

Colorado's film incentive program gets new lease on life

An additional \$6 million in funding generates strong demand from producers



Colorado's film office is seeing a surge of interest after the legislature provided \$6 million in additional funding for incentives. The photo is from "The Hateful Eight" was shot outside Telluride with the help of state incentives.

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After years of lagging behind surrounding states when it comes to providing film incentives, Colorado is back in the running when it comes to competing for film, television and video game projects.

Before the pandemic, the legislature was granting as little as \$750,000 a year to the state's film incentive fund, forcing the Colorado Office of Economic Development to shift money from other programs to keep the fund from completely collapsing and production crews disbanding because of a lack of work.

Earlier this year, the Colorado legislature granted an unprecedented \$6 million to replenish the film incentive fund and the phone has started ringing a lot more at the state's film office, Kelly Baug, the state's deputy film commissioner, told the Colorado Economic Development Commission on Thursday.

Although \$6 million is a record amount for Colorado, the state still lags behind most of its neighbors. Regional film leader New Mexico offers \$130 million in incentives, Oklahoma provides \$30 million, Utah \$9.9 million and Wyoming \$3 million. Some states rebate 30% against qualified spending, while Colorado provides a 20% rebate.

A major argument against providing more film incentives in the past is that the state has more pressing budget priorities and faces tighter fiscal limitations. Other critics view film incentives as an ever-escalating corporate subsidy that pits states against each other, while some conservatives disagree with the content that gets produced with taxpayer help.

But supporters argue that the incentive fund provides a 31-to-1 return on investment and brings much-needed spending into rural areas, which get a further boost from the public exposure of being featured. Providing a consistent flow of incentives also allows for production talent to locate in the state, something Colorado has struggled with.

"A lot of money gets spent in rural areas, but most of the crews come from the Front Range," said Donald Zuckerman, the state's film commissioner. "The salaries are all spent here in the Front Range, while money for filming goes to the rural areas."

Colorado saw a steady stream of films and television shows shot in the state, hundreds of them, until incentives became an important source of funding, Baug said. Between 2007 and 2012, when the state started its own fund, there were no major film projects in Colorado. After the state launched its film

incentive fund, bigger features returned including “The Hateful 8,” “Furious 7,” “Our Souls at Night,” “Cop Car” and “Amateur.”

To receive a rebate, Colorado-based projects need to spend at least \$100,000, while out-of-state projects are required to spend \$1 million or more. Projects must employ a majority of Colorado residents in their crew and the spending must be audited.

On Thursday, the commission approved spending rebates for a live stream of the Ouray Ice Climbing competition next month, which will also be made into a documentary, and for a Boulder video game producer. Since the \$6 million went into the fund at the start of the fiscal year, the commission has approved a dozen projects. Baug said several more requests are in the works.