

An Act

HOUSE BILL 24-1001

BY REPRESENTATIVE(S) Lukens and Taggart, McLachlan, Soper, Amabile, Bird, Boesenecker, Brown, Catlin, deGruy Kennedy, Duran, Froelich, Hamrick, Lieder, Lindsay, Lindstedt, Martinez, Mauro, McCormick, Ortiz, Pugliese, Snyder, Story, Titone, Velasco, Weissman, Woodrow, Young, McCluskie;
also SENATOR(S) Roberts and Simpson, Bridges, Buckner, Cutter, Ginal, Gonzales, Liston, Michaelson Jenet, Mullica, Pelton R., Priola, Will, Winter F., Zenzinger.

CONCERNING REAUTHORIZATION OF THE RURAL JUMP-START ZONE PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 24-46-105, **amend** (7)(a)(II) and (7)(b) as follows:

24-46-105. Colorado economic development fund - creation - report - repeal. (7) (a) There is hereby created an account within the Colorado economic development fund established pursuant to subsection (1) of this section to be known as the rural jump-start zone grant fund

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

account. The account consists of any money appropriated to the fund by the general assembly. The money in the account is subject to annual appropriation by the general assembly for the purposes set forth in this subsection (7). Any money not expended or encumbered from any appropriation at the end of any fiscal year remains available for expenditure in the next fiscal year without further appropriation. The money in the account may be used:

(II) For the direct and indirect costs that the Colorado office of economic development incurs, not to exceed ~~one~~ THREE hundred thousand dollars ~~per fiscal year~~, to administer the rural jump-start zone grant program under section 39-30.5-105 (5).

(b) This subsection (7) is repealed, effective ~~July 1, 2024~~ JULY 1, 2025. Any money remaining in the rural jump-start zone grant fund account on ~~June 30, 2024~~ JUNE 30, 2025, reverts to the general fund.

SECTION 2. In Colorado Revised Statutes, 39-30.5-103, **amend** (7)(c) as follows:

39-30.5-103. Definitions. As used in this article 30.5, unless the context otherwise requires:

(7) "New business" means a business that:

(c) Hires at least five new hires, EXCEPT THAT IN A COUNTY WITH A POPULATION OF LESS THAN ONE HUNDRED THOUSAND, HIRES AT LEAST THREE NEW HIRES.

SECTION 3. In Colorado Revised Statutes, 39-30.5-104, **amend** (7)(a) and (7)(b)(II) as follows:

39-30.5-104. Rural jump-start zone program requirements - commission - guidelines - definitions. (7) (a) The commission shall, at a public meeting properly noticed, review each application for a rural jump-start zone submitted by a state institution of higher education or an economic development organization. Based on the application submitted and the commission's guidelines, the commission may approve the rural jump-start zone and may approve the new business for the rural jump-start zone program benefits specified in section 39-30.5-105; except that the

commission may not approve more than three rural jump-start zones for the 2016 calendar year and may not approve any rural jump-start zones or approve any new businesses for the rural jump-start zone program benefits on and after ~~January 1, 2026~~ JANUARY 1, 2031. The commission may only approve a new business for the rural jump-start zone program benefits if the commission is satisfied that the new business meets the definition of new business as specified in section 39-30.5-103 (7), that the new hires will meet the definition of new hire as specified in section 39-30.5-103 (8), and that the new business will be located in the rural jump-start zone for which the state institution of higher education or economic development organization sought approval.

(b) (II) The ~~commission~~ OFFICE OF ECONOMIC DEVELOPMENT shall not issue more than a total of two hundred credit certificates in one income tax year for all new hires employed by all new businesses in each rural jump-start zone that receive approval as specified in subsection (7)(a) of this section; except that the ~~commission~~ OFFICE OF ECONOMIC DEVELOPMENT has the discretion to increase this limit to ~~three~~ SIX hundred credit certificates if the new business is in one of the fourteen industries that the ~~commission~~ OFFICE OF ECONOMIC DEVELOPMENT targets for economic development in the state.

SECTION 4. In Colorado Revised Statutes, 39-30.5-105, amend (1)(a)(I) and (2)(a)(I) as follows:

39-30.5-105. Rural jump-start zone program benefits. (1) **New business income tax credit.** (a) (I) If a new business locates in a rural jump-start zone during the income tax years commencing on or after January 1, 2016, but before ~~January 1, 2026~~ JANUARY 1, 2031, and the commission has approved the new business for the rural jump-start zone program benefits as specified in section 39-30.5-104 (7)(a), then except as provided in subsection (1)(a)(II) of this section, the new business is entitled to receive an annual income tax credit in an amount equal to one hundred percent of the income taxes imposed by article 22 of this title 39 on the income derived from its activities in the rural jump-start zone for four consecutive income tax years beginning with the first income tax year designated by the commission in the first credit certificate. The commission shall conduct an annual review to verify that the new business continues to meet the requirements set forth in this article 30.5 and shall issue a credit certificate to the new business for every income tax year during the

four-year period only if the commission is satisfied the requirements are being met.

(2) **New hire income tax credit.** (a) (I) Except as provided in section 39-30.5-104 (7)(b)(II) and subsection (2)(a)(II) of this section, if a new hire is employed by a new business, and the commission has approved the new business for the rural jump-start zone program benefits as specified in section 39-30.5-104 (7)(a), for income tax years commencing on or after January 1, 2016, but before ~~January 1, 2026~~ JANUARY 1, 2031, new hires are entitled to receive an income tax credit in an amount equal to one hundred percent of the income taxes imposed by article 22 of this title 39 on the new hire's wages paid by the new business for work performed in the rural jump-start zone for four consecutive income tax years beginning with the first income tax year in which the new hire is employed by the new business. The commission shall conduct an annual review to verify that the new hire and the new business continue to meet the requirements set forth in this article 30.5 and shall issue a credit certificate to the new business for each new hire for every income tax year during the four-year period only if the commission is satisfied the requirements are being met.

SECTION 5. Appropriation. For the 2024-25 state fiscal year, \$873,304 is appropriated to the office of the governor for use by economic development programs. This appropriation is from the rural jump-start zone grant fund account created in section 24-46-105 (7)(a), C.R.S., and is based on an assumption that the office will require an additional 1.5 FTE. To implement this act, the office may use this appropriation for rural jump start.

SECTION 6. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

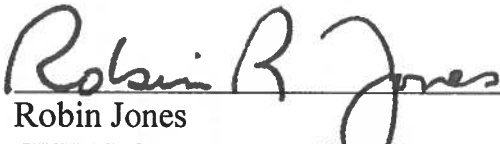
the support and maintenance of the departments of the state and state institutions.



Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Steve Fenberg
PRESIDENT OF
THE SENATE



Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED Wednesday May 29th 2024 at 1:05 PM
(Date and Time)



Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO