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FISCAL NOTE

Drafting Number: LLS 20-1314
Prime Sponsors: Sen. Winter; Bridges

Date: June 9, 2020
Bill Status: Senate Finance
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Bill Topic: USE CARES ACT MONEY SMALL BUSINESS GRANT PROGRAM

Summary of Fiscal Impact:

- State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill creates a small business COVID-19 grant program in the Colorado Office of Economic Development and International Trade (OEDIT). The bill increases state expenditures in FY 2020-21.

Appropriation Summary:

For FY 2020-21, the bill appropriates \$20.0 million to the OEDIT.

Fiscal Note Status:

The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 20-222

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund*), Transfers, and TABOR Refund.

*State expenditures are from the CARE Subfund of the General Fund.

Summary of Legislation

The bill creates the Small Business COVID-19 grant program in the Colorado Office of Economic Development and International Trade (OEDIT) to assist small businesses facing economic hardship caused by the COVID-19 pandemic. OEDIT is required to contract with the Colorado Housing and Finance Authority (CHFA) to operate the grant program.

The grant program is financed with \$20.0 million in federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. OEDIT is granted continuous spending authority in order to make grants through CHFA, and for program administration. Administrative overhead for OEDIT is limited to six tenths of one percent of total financing, or \$120,000.

Spending authority for OEDIT remains until December 31, 2020. Through October 1, 2020, \$5.0 million is reserved for small businesses that operate a tourism or entertainment facility. The bill defines small business as one with no more than 25 employees and gives preference to businesses that did not qualify for a federal paycheck protection program loan and are owned by veterans, women, and minorities, or are in a rural area

State Expenditures

For FY 2020-21, the bill increases state expenditures by \$20.0 million for the grant program to be administered by OEDIT. The grant program is paid for using federal CARES Act funding, which is appropriated from the CARE Subfund of the General Fund.

Statutory Public Entity

Funding for the grant program will pass through OEDIT and the program will be administered by CHFA, a statutory public entity. This will increase workload to CHFA, as well as funding from OEDIT for administrative expenses.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2020-21, for the period from the effective date of this bill until December 2020, the bill continuously appropriates \$20.0 million of CARES Act funding from the CARE subfund of the General Fund.

State and Local Government Contacts

OEDIT CHAFA