

**First Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 21-0886.01 Esther van Mourik x4215

**SENATE BILL 21-229**

---

**SENATE SPONSORSHIP**

**Danielson and Story,**

**HOUSE SPONSORSHIP**

**Amabile and McKean,**

---

**Senate Committees**  
Local Government

**House Committees**

---

**A BILL FOR AN ACT**

101      **CONCERNING THE CREATION OF THE RURAL JUMP-START ZONE GRANT**  
102                    **PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN**  
103                    **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://leg.colorado.gov>.)*

The bill creates the rural jump-start zone grant program (grant program) and authorizes the Colorado economic development commission (commission) to issue grants, subject to available appropriations, as follows:

- Up to \$20,000 to new businesses to establish operations;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

- Up to \$40,000 to new businesses to establish operations in a tier one transition community;
- Up to \$2,500 to new businesses for each new hire; and
- Up to \$5,000 to new businesses for each new hire who is hired for operations established in a tier one transition community.

The bill creates the rural jump-start zone grant fund account in the Colorado economic development fund, which consists of any money appropriated to the fund by the general assembly, and may be used:

- By the commission to issue grants; and
- For the direct and indirect costs that the Colorado office of economic development incurs, not to exceed a specified amount, to administer the grant program.

---

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) The rural jump-start zone program attracts businesses to rural  
5 and economically distressed parts of the state, thereby creating jobs and  
6 stimulating local economies;

7 (b) The rural jump-start zone program is one of the office of  
8 economic development's premiere programs dedicated solely to  
9 supporting rural businesses and the only program that provides direct  
10 benefits to those businesses' employees in addition to the businesses  
11 themselves;

12 (c) It is important to provide additional grant funds for new  
13 businesses in coal transition communities, or tier one transition  
14 communities, because even though actual closures of Colorado's  
15 remaining coal-fired power plants and any related closures of coal mines  
16 are at least several years off, jobs are already starting to disappear from  
17 these communities through attrition. Consequently, there is greater need  
18 in such communities for economic diversification and for the creation of

1 new primary employers.

2 (d) House Bill 20-1003 was an important opportunity to expand  
3 interest and garner more participation in the rural jump-start zone  
4 program and ensure that it works efficiently for all of rural Colorado; and

5 (e) Senate Bill 21-\_\_\_ significantly expands the benefits that these  
6 new businesses are able to receive so that there is not just tax relief but  
7 also cash grants that increase the incentive for new businesses to move to  
8 rural Colorado to create jobs and stimulate local economies.

9 **SECTION 2.** In Colorado Revised Statutes, 39-30.5-103, **add**  
10 (12) as follows:

11 **39-30.5-103. Definitions.** As used in this article 30.5, unless the  
12 context otherwise requires:

13 (12) "TIER ONE TRANSITION COMMUNITY" MEANS A TIER ONE  
14 TRANSITION COMMUNITY AS SET FORTH IN THE FINAL JUST TRANSITION  
15 PLAN FOR COLORADO, ALSO KNOWN AS THE COLORADO JUST TRANSITION  
16 ACTION PLAN, PREPARED BY THE JUST TRANSITION OFFICE AS REQUIRED IN  
17 SECTION 8-83-503 (4) THAT IS LOCATED IN A RURAL JUMP-START ZONE.

18 **SECTION 3.** In Colorado Revised Statutes, 39-30.5-104, **amend**  
19 (1)(a)(I), (1)(a)(II), and (1)(b); and **add** (7)(c) as follows:

20 **39-30.5-104. Rural jump-start zone program requirements -**  
21 **commission guidelines - definitions.** (1) (a) The commission shall  
22 develop guidelines for the administration of the rural jump-start zone  
23 program created in this article 30.5, including, but not limited to:

24 (I) Application requirements, INCLUDING APPLICATION  
25 REQUIREMENTS FOR THE GRANT PROGRAM UNDER SECTION 39-30.5-105 (5)  
26 AND SUBSECTION (7)(c) OF THIS SECTION;

27 (II) Guidelines regarding the issuing of credit certificates AND

1 GRANTS; and

2 (b) The guidelines must be posted on the Colorado office of  
3 economic development's website no later than December 1, 2015. ALL  
4 UPDATED GUIDELINES MUST BE POSTED ON THE OFFICE'S WEBSITE NO  
5 LATER THAN DECEMBER 1 OF ANY YEAR IN WHICH THE GUIDELINES ARE  
6 UPDATED.

7 (7) (c) (I) A NEW BUSINESS THAT RECEIVES APPROVAL AS  
8 SPECIFIED IN SUBSECTION (7)(a) OF THIS SECTION FOR THE RURAL  
9 JUMP-START ZONE PROGRAM BENEFITS MAY BE AWARDED GRANTS, AT THE  
10 COMMISSION'S DISCRETION:

11 (A) FOR THE ESTABLISHMENT OF OPERATIONS IN A RURAL  
12 JUMP-START ZONE; AND

13 (B) FOR EACH NEW HIRE WHO MEETS THE REQUIREMENTS OF  
14 SECTION 39-30.5-103 (8), AND WHO IS EITHER HIRED BY THE NEW  
15 BUSINESS UPON ESTABLISHING OPERATIONS IN A RURAL JUMP-START ZONE,  
16 OR IN THE YEARS AFTER ESTABLISHING OPERATIONS IN A RURAL  
17 JUMP-START ZONE; EXCEPT THAT THE GRANTS ALLOWED IN THIS  
18 SUBSECTION (7)(c)(I)(B) MUST BE CALCULATED ON AN ANNUAL BASIS AND  
19 MAY ONLY BE AWARDED ONE TIME FOR EACH NEW HIRE BASED ON THE  
20 NEW HIRE'S FEDERAL FORM W-2.

21 (II) THE COMMISSION MAY ISSUE GRANTS, SUBJECT TO SUBSECTION  
22 (7)(c)(I) OF THIS SECTION AND SUBJECT TO AVAILABLE APPROPRIATIONS,  
23 AS FOLLOWS:

24 (A) UP TO TWENTY THOUSAND DOLLARS TO NEW BUSINESSES TO  
25 ESTABLISH OPERATIONS;

26 (B) UP TO FORTY THOUSAND DOLLARS TO NEW BUSINESSES TO  
27 ESTABLISH OPERATIONS IN A TIER ONE TRANSITION COMMUNITY;

1 (C) UP TO TWO THOUSAND FIVE HUNDRED DOLLARS TO NEW  
2 BUSINESSES FOR EACH NEW HIRE; OR

3 (D) UP TO FIVE THOUSAND DOLLARS TO NEW BUSINESSES FOR  
4 EACH NEW HIRE WHO IS HIRED BY THE NEW BUSINESS THAT IS LOCATED IN  
5 A TIER ONE TRANSITION COMMUNITY.

6 (III) THE COMMISSION MAY ESTABLISH ADDITIONAL TERMS AND  
7 CONDITIONS THAT IT DEEMS APPROPRIATE IN AWARDING GRANTS UNDER  
8 THIS SUBSECTION (7)(c).

9 (IV) GRANTS ALLOWED UNDER THIS SUBSECTION (7)(c) MAY ONLY  
10 BE AWARDED TO A NEW BUSINESS IF THE NEW BUSINESS MEETS THE  
11 ELIGIBILITY REQUIREMENTS FOR THE TAX BENEFITS SET FORTH IN THIS  
12 ARTICLE 30.5.

13 **SECTION 4.** In Colorado Revised Statutes, 39-30.5-105, **add** (5)  
14 as follows:

15 **39-30.5-105. Rural jump-start zone program benefits.**

16 (5) **Grant program.** (a) THERE IS HEREBY CREATED IN THE OFFICE THE  
17 RURAL JUMP-START ZONE GRANT PROGRAM, REFERRED TO IN THIS  
18 SUBSECTION (5) AS THE "GRANT PROGRAM", TO PROVIDE GRANTS FOR NEW  
19 BUSINESSES IN ADDITION TO THE TAX BENEFITS SET FORTH IN THIS ARTICLE  
20 30.5.

21 (b) THE OFFICE SHALL ADMINISTER THE GRANT PROGRAM AND THE  
22 COMMISSION SHALL AWARD GRANTS, IN ACCORDANCE WITH THIS  
23 SUBSECTION (5) AND SECTION 39-30.5-104 (7)(c). SUBJECT TO AVAILABLE  
24 APPROPRIATIONS, GRANTS SHALL BE PAID OUT OF THE RURAL JUMP-START  
25 ZONE GRANT FUND ACCOUNT IN THE COLORADO ECONOMIC DEVELOPMENT  
26 FUND CREATED IN SECTION 24-46-105 (6).

27 (c) THE OFFICE SHALL ISSUE GUIDELINES TO IMPLEMENT THE

1 GRANT PROGRAM AS SPECIFIED IN SECTION 39-30.5-104 (1)(a).

2 **SECTION 5.** In Colorado Revised Statutes, 39-30.5-107, **amend**  
3 (1)(h); and **add** (1)(a.5) and (1)(h.5) as follows:

4 **39-30.5-107. Rural jump-start zone reporting requirements.**

5 (1) The commission shall annually post on the Colorado office of  
6 economic development's website, and include in the commission's annual  
7 report required to be presented to the general assembly pursuant to section  
8 24-46-104 (2), the following information regarding any rural jump-start  
9 zone program benefits allowed under this article 30.5:

10 (a.5) INFORMATION REGARDING THE TIER ONE TRANSITION  
11 COMMUNITIES THAT ARE A PART OF ANY RURAL JUMP-START ZONES;

12 (h) An estimated amount, as calculated by the new business, of the  
13 income tax credits for the new business and any new hires and the sales  
14 and use tax refunds allowed in section 39-30.5-105, and an estimated  
15 amount, as calculated by the new business, of incentive payments,  
16 exemptions, or refunds provided by local governments as allowed in  
17 section 39-30.5-106; ~~and~~

18 (h.5) THE TYPES OF GRANTS, GRANT AMOUNTS, AND INFORMATION  
19 REGARDING GRANT RECIPIENTS FOR ALL GRANTS AWARDED UNDER  
20 SECTION 39-30.5-105 (5); AND

21 **SECTION 6.** In Colorado Revised Statutes, 24-46-105, **amend**  
22 (4)(b); and **add** (6) as follows:

23 **24-46-105. Colorado economic development fund - creation -**  
24 **repeal.** (4) (b) The provisions of this subsection (4) do not apply to the  
25 following:

26 (I) A nonprofit entity; ~~or~~

27 (II) An intern or trainee who is under the age of twenty-one and

1 who is employed for a period of not longer than three months; OR

2 (III) GRANTS AWARDED TO NEW BUSINESSES UNDER THE RURAL  
3 JUMP-START ZONE ACT UNDER SECTION 39-30.5-105 (5).

4 (6) (a) THERE IS HEREBY CREATED AN ACCOUNT WITHIN THE  
5 COLORADO ECONOMIC DEVELOPMENT FUND ESTABLISHED PURSUANT TO  
6 SUBSECTION (1) OF THIS SECTION TO BE KNOWN AS THE RURAL JUMP-START  
7 ZONE GRANT FUND ACCOUNT. THE ACCOUNT CONSISTS OF ANY MONEY  
8 APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY. THE MONEY IN  
9 THE ACCOUNT IS SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL  
10 ASSEMBLY FOR THE PURPOSES SET FORTH IN THIS SUBSECTION (6). ANY  
11 MONEY NOT EXPENDED OR ENCUMBERED FROM ANY APPROPRIATION AT  
12 THE END OF ANY FISCAL YEAR REMAINS AVAILABLE FOR EXPENDITURE IN  
13 THE NEXT FISCAL YEAR WITHOUT FURTHER APPROPRIATION. THE MONEY  
14 IN THE ACCOUNT MAY BE USED:

15 (I) BY THE COMMISSION TO MAKE GRANTS AS SET FORTH IN  
16 SECTIONS 39-30.5-104 (7)(c) AND 39-30.5-105 (5); AND

17 (II) FOR THE DIRECT AND INDIRECT COSTS THAT THE COLORADO  
18 OFFICE OF ECONOMIC DEVELOPMENT INCURS, NOT TO EXCEED ONE  
19 HUNDRED THOUSAND DOLLARS PER FISCAL YEAR, TO ADMINISTER THE  
20 RURAL JUMP-START ZONE GRANT PROGRAM UNDER SECTION 39-30.5-105  
21 (5).

22 (b) THIS SUBSECTION (6) IS REPEALED, EFFECTIVE JULY 1, 2024.  
23 ANY MONEY REMAINING IN THE RURAL JUMP-START ZONE GRANT FUND  
24 ACCOUNT ON JUNE 30, 2024, REVERTS TO THE GENERAL FUND.

25 **SECTION 7. Appropriation.** (1) For the 2021-22 state fiscal  
26 year, \$3,000,000 is appropriated to the rural jump-start zone grant fund  
27 account in the Colorado economic development fund created in section

1 24-46-105 (6), C.R.S. This appropriation is from the general fund. The  
2 Colorado office of economic development is responsible for the  
3 accounting related to this appropriation.

4 (2) For the 2021-22 state fiscal year, \$3,000,000 is appropriated  
5 to the office of the governor for use by economic development programs  
6 as specified in section 24-46-105 (6), C.R.S. This appropriation is from  
7 reappropriated funds in the rural jump-start zone grant fund account  
8 under subsection (1) of this section.

9 **SECTION 8. Safety clause.** The general assembly hereby finds,  
10 determines, and declares that this act is necessary for the immediate  
11 preservation of the public peace, health, or safety.