

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

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 13-0397.02 Kate Meyer x4348

HOUSE BILL 13-1003

HOUSE SPONSORSHIP

Lee and Garcia, Tyler

SENATE SPONSORSHIP

Heath,

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, AND, IN CONNECTION THEREWITH, MAKING AN**
104 **APPROPRIATION.**

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

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.*

HOUSE
Amended 2nd Reading
April 17, 2013

project, staff members of the office and small business development centers (SBDCs) who have been trained and certified in economic 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

1 from relationships with mentors and advisers;

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

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

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

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

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

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

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

27 (c) "KEY INDUSTRY" MEANS AN INDUSTRY CRITICAL TO THE

1 COLORADO ECONOMY, AS IDENTIFIED BY THE OFFICE.

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

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

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

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

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

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

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

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

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

1 PERFORM SEARCH ENGINE OPTIMIZATION, UTILIZE GEOGRAPHIC
2 INFORMATION SYSTEMS, ADVISE ON NEW MEDIA MARKETING, OR ASSIST
3 WITH NETWORK ANALYSES AND INNOVATION STRATEGIES.

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

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

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

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

26 (A) AT LEAST EIGHT STAFF MEMBERS OF SMALL BUSINESS
27 DEVELOPMENT CENTERS IN THE STATE MUST BE CERTIFIED IN ECONOMIC

1 GARDENING BY A NATIONALLY RECOGNIZED CERTIFYING ENTITY
2 IDENTIFIED BY THE STATE DIRECTOR; AND

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

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

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

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

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

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

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

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

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

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

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

12 (a) THE SERVICES OFFERED THROUGH THE PILOT PROJECT'S
13 STRATEGIC ASSISTANCE;

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

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

18 (d) THE INCREASED SALES AS A RESULT OF THE PILOT PROJECT;
19 AND

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

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

23 **SECTION 3. Appropriation.** In addition to any other
24 appropriation, there is hereby appropriated, out of any moneys in the
25 general fund not otherwise appropriated, to the governor - lieutenant
26 governor - state planning and budgeting, for the fiscal year beginning July
27 1, 2013, the sum of \$200,000, or so much thereof as may be necessary,

1 for allocation to economic development programs for the economic
2 development gardening pilot project created by this act.

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

13