

TO: Colorado Legislative Council, Oversight Committees

FROM: Colorado Office of Economic Development and International Trade

RE: Regulatory Agenda

DATE: Nov. 1, 2013

New rules or revisions to existing rules that the department expects to propose in the next calendar year:

- None

Permanent and temporary rules adopted since the previous OEDIT regulatory agenda was filed:

This is OEDIT's first-ever submitted regulatory agenda. Below are new permanent rules since 2012.

- HB 13-1001 Advanced Industries Accelerator Act
 - Add representatives from advanced industries to the Colorado Economic Development Commission.
 - Repeal the Bioscience Discovery Evaluation Grant Program and the Clean Technology Discovery Evaluation Grant Program
 - Create the Colorado Advanced Industries Acceleration Cash Fund to provide proof of concept grants, early stage capital and retention grants, and infrastructure grants.
- HB 13-1002 Small Business Development Centers Appropriation
 - Boosts funding for Colorado's 14 Small Business Development Centers (SBDC) by \$200,000 per year, leveraging matching federal dollars.
 - The SBDC State Director shall use at least 10, but no more than 15, percent per year of the money appropriated to this bill to increase awareness of SBDCs in Colorado.
- HB 13-1003 Economic Gardening Pilot Program
 - Funds a \$200,000 pilot program to provide management and technical training and advice to 20 "second stage" Colorado businesses.
 - The State SBDC Director shall oversee and direct all resources for the execution of the pilot project, including developing processes for qualifying and selecting second-stage companies, identifying training components for office and SBDC staff members, engaging training and certified economic gardening private contractors as necessary, and providing economic gardening strategic assistance to companies participating in the pilot project.
 - At least eight staff members of SBDCs in the state must be certified in economic gardening by a nationally recognized certifying entity identified by the state director.
 - After the SBDC staff is certified, the state director shall use the existing infrastructure of SBDCs to promote the pilot project to second-stage companies.

- On or before Sept. 1, 2013, the state director shall publish criteria for a second-stage company to be selected to participate in the pilot project.
- In order to participate in the program, a company must pay a one-time fee of \$750, which shall be deposited in the Economic Gardening fund.
- HB 13-1142 Enterprise Zone Reforms
 - The director of OEDIT shall determine whether an area meets the Enterprise Zone criteria.
 - All decisions concerning the designation or termination of an enterprise zone or any portion of an enterprise zone shall be made by the Colorado Economic Development commission, upon the recommendations of the director of OEDIT.
 - Commencing January 1, 2014, the director of OEDIT and the Colorado Economic Development commission shall review the enterprise zone designations no less frequently than once every ten years to ensure that the existing zones continue to meet the criteria.
 - The director and the commission may modify existing enterprise zone designations. If it is determined that existing enterprise zone designations need to be modified, such modification shall not be undertaken in a high unemployment period, but the director and the commission shall review the need for such modifications again as soon as the state is no longer in a high unemployment period. Any modification shall be reported to the legislative audit committee in conjunction with the annual presentation.
 - For income tax years commencing prior to Jan. 1, 2014, the amount of the credit shall be subject to the limitations of section 39-22-507.5; except that, in computing the limitations on credit pursuant to section 39-22-507.5 (3), a taxpayer's actual tax liability for the income tax year shall not be reduced by the amount of credits allowed by section 39-30-105 and the limit on that portion of a taxpayer's tax liability that exceeds \$5,000 shall be 50 percent.
 - For income tax years commencing on or after January 1, 2011, but prior to January 1, 2014, any taxpayer that is eligible to claim a credit in excess of \$500,000 shall defer claiming any amount of the credit allowed that exceeds \$500,000 until an income tax year commencing on or after January 1, 2014.
 - For income tax years commencing on or after Jan. 1, 2014, the amount that may be claimed by a taxpayer for the income tax year in which the total qualified investment is made to the lesser of: A) the sum of up to \$5,000 of the taxpayer's actual tax liability for the income tax year plus 50 percent of any portion of the tax liability for the income tax year that exceeds \$5,000; or B) \$750,000 plus any investment tax credit carryovers.
 - A taxpayer may seek a waiver of this limitation by completing an application to the Colorado Economic Development Commission to claim a credit in excess of the limit for the income tax year in which the total qualified investment is made
 - Any excess credit allowed shall be an investment tax credit carryover to each of the 14 income tax years following the unused credit year.
 - For any income tax year commencing on or after Jan. 1, 2014, any taxpayer who establishes a new business facility in an enterprise zone shall be allowed a credit

against the income tax imposed in an amount equal to \$1,100 per income tax year for each new business facility employee.

- **HB 13-1193 Advanced Industries Exports Accelerator Act**
 - The Advanced Industry Export Acceleration Program is created in the Colorado International Trade Office. It is administered by the International Trade Office and includes export expense reimbursement, export training, and global network consultation.
 - Beginning Jan. 1, 2014, the office may reimburse a qualifying business for up to one-half of its international export development expenses, up to \$15,000.
 - On or before Dec. 1, 2013, the Office shall establish procedures and timelines for reimbursement applications.
 - The Office shall provide export training for advanced industry businesses to learn about the fundamentals of exporting.
 - The Office shall develop a global network of trade consultants in key international markets to assist the Office in accelerating advanced industries exports.

- **HB 13-1301 Establish a Procurement Technical Assistance Centers (PTAC) Task Force**
 - Establishes a PTAC Task Force to complete its work and make recommendations to the General Assembly, if necessary, on or before Jan. 1, 2014.

OEDIT budget submittal.

See OSPB website for OEDIT budget.