

2023 Economic Development Legislative Updates

8th Annual Economic Development Summit - AGNC
Seeds of Innovation

August 16, 2023 – Grand River Hospital – Rifle, Colorado

Primer

1. Look at Legislation from 2023
 2. Other considerations – issues that touch Eco-Devo - Workforce Housing/Land Use
 3. Talk about Challenges/Opportunities
- Opinions expressed are my own and do not represent AGNC or any elected official.

Economic Development Legislation

Fall under
four big
categories:

- **Grant/Loan/Workforce Development Programs**
New funding programs, continuation of existing funds
- **Tax Incentives**
Supporting fledgling industries/ supporting valued industries
- **Agency Support**
Helping the State administrate more effectively
- **Study Bills**
Looking for new opportunities

Legislation from 2023 Grant/Loan/ Workforce Development

- Administered by Executive Agency (DOLA/OEDIT/Ag, etc)
- Often in conjunction with local entity (EZ, Higher Ed, Regional ED)
- SB23-050 Eligibility For Agricultural Future Loan Program
 - Updates Criteria from SB21-248 expanding Eligibility
 - Program has issued \$5.9m in farm to market infrastructure, another \$10.1m in farm and ranch loans
 - Continues Program Indefinitely
- HB23-1094 Extend Agricultural Workforce Development Program
 - Updates SB18-042 extending timeline for internships to one year
 - Extends program to 2029
 - Program has supported 35 internships – updates should expand use
- HB23-1246 Support In-demand Career Workforce
 - Provides funding to cover tuition, fees, books, and material supplies for students pursuing short-term credentials in **early childhood, education, law enforcement, firefighting, forestry, construction, and nursing.**
- SB23-005 Forestry And Wildfire Mitigation Workforce
 - Creates the Timber, Forest Health, and Wildfire Mitigation Industries Workforce Development Program in the Colorado State Forest Service (CSFS) to provide incentives to businesses and non-profit entities to hire interns through partial reimbursement of the cost to employ the intern.
 - Expands existing forestry programs in higher ed, CCs for fire mitigation certs.

Building on past legislation

HB21-1290

Additional Funding For Just Transition

SB21-204

REDI Grant Program Funding

SB21-229

Rural Jump-start Zone Grant Program

HB22-1394

Just Transition Funding

HB22-1149

Advanced Industry Investment Tax Credit

HB22-1350

Regional Talent Development Initiative Grant Program

HB22-1282

Innovative Housing Incentive Program

SB22-215

Infrastructure Investment and Jobs Act Cash Fund

Legislation from 2023 – Tax Incentives

- Aimed at Industry
- Often done when in a budget surplus*
 - Typically aim to hold local governments harmless
 - Kept to be State impact (State portion of Sales tax, Income Tax, etc)
 - Backfill by State
 - Not always the case! May be optional tool for local governments
 - Legislators need to hear about the balance of local impacts
- Cyclical – State Auditor process to determine utilization
 - 2023 review includes Business Personal Property, Ag expenses, healthcare preceptors in rural areas.
 - Funding for tax credits or incentives is always budget dependent
- Only including tax incentives aimed at Eco-Devo nexus

Legislation from 2023 – Tax Incentives

- SB23-066 Advanced Industry Acceleration Programs
 - Extends program 10 years, funds for an additional 2 years
 - Advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and technology and information.
- HB23-1260 Advanced Industry / Semiconductor MFG Incentives
 - Modifies state income tax credits to refundable credits
 - Allows muni's and counties to create CHIPS (Creating Helpful Incentives to Produce Semiconductors) Zones allowing mfg's enterprise zone income tax credits;
 - Manufacturers creating at least 20 jobs at 75% average county wage can apply to EDC for refundable credits
- HB23-1081 Employee Ownership Tax Credit Expansion
 - Updates 21-1311 to incentivize conversion to employee-owned business
- HB23-1272 Tax Policy That Advances Decarbonization
 - Tax credits for among other things: Electric truck fleets, sustainable aviation fuel, Industrial clean energy, geothermal
- SB23-175 Financing of Downtown Development Authority Projects
 - 20 year expansion of TIF for redevelopment projects in Urban renewal areas or DDAs
- Bills that failed:
 - SB23-207 Sales And Use Tax Refund For Data Center Purchases
 - HB23-1018 Timber Industry Incentives
 - HB23-1289 Sustainable Advancements In Aviation Tax Credits

Legislation from 2023 – Agency Support

- SB23-051 Conforming Workforce Development Statutes
 - Codifies Office of Future Work into Law
 - Identifies opportunities for communities to transition to emerging industries
 - Coordinates with Just Transition Office
 - Hosts task forces, summits to understand social and economic impacts
- SB23-006 Creation Of The Rural Opportunity Office
 - Codifies Rural Opportunity Office into Law
 - Serves as central coordinator of Eco/Devo Programs
 - Works with Coal Transition Communities to explore Eco/Deco Opportunities and Business Development
 - Measures Success of program outreach on receipt of statewide funding***

Legislation from 2023 – Study Bills

- HB23-1074 Study Workforce Transitions To Other Industries
 - Office of Future Work study for transferability of workers in O/G and other sectors due to automation and technological development.
- HB23-1247 Assess Advanced Energy Solutions In Rural Colorado
 - Major CEO study bill of specific energy generation and storage solutions, regional economic impacts, and potential, prerequisite regulatory changes.
 - Uses existing resources in NW and SE Colorado

Themes

Ongoing Programs need TLC

- Require Reauthorization, Codification
- Require Appropriation
 - “Flush” with money, but \$\$ is cyclical (JBC would disagree we’re flush)

Proof of Concept

- Are these programs being utilized?
- “Can we show this is working?”
- **Legislators need to hear about successes**
 - They also need to hear about what’s not working

Think outside
Grants/Incentives

HB12-1247 Energy Study – Creating new industries

AFFORDABLE HOUSING – LAND USE

Infrastructure IS Eco-Devo

- Broadband
- Transportation
- Healthcare

Challenges

Capacity

- Do you have the resources to write a grant?
- Do you have the resources to write a COMPETITIVE grant?
 - Time?
 - Expertise?
 - PARTNERSHIP WITH DEPARTMENTS
- Do you have the resources to administer the grant?
- DOLA Regional Grant Managers – IJA and IRA

Matching

- Federal Funding *generally* can't be used to match federal requirements

Challenges

Think Big –
Think
Regional –
Think
Partnerships

- “Once in a lifetime opportunity for really big project ideas” for IJJA/IRA and State

Takes time
to bring
new
programs
online

- HB22-1350 Regional Talent Development Initiative Grant Program
- Just entered Phase 2 – accepting pre-applications

Think Big

AGNC has looked more and more to Federal Grant funding

- Regional projects, regional gain

Congressional moves

- Hasn't stopped Congressional Delegation from considering major projects, Just Transition issues, Infrastructure



Questions?