE FINANCE AND BUSINESS,
12 LABOR, AND TECHNOLOGY COMMITTEES OF THE SENATE, OR ANY
13 SUCCESSOR COMMITTEES, SUMMARIZING THE PILOT PROJECT ACTIVITIES
14 DURING THE PRECEDING FISCAL YEAR. THE REPORT MUST INCLUDE, AT A
15 MINIMUM:

16 (a) THE SERVICES OFFERED THROUGH THE PILOT PROJECT'S
17 STRATEGIC ASSISTANCE;

18 (b) THE OFFICE'S EXPENDITURES ON STRATEGIC ASSISTANCE
19 PROVIDED TO PILOT PROGRAM PARTICIPANTS;

20 (c) THE NUMBER AND TYPES OF JOBS CREATED AS A RESULT OF THE
21 PILOT PROJECT;

22 (d) THE INCREASED SALES AS A RESULT OF THE PILOT PROJECT;

23 AND

24 (e) THE VALUE OF GOODS OR SERVICES SOLD OUTSIDE THE
25 COMPANY'S LOCAL AREA OR STATE.

26 (7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2017.

27 **SECTION 3. Act subject to petition - effective date.** (1) Except

1 as otherwise provided in subsection (2) of this section, this act takes
2 effect at 12:01 a.m. on the day following the expiration of the ninety-day
3 period after final adjournment of the general assembly (August 7, 2013,
4 if adjournment sine die is on May 8, 2013); except that, if a referendum
5 petition is filed pursuant to section 1 (3) of article V of the state
6 constitution against this act or an item, section, or part of this act within
7 such period, then the act, item, section, or part will not take effect unless
8 approved by the people at the general election to be held in November
9 2014 and, in such case, will take effect on the date of the official
10 declaration of the vote thereon by the governor.

11 (2) (a) Section 24-48.5-102.5 (5) (a), Colorado Revised Statutes,
12 as enacted in section 2 of this act, takes effect upon passage only if House
13 Bill 13-1002 becomes law and takes effect either upon the effective date
14 of this act or House Bill 13-1002, whichever is later.

15 (b) Section 24-48.5-102.5 (5) (b), Colorado Revised Statutes, as
16 enacted in section 2 of this act, takes effect upon passage only if House
17 Bill 13-1002 does not become law.