

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

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0886.01 Esther van Mourik x4215

**SENATE BILL 21-229**

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**SENATE SPONSORSHIP**

**Danielson and Story,**

**HOUSE SPONSORSHIP**

**Amabile and McKean,**

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**Senate Committees**

Local Government  
Finance

**House Committees**

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**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.**

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**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 21-229 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 COAL  
14 TRANSITION COMMUNITY THAT IS LOCATED IN A RURAL JUMP-START ZONE  
15 AND THAT THE OFFICE, WITH THE CONCURRENCE OF THE EXECUTIVE  
16 DIRECTORS OF THE DEPARTMENT OF LABOR AND EMPLOYMENT AND THE  
17 DEPARTMENT OF LOCAL AFFAIRS, DETERMINES HAS ALREADY  
18 EXPERIENCED OR IS AT RISK OF EXPERIENCING SIGNIFICANT ECONOMIC  
19 DISRUPTION, THE PROXIMATE CAUSE OF WHICH IS EITHER THE CLOSURE OR  
20 CONVERSION OF A COAL-FUELED ELECTRICAL POWER GENERATING PLANT  
21 IN COLORADO OR IN A CONTIGUOUS STATE OR A SUSTAINED AND LIKELY  
22 PERMANENT DECLINE IN BROADER COAL MARKETS DUE TO SIMILAR  
23 CLOSURES OR CONVERSIONS NATIONALLY AND GLOBALLY.

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

26 **39-30.5-104. Rural jump-start zone program requirements -**  
27 **commission guidelines - definitions.** (1) (a) The commission shall

1 develop guidelines for the administration of the rural jump-start zone  
2 program created in this article 30.5, including, but not limited to:

3 (I) Application requirements, INCLUDING APPLICATION  
4 REQUIREMENTS FOR THE GRANT PROGRAM UNDER SECTION 39-30.5-105 (5)  
5 AND SUBSECTIONS (7)(c) AND (7)(d) OF THIS SECTION;

6 (II) Guidelines regarding the issuing of credit certificates AND  
7 GRANTS; and

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

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

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

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

27 (II) THE COMMISSION MAY ISSUE GRANTS, SUBJECT TO SUBSECTION

1 (7)(c)(I) OF THIS SECTION AND SUBJECT TO AVAILABLE APPROPRIATIONS,  
2 AS FOLLOWS:

3 (A) UP TO TWENTY THOUSAND DOLLARS TO NEW BUSINESSES TO  
4 ESTABLISH OPERATIONS;

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

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

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

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

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

19 (d)(I) THE COMMISSION MAY ISSUE GRANTS, AT THE COMMISSION'S  
20 DISCRETION, SUBJECT TO THIS SUBSECTION (7)(d), AND SUBJECT TO  
21 AVAILABLE APPROPRIATIONS, NOT TO EXCEED THIRTY THOUSAND DOLLARS  
22 PER APPLICANT, TO A STATE INSTITUTION OF HIGHER EDUCATION OR AN  
23 ECONOMIC DEVELOPMENT ORGANIZATION THAT COLLABORATES WITH A  
24 NEW BUSINESS THAT RECEIVED APPROVAL FOR THE RURAL JUMP-START  
25 ZONE PROGRAM BENEFITS UNDER SUBSECTION (7)(a) OF THIS SECTION, IN  
26 ORDER TO SUPPORT THE NEW BUSINESS IN MEETING THE PURPOSES  
27 OUTLINED IN SUBSECTION (7)(c) OF THIS SECTION.

1           (II) WHEN CONSIDERING WHETHER TO ISSUE A GRANT TO A STATE  
2           INSTITUTION OF HIGHER EDUCATION OR AN ECONOMIC DEVELOPMENT  
3           ORGANIZATION, AND WHEN CONSIDERING THE SIZE OF THE GRANT, THE  
4           COMMISSION SHALL REVIEW:

5           (A) AN APPLICANT'S REAL AND DEMONSTRATED COSTS RESULTING  
6           FROM THE COLLABORATION WITH A NEW BUSINESS;

7           (B) OTHER NONMONETARY BENEFITS AFFORDED TO THE  
8           APPLICANT IN COLLABORATING WITH A NEW BUSINESS;

9           (C) THE NUMBER OF NEW BUSINESSES THE APPLICANT IS  
10          CURRENTLY COLLABORATING WITH AND LIKELY TO COLLABORATE WITH  
11          IN THE FUTURE;

12          (D) WHETHER THE GRANT WILL SUPPORT WORKFORCE  
13          DEVELOPMENT AND APPLIED RESEARCH PROJECTS BEING CARRIED OUT BY  
14          THE STATE INSTITUTION OF HIGHER EDUCATION OR THE ECONOMIC  
15          DEVELOPMENT ORGANIZATION IN CONCERT WITH NEW BUSINESSES; AND

16          (E) ANY OTHER FACTS THE COMMISSION DEEMS NECESSARY WHEN  
17          CONSIDERING THE OVERALL MISSION OF THE RURAL JUMP-START ZONE  
18          PROGRAM AND THE ROLE OF THE APPLICANT IN FURTHERING THAT  
19          MISSION.

20          (III) THE COMMISSION MAY ESTABLISH ADDITIONAL TERMS AND  
21          CONDITIONS THAT IT DEEMS APPROPRIATE IN AWARDING GRANTS UNDER  
22          THIS SUBSECTION (7)(d), INCLUDING THE SIZE OF THE GRANT.

23          (IV) GRANTS AWARDED UNDER THIS SUBSECTION (7)(d) MAY ONLY  
24          BE AWARDED TO A STATE INSTITUTION OF HIGHER EDUCATION OR AN  
25          ECONOMIC DEVELOPMENT ORGANIZATION IF THE GRANT RECIPIENT MEETS  
26          THE ELIGIBILITY REQUIREMENTS SET FORTH IN THIS ARTICLE 30.5.

27          **SECTION 4.** In Colorado Revised Statutes, 39-30.5-105, **add** (5)

1 as follows:

2 **39-30.5-105. Rural jump-start zone program benefits.**

3 (5) **Grant program.** (a) THERE IS HEREBY CREATED IN THE OFFICE THE  
4 RURAL JUMP-START ZONE GRANT PROGRAM, REFERRED TO IN THIS  
5 SUBSECTION (5) AS THE "GRANT PROGRAM", TO PROVIDE GRANTS FOR NEW  
6 BUSINESSES IN ADDITION TO THE TAX BENEFITS SET FORTH IN THIS ARTICLE  
7 30.5, AND TO PROVIDE GRANTS TO STATE INSTITUTIONS OF HIGHER  
8 EDUCATION OR TO ECONOMIC DEVELOPMENT ORGANIZATIONS.

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

15 (c) THE OFFICE SHALL ISSUE GUIDELINES TO IMPLEMENT THE  
16 GRANT PROGRAM AS SPECIFIED IN SECTION 39-30.5-104 (1)(a).

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

19 **39-30.5-107. Rural jump-start zone reporting requirements.**

20 (1) The commission shall annually post on the Colorado office of  
21 economic development's website, and include in the commission's annual  
22 report required to be presented to the general assembly pursuant to section  
23 24-46-104 (2), the following information regarding any rural jump-start  
24 zone program benefits allowed under this article 30.5:

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

27 (h) An estimated amount, as calculated by the new business, of the

1 income tax credits for the new business and any new hires and the sales  
2 and use tax refunds allowed in section 39-30.5-105, and an estimated  
3 amount, as calculated by the new business, of incentive payments,  
4 exemptions, or refunds provided by local governments as allowed in  
5 section 39-30.5-106; and

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

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

11 **24-46-105. Colorado economic development fund - creation -**  
12 **repeal.** (4) (b) The provisions of this subsection (4) do not apply to the  
13 following:

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

15 (II) An intern or trainee who is under the age of twenty-one and  
16 who is employed for a period of not longer than three months; OR

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

19 (6) (a) THERE IS HEREBY CREATED AN ACCOUNT WITHIN THE  
20 COLORADO ECONOMIC DEVELOPMENT FUND ESTABLISHED PURSUANT TO  
21 SUBSECTION (1) OF THIS SECTION TO BE KNOWN AS THE RURAL JUMP-START  
22 ZONE GRANT FUND ACCOUNT. THE ACCOUNT CONSISTS OF ANY MONEY  
23 APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY. THE MONEY IN  
24 THE ACCOUNT IS SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL  
25 ASSEMBLY FOR THE PURPOSES SET FORTH IN THIS SUBSECTION (6). ANY  
26 MONEY NOT EXPENDED OR ENCUMBERED FROM ANY APPROPRIATION AT  
27 THE END OF ANY FISCAL YEAR REMAINS AVAILABLE FOR EXPENDITURE IN

1 THE NEXT FISCAL YEAR WITHOUT FURTHER APPROPRIATION. THE MONEY  
2 IN THE ACCOUNT MAY BE USED:

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

5 (II) FOR THE DIRECT AND INDIRECT COSTS THAT THE COLORADO  
6 OFFICE OF ECONOMIC DEVELOPMENT INCURS, NOT TO EXCEED ONE  
7 HUNDRED THOUSAND DOLLARS PER FISCAL YEAR, TO ADMINISTER THE  
8 RURAL JUMP-START ZONE GRANT PROGRAM UNDER SECTION 39-30.5-105  
9 (5).

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

13 **SECTION 7. Appropriation.** (1) For the 2021-22 state fiscal  
14 year, \$3,000,000 is appropriated to the rural jump-start zone grant fund  
15 account in the Colorado economic development fund created in section  
16 24-46-105 (6), C.R.S. This appropriation is from the general fund. The  
17 Colorado office of economic development is responsible for the  
18 accounting related to this appropriation.

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

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