

## CHAPTER 351

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**CORPORATIONS AND ASSOCIATIONS**

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**HOUSE BILL 22-1356**

BY REPRESENTATIVE(S) Herod and Hooton, Amabile, Bacon, Bernett, Bird, Boesenecker, Cutter, Duran, Esgar, Exum, Froelich, Gonzales-Gutierrez, Jodeh, Kipp, Lindsay, McCluskie, Michaelson Jenet, Ortiz, Roberts, Sullivan, Titone, Valdez D., Weissman, Woodrow, Young, Garnett;  
also SENATOR(S) Gonzales and Rankin, Bridges, Buckner, Coleman, Coram, Danielson, Donovan, Fields, Gardner, Ginal, Jaquez Lewis, Lee, Liston, Moreno, Pettersen, Simpson, Sonnenberg, Story, Fenberg.

**AN ACT**

**CONCERNING THE CREATION OF THE SMALL COMMUNITY-BASED NONPROFIT INFRASTRUCTURE GRANT PROGRAM TO PROVIDE ASSISTANCE TO NONPROFIT ORGANIZATIONS THAT HAVE BEEN ECONOMICALLY IMPACTED BY THE COVID-19 PANDEMIC, 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, **add** 24-32-132 as follows:

**24-32-132. Small community-based nonprofit infrastructure grant program - creation - legislative declaration - definitions - repeal. (1) Legislative declaration.** THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) THROUGHOUT THE COURSE OF THE COVID-19 PUBLIC HEALTH EMERGENCY, SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS HAVE PLAYED A CRUCIAL ROLE IN REFERRING INDIVIDUALS TO OR DELIVERING NEEDED, RELEVANT, AND CULTURALLY APPROPRIATE RESOURCES AND SERVICES TO FAMILIES AND COMMUNITIES THAT HAVE BEEN DISPROPORTIONATELY IMPACTED BY THE ONGOING PANDEMIC;

(b) GOVERNMENTAL ENTITIES AND SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS ARE NATURAL PARTNERS, AS THEY SERVE THE SAME CONSTITUENTS IN THE SAME COMMUNITIES. SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS HAVE CLOSE RELATIONSHIPS WITH AND HIGH LEVELS OF TRUST AMONG THE COMMUNITIES THEY SERVE AND ARE IDEALLY POSITIONED TO MAXIMIZE PUBLIC BENEFITS, PARTICULARLY AMONG COMMUNITIES THAT HAVE HISTORICALLY BEEN

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*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.*

UNDERREPRESENTED, UNDERSERVED, OR UNDERRESOURCED IN COLORADO.

(c) IN ADDITION, SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS ARE ABLE TO REFER INDIVIDUALS TO OR FILL THE GAPS IN GOVERNMENT PROGRAMS DUE TO THEIR LOCAL PRESENCE AND STRONG CONNECTIONS TO THE COMMUNITIES THEY SERVE. COMMUNITIES DISPROPORTIONATELY IMPACTED BY THE PANDEMIC HAVE RELIED ON SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS TO IDENTIFY AND GENERATE COMMUNITY-LED SOLUTIONS TO THEIR SPECIFIC NEEDS.

(d) MANY SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS WERE FOUNDED AND ARE OPERATED BY PEOPLE WHOSE LIVED EXPERIENCES IN THE COMMUNITIES THEY SERVED LED TO THE CREATION OF THE ORGANIZATION. THIS GIVES THESE NONPROFIT ORGANIZATIONS A UNIQUE UNDERSTANDING OF THE BEST WAYS TO PROVIDE THE NEEDED SERVICES AND SOLUTIONS IN THEIR COMMUNITIES.

(e) IN RESPONSE TO THE COVID-19 PUBLIC HEALTH EMERGENCY, SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS HAVE HAD TO RESTRUCTURE TO OPERATE REMOTELY, WORK EXTENDED HOURS, PROVIDE MORE SERVICES TO A GREATER SEGMENT OF THE POPULATION, COLLECT DATA FOR IMPACT AND OUTCOMES, CATALOG INCREASED NEEDS, CREATE CULTURALLY RESPONSIVE SOLUTIONS TO LONGSTANDING PROBLEMS THAT WERE EXACERBATED BY THE PANDEMIC, AND PIVOT FROM PRIOR ROUTINES OR PRACTICES TO REDUCE THE ECONOMIC AND EMOTIONAL TOLL ON DISPROPORTIONATELY IMPACTED COMMUNITIES AS A RESULT OF THE COVID-19 PUBLIC HEALTH EMERGENCY;

(f) SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS SERVE COMMUNITIES THAT ARE STILL SUFFERING FROM THE LINGERING IMPACTS OF THE PANDEMIC AND HAVE THE KNOWLEDGE, EXPERIENCE, AND RELATIONSHIPS NECESSARY TO ADDRESS THE ONGOING NEGATIVE IMPACTS OF THE COVID-19 PUBLIC HEALTH EMERGENCY IN THEIR COMMUNITIES;

(g) THE PRIMARY OBSTACLE THAT SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS FACE IN PROVIDING THE NEEDED SERVICES AND SOLUTIONS TO THEIR COMMUNITIES IS A LACK OF FINANCIAL RESOURCES FOR CAPACITY-BUILDING, SUCH AS UPDATING TECHNOLOGY INFRASTRUCTURE, INCREASING STRATEGIC PLANNING, PROVIDING PROFESSIONAL DEVELOPMENT FOR STAFF AND NONPROFIT BOARDS, ADAPTING FUND-RAISING EFFORTS, AND STRENGTHENING COMMUNICATIONS;

(h) WHILE THE IMPACTS AND DISPROPORTIONAL IMPACTS OF THE COVID-19 PUBLIC HEALTH EMERGENCY ON THE COMMUNITIES THAT SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS SERVE ARE CLEAR, MANY OF THESE ORGANIZATIONS AS ENTITIES HAVE THEMSELVES EXPERIENCED THE NEGATIVE FINANCIAL IMPACTS OF THE COVID-19 PUBLIC HEALTH EMERGENCY DUE TO DECREASED REVENUE, INCREASED COSTS, AND THE NEW AND INCREASED NEEDS OF THE COMMUNITIES THEY SERVE;

(i) IN ADDITION, MANY SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS PROVIDE SERVICES IN QUALIFIED CENSUS TRACTS, WHICH IS DEFINED BY THE UNITED STATES TREASURY AS ANY CENSUS TRACT THAT IS DESIGNATED BY THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT AND, FOR THE MOST RECENT YEAR FOR

WHICH CENSUS DATA ARE AVAILABLE ON HOUSEHOLD INCOME IN SUCH TRACT, EITHER IN WHICH FIFTY PERCENT OR MORE OF THE HOUSEHOLDS HAVE AN INCOME THAT IS LESS THAN SIXTY PERCENT OF THE AREA MEDIAN GROSS INCOME FOR SUCH YEAR OR THAT HAS A POVERTY RATE OF AT LEAST TWENTY-FIVE PERCENT. THESE NONPROFIT ORGANIZATIONS ARE PRESUMED BY THE UNITED STATES TREASURY TO BE DISPROPORTIONATELY IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY.

(j) PROVIDING ASSISTANCE IN THE FORM OF GRANTS TO NONPROFIT ORGANIZATIONS THAT HAVE BEEN IMPACTED OR DISPROPORTIONATELY IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY IS AN ALLOWABLE USE OF THE MONEY RECEIVED BY THE STATE UNDER THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2;

(k) PROVIDING GRANTS TO SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS FOR INFRASTRUCTURE FUNDING WILL HELP MITIGATE THE FINANCIAL HARDSHIPS OF THE COVID-19 PUBLIC HEALTH EMERGENCY EXPERIENCED BY SO MANY SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS;

(l) THESE GRANTS ARE DESIGNED TO RESPOND TO THE HARM EXPERIENCED BY SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS AND ARE REASONABLY PROPORTIONAL TO THAT HARM; AND

(m) THE GRANT PROGRAM DESCRIBED IN THIS SECTION IS AN IMPORTANT GOVERNMENT SERVICE.

(2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ELIGIBLE RECIPIENT" MEANS A SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION THAT SATISFIES THE ELIGIBILITY CRITERIA SPECIFIED IN SUBSECTION (5) OF THIS SECTION.

(b) "FISCAL AGENT" MEANS A TAX-EXEMPT CHARITABLE OR SOCIAL WELFARE ORGANIZATION OPERATING UNDER SECTION 501 (c)(3) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, THAT:

(I) HAS AN ARRANGEMENT WITH A SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION THAT MAY OR MAY NOT HAVE ITS OWN TAX-EXEMPT STATUS TO PERFORM THE FOLLOWING FUNCTIONS ON BEHALF OF THE ORGANIZATION:

(A) RECEIVE GRANTS, CONTRIBUTIONS, AND OTHER MONEY ON BEHALF OF THE SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION;

(B) ENSURE THAT THE MONEY OF THE SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION IS SPENT ON THE INTENDED CHARITABLE PURPOSES OF THE ORGANIZATION WITHOUT RETAINING ANY CONTROL OVER HOW THE MONEY IS SPENT;

(C) SUPERVISE THE SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION'S FINANCES; AND

(D) ENSURE THAT THE SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION'S MONEY IS USED IN A MANNER THAT FURTHERS THE FISCAL AGENT'S OWN CHARITABLE WORK;

(II) PERFORMS THE FUNCTIONS SPECIFIED IN SUBSECTION (2)(b)(I) OF THIS SECTION FOR AN ADMINISTRATIVE FEE THAT DOES NOT EXCEED TEN PERCENT OF THE TOTAL AMOUNT OF ANY GRANT, CONTRIBUTION, OR OTHER MONEY THAT THE SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION RECEIVED WITH THE ASSISTANCE OF THE FISCAL AGENT.

(c) "FISCAL SPONSOR" MEANS A TAX-EXEMPT CHARITABLE OR SOCIAL WELFARE ORGANIZATION OPERATING UNDER SECTION 501 (c)(3) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, THAT:

(I) HAS AN ARRANGEMENT WITH MULTIPLE SMALL COMMUNITY-BASED GROUPS THAT ARE NOT REGISTERED NONPROFIT ORGANIZATIONS TO PERFORM THE FOLLOWING FUNCTIONS ON BEHALF OF THE SMALL COMMUNITY-BASED GROUPS:

(A) RECEIVE GRANTS, CONTRIBUTIONS, AND OTHER MONEY ON BEHALF OF EACH OF THE SMALL COMMUNITY-BASED GROUPS;

(B) ENSURE THAT THE MONEY OF EACH SMALL COMMUNITY-BASED GROUP IS SPENT ON THE INTENDED CHARITABLE PURPOSE OF THE GROUP;

(C) DETERMINE HOW AND WHEN THE MONEY OF EACH SMALL COMMUNITY-BASED GROUP IS SPENT;

(D) SUPERVISE EACH SMALL COMMUNITY-BASED GROUP'S FINANCES;

(E) ENSURE THAT EACH SMALL COMMUNITY-BASED GROUP'S MONEY IS USED IN A MANNER THAT FURTHERS THE FISCAL SPONSOR'S OWN CHARITABLE WORK; AND

(F) PROVIDE FINANCIAL AND PROJECT GUIDANCE TO EACH SMALL COMMUNITY-BASED GROUP;

(II) PERFORMS THE FUNCTIONS SPECIFIED IN SUBSECTION (2)(c)(I) OF THIS SECTION FOR AN ADMINISTRATIVE FEE THAT DOES NOT EXCEED TEN PERCENT OF THE TOTAL AMOUNT OF ANY GRANT, CONTRIBUTION, OR OTHER MONEY THAT THE SMALL COMMUNITY-BASED GROUP RECEIVED WITH THE ASSISTANCE OF THE FISCAL SPONSOR.

(d) "GRANT PROGRAM" MEANS THE SMALL COMMUNITY-BASED NONPROFIT INFRASTRUCTURE GRANT PROGRAM CREATED IN SUBSECTION (3) OF THIS SECTION.

(e) "REGIONAL ACCESS PARTNER" MEANS A NONPROFIT ORGANIZATION HEADQUARTERED IN COLORADO THAT HAS EXPERIENCE IN GRANT MANAGEMENT, THAT HAS THE ABILITY TO DISTRIBUTE GRANTS STATEWIDE OR IN REGIONS OF THE STATE, AND THAT:

(I) HAS A TRACK RECORD OF PROVIDING TECHNICAL ASSISTANCE AND GRANTS TO SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS;

(II) STATES A SPECIFIC FOCUS ON HISTORICALLY MARGINALIZED AND UNDER-RESOURCED COMMUNITIES OR FOCUSES AT LEAST FIFTY-ONE PERCENT OF ITS PROGRAMMING ON ENGAGING AND SUPPORTING HISTORICALLY MARGINALIZED AND UNDER-RESOURCED COMMUNITIES; AND

(III) HAS A BOARD OF DIRECTORS OR STAFF CONSISTING OF AT LEAST THIRTY PERCENT WHO ARE INDIVIDUALS FROM HISTORICALLY MARGINALIZED AND UNDER-RESOURCED COMMUNITIES.

(f) "SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION" MEANS A SMALL COMMUNITY-BASED CHARITABLE OR SOCIAL WELFARE ORGANIZATION THAT HAS BEEN IMPACTED OR DISPROPORTIONATELY IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY AND THAT:

(I) HAS ORGANIZATIONAL LEADERSHIP WHOSE LIVED EXPERIENCES IN THE COMMUNITIES THEY SERVE LEAD TO THE CREATION, MISSION, AND WORK OF THE NONPROFIT ORGANIZATION;

(II) HAS AN ANNUAL ORGANIZATIONAL BUDGET OR PROJECTED ANNUAL ORGANIZATIONAL BUDGET OF AT LEAST ONE HUNDRED FIFTY THOUSAND DOLLARS AND NOT MORE THAN TWO MILLION DOLLARS; AND

(III) IS ONE OF THE FOLLOWING:

(A) A TAX-EXEMPT CHARITABLE OR SOCIAL WELFARE ORGANIZATION OPERATING UNDER SECTION 501 (c)(3) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED;

(B) A TAX-EXEMPT CHARITABLE OR SOCIAL WELFARE ORGANIZATION THAT DOES NOT OPERATE UNDER SECTION 501 (c)(3) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, AND THAT IS WORKING WITH A FISCAL AGENT; OR

(C) A COLLABORATION OF SMALL COMMUNITY-BASED GROUPS THAT DO NOT OPERATE AS NONPROFIT ORGANIZATIONS AND THAT ARE WORKING WITH A FISCAL SPONSOR.

**(3) Small community-based nonprofit infrastructure grant program creation.** (a) THERE IS HEREBY CREATED IN THE DIVISION THE SMALL COMMUNITY-BASED NONPROFIT INFRASTRUCTURE GRANT PROGRAM TO PROVIDE GRANTS TO ELIGIBLE RECIPIENTS FOR INFRASTRUCTURE AND CAPACITY BUILDING.

(b) THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM AS SPECIFIED IN SUBSECTION (4) OF THIS SECTION AND SHALL CONTRACT WITH UP TO TEN REGIONAL ACCESS PARTNERS TO AWARD AND MONITOR GRANTS AS PROVIDED IN THIS SECTION, SUBJECT TO AVAILABLE APPROPRIATIONS. A NONPROFIT ORGANIZATION MUST APPLY TO THE DIVISION, IN A FORM AND MANNER TO BE DETERMINED BY THE DIVISION, TO SERVE AS A REGIONAL ACCESS PARTNER. GRANTS SHALL BE PAID FROM THE MONEY APPROPRIATED TO THE DIVISION FOR THE GRANT PROGRAM AS PROVIDED IN SUBSECTION (8) OF THIS SECTION. THE DIVISION SHALL ALLOCATE THE MONEY APPROPRIATED FOR THE GRANT PROGRAM TO THE SELECTED REGIONAL ACCESS PARTNERS FOR DISTRIBUTION TO GRANT RECIPIENTS PURSUANT TO THIS SECTION.

**(4) Grant program administration.** (a) THE DIVISION SHALL ENGAGE WITH NONPROFIT ORGANIZATION STAKEHOLDERS THAT HAVE EXPERIENCE WORKING WITH SMALL COMMUNITY-BASED NONPROFIT ORGANIZATIONS AND SATISFY THE CRITERIA TO SERVE AS REGIONAL ACCESS PARTNERS TO DEVELOP POLICIES AND PROCEDURES TO ADMINISTER THE GRANT PROGRAM. AT A MINIMUM, THE POLICIES MUST SPECIFY:

- (I) THE TIME FRAMES FOR APPLYING, AWARDING, AND DISBURSING GRANTS;
- (II) THE FORM OF THE GRANT APPLICATION; AND
- (III) THE RUBRIC TO BE USED TO EVALUATE GRANT APPLICATIONS.

(b) IN DEVELOPING THE GRANT APPLICATION PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, THE DIVISION SHALL ENSURE THAT EACH ELIGIBLE RECIPIENT IS REQUIRED TO INCLUDE IN ITS APPLICATION EVIDENCE THAT THE ELIGIBLE RECIPIENT WAS IMPACTED OR DISPROPORTIONATELY IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY. SUCH EVIDENCE MAY INCLUDE AND NEED NOT BE LIMITED TO:

(I) THE PERCENTAGE BY WHICH THE ELIGIBLE RECIPIENT'S TOTAL OPERATING EXPENSES OVER PROGRAM EXPENSES HAS DECREASED SINCE THE BEGINNING OF THE COVID-19 PUBLIC HEALTH EMERGENCY;

(II) EVIDENCE THAT THE ELIGIBLE RECIPIENT HAD TO LAY OFF STAFF DURING THE COVID-19 PUBLIC HEALTH EMERGENCY;

(III) EVIDENCE THAT THE ELIGIBLE RECIPIENT HAD TO CLOSE FOR A PERIOD DURING THE COVID-19 PUBLIC HEALTH EMERGENCY; OR

(IV) EVIDENCE THAT THE ELIGIBLE RECIPIENT HAD TO ACCESS ITS FINANCIAL RESERVES TO PAY FOR OPERATING COSTS DURING THE COVID-19 PUBLIC HEALTH EMERGENCY.

(c) THE DIVISION SHALL DEVELOP AND IMPLEMENT AN OUTREACH STRATEGY FOR POTENTIAL ELIGIBLE RECIPIENTS THAT INCLUDES PARTNERSHIPS AND FUNDING FOR NONPROFIT ORGANIZATIONS WITH DIRECT COMMUNITY EXPERIENCE TO PARTNER WITH THE DIVISION ON OUTREACH REGARDING THE GRANT PROGRAM. THE DIVISION SHALL ENSURE THAT ANY INFORMATION AND MATERIALS IN CONNECTION WITH THE OUTREACH STRATEGY ARE AVAILABLE IN AT LEAST ENGLISH AND SPANISH.

**(5) Grant recipient eligibility criteria.** (a) TO BE AN ELIGIBLE RECIPIENT FOR A GRANT PURSUANT TO THIS SECTION, AN ORGANIZATION SHALL BE A SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION THAT SATISFIES THE CRITERIA SPECIFIED IN SUBSECTION (5)(b) OF THIS SECTION, A SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION THAT SATISFIES THE CRITERIA SPECIFIED IN SUBSECTION (5)(c) OF THIS SECTION, OR A COLLABORATION OF MULTIPLE SMALL COMMUNITY-BASED GROUPS THAT SATISFY THE CRITERIA SPECIFIED IN SUBSECTION (5)(d) OF THIS SECTION.

(b) A SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION THAT IS A TAX-EXEMPT CHARITABLE OR SOCIAL WELFARE ORGANIZATION OPERATING UNDER SECTION 501 (c)(3) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS

AMENDED, IS AN ELIGIBLE RECIPIENT IF THE ORGANIZATION:

(I) HAS A TRACK RECORD OF PROVIDING EFFECTIVE, CULTURALLY APPROPRIATE, AND RELEVANT PROGRAMS AND SERVICES TO COMMUNITIES WHO HAVE HISTORICALLY BEEN UNDERREPRESENTED, UNDERSERVED, OR UNDERRESOURCED IN COLORADO;

(II) HAS A GOVERNING BODY AND STAFF THAT CONSISTS OF A MAJORITY OF RESIDENTS WHO LIVE IN THE COMMUNITIES SERVED BY THE SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION;

(III) HAS A MISSION OR HISTORY OF PROVIDING SERVICES IN SPECIFIC COMMUNITIES IN THE STATE AND HAS ITS MAIN OFFICES IN ONE OF THE COMMUNITIES THAT THE SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION SERVES;

(IV) IDENTIFIES AND DEFINES PRIORITY ISSUE AREAS WITH INPUT FROM RESIDENTS OF THE COMMUNITY;

(V) FOCUSES THE SERVICES IT PROVIDES TO SPECIFIC AREAS OF COMMUNITY-IDENTIFIED NEEDS, INCLUDING HEALTH EQUITY, WORKFORCE DEVELOPMENT, COMMUNITY ECONOMIC DEVELOPMENT, EARLY CHILDHOOD CARE, EDUCATION SUPPORT, HOUSING, AND FOOD JUSTICE, AND HAS THE COMMITMENT TO CONNECT THE COMMUNITIES THAT IT SERVES WITH GOVERNMENT AGENCIES AND PROGRAMS, IF AVAILABLE;

(VI) SOLICITS AND IMPLEMENTS COMMUNITY-LED SOLUTIONS FROM THE COMMUNITY IT SERVES; AND

(VII) IS IN GOOD STANDING WITH THE COLORADO SECRETARY OF STATE.

(c) A SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION THAT IS A REGISTERED NONPROFIT ORGANIZATION BUT THAT DOES NOT OPERATE UNDER SECTION 501 (c)(3) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, IS AN ELIGIBLE RECIPIENT IF:

(I) THE SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION SATISFIES ALL OF THE CRITERIA SPECIFIED IN SUBSECTIONS (5)(b)(I) THROUGH (5)(b)(VII) OF THIS SECTION; AND

(II) THE SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION WORKS WITH A FISCAL AGENT.

(d) A COLLABORATION OF MULTIPLE SMALL COMMUNITY-BASED GROUPS THAT ARE NOT REGISTERED NONPROFIT ORGANIZATIONS ARE ELIGIBLE RECIPIENTS IF:

(I) EACH SMALL COMMUNITY-BASED GROUP IN THE COLLABORATION SATISFIES ALL OF THE CRITERIA SPECIFIED IN SUBSECTION (5)(b)(I) THROUGH (5)(b)(VI) OF THIS SECTION;

(II) THE COLLABORATION OF MULTIPLE SMALL COMMUNITY-BASED GROUPS WORKS WITH A FISCAL SPONSOR; AND

(III) THE FISCAL SPONSOR SATISFIES ALL OF THE CRITERIA SPECIFIED IN SUBSECTIONS (5)(b)(I) THROUGH (5)(b)(VII) OF THIS SECTION AND IS A SMALL COMMUNITY-BASED NONPROFIT ORGANIZATION; EXCEPT THAT THE ANNUAL BUDGET REQUIREMENT SPECIFIED IN SUBSECTION (2)(f)(II) OF THIS SECTION DOES NOT APPLY TO THE FISCAL SPONSOR.

**(6) Purposes for which grant program money may be used.** (a) ELIGIBLE RECIPIENTS MAY USE THE MONEY RECEIVED THROUGH THE GRANT PROGRAM FOR THE FOLLOWING INFRASTRUCTURE AND CAPACITY BUILDING PURPOSES:

(I) DATA TECHNOLOGY NEEDS INCLUDING DATA COLLECTION AND TECHNOLOGY INFRASTRUCTURE;

(II) PROFESSIONAL DEVELOPMENT FOR STAFF AND BOARD MEMBERS;

(III) STRATEGIC PLANNING AND ORGANIZATIONAL DEVELOPMENT FOR CAPACITY BUILDING, FUNDRAISING, AND OTHER SERVICES;

(IV) COMMUNICATIONS; AND

(V) EXISTING PROGRAM EXPANSION, DEVELOPMENT, OR EVALUATION.

(b) ELIGIBLE RECIPIENTS SHALL NOT USE THE MONEY RECEIVED THROUGH THE GRANT PROGRAM FOR THE FOLLOWING PURPOSES:

(I) CAPITAL IMPROVEMENTS. FOR PURPOSES OF THIS SECTION, "CAPITAL IMPROVEMENT" DOES NOT INCLUDE INFORMATION TECHNOLOGY INFRASTRUCTURE;

(II) REAL ESTATE OR LAND ACQUISITION;

(III) PAYMENT OF DEBT;

(IV) ADVOCACY OR LOBBYING;

(V) ORGANIZING; OR

(VI) ENDOWMENTS OR RESERVES.

**(7) Grant applications and awards.** (a) TO RECEIVE A GRANT, AN ELIGIBLE RECIPIENT MUST SUBMIT AN APPLICATION TO A REGIONAL ACCESS PARTNER IN ACCORDANCE WITH THE POLICIES AND PROCEDURES DEVELOPED BY THE DIVISION. THE APPLICATION MUST INCLUDE ANY CRITERIA OR INFORMATION DETERMINED BY THE DIVISION.

(b) IN AWARDING GRANTS PURSUANT TO THIS SECTION, A REGIONAL ACCESS PARTNER SHALL ENSURE THAT:

(I) THE MAXIMUM GRANT AWARD TO AN ELIGIBLE RECIPIENT DOES NOT EXCEED ONE HUNDRED THOUSAND DOLLARS. IF AN ELIGIBLE RECIPIENT IS A COLLABORATION OF MULTIPLE SMALL COMMUNITY-BASED GROUPS, THE DIVISION SHALL ENSURE THAT THE MAXIMUM GRANT AWARD TO EACH INDIVIDUAL SMALL COMMUNITY-BASED



GROUP DOES NOT EXCEED ONE HUNDRED THOUSAND DOLLARS.

(II) AN ELIGIBLE RECIPIENT'S GRANT AWARD DOES NOT EXCEED THIRTY PERCENT OF THE RECIPIENT'S ANNUAL OPERATING BUDGET. IF AN ELIGIBLE RECIPIENT IS A COLLABORATION OF MULTIPLE SMALL COMMUNITY-BASED GROUPS, THE DIVISION SHALL ENSURE THAT THE GRANT AWARD TO AN INDIVIDUAL SMALL COMMUNITY-BASED GROUP DOES NOT EXCEED THIRTY PERCENT OF THAT INDIVIDUAL SMALL COMMUNITY-BASED GROUP'S ANNUAL OPERATING BUDGET.

(c) SUBJECT TO AVAILABLE APPROPRIATIONS, THE REGIONAL ACCESS PARTNER SHALL AWARD GRANTS FOR THE PURPOSES SPECIFIED IN THIS SECTION ON OR BEFORE DECEMBER 30, 2024.

(d) UPON A REGIONAL ACCESS PARTNER AWARDED A GRANT TO AN ELIGIBLE RECIPIENT PURSUANT TO THIS SECTION, THE REGIONAL ACCESS PARTNER AND THE ELIGIBLE RECIPIENT SHALL ENTER INTO A CONTRACT IN CONNECTION WITH THE GRANT AWARD. THE REGIONAL ACCESS PARTNER MAY DISPENSE UP TO FIFTY PERCENT OF THE TOTAL VALUE OF THE PAYMENTS UNDER THE CONTRACT TO THE ELIGIBLE RECIPIENT IMMEDIATELY UPON THE EXECUTION OF THE CONTRACT.

(e) AN ELIGIBLE RECIPIENT THAT RECEIVES A GRANT PURSUANT TO THIS SECTION SHALL EXPEND ALL GRANT MONEY BY DECEMBER 30, 2026.

(8) **Source of grant money.** (a) FOR THE 2022-23 STATE FISCAL YEAR, THE GENERAL ASSEMBLY SHALL APPROPRIATE THIRTY-FIVE MILLION DOLLARS FROM THE ECONOMIC RECOVERY AND RELIEF CASH FUND CREATED IN SECTION 24-75-228 (2)(a) TO THE DIVISION TO AWARD GRANTS TO ELIGIBLE RECIPIENTS FOR THE PURPOSES OF THE GRANT PROGRAM. ANY MONEY APPROPRIATED IN THE 2022-23 STATE FISCAL YEAR THAT IS NOT ENCUMBERED OR EXPENDED AT THE END OF THAT STATE FISCAL YEAR REMAINS AVAILABLE FOR EXPENDITURE BY THE DIVISION IN SUBSEQUENT STATE FISCAL YEARS WITHOUT FURTHER APPROPRIATION, SUBJECT TO THE REQUIREMENTS FOR OBLIGATING AND EXPENDING MONEY RECEIVED UNDER THE FEDERAL "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS SPECIFIED IN SECTION 24-75-226 (4)(d).

(b) (I) THE DIVISION MAY USE UP TO FIVE PERCENT OF THE AMOUNT APPROPRIATED PURSUANT TO THIS SECTION FOR COSTS ASSOCIATED WITH IMPLEMENTING AND ADMINISTERING THE GRANT PROGRAM.

(II) EACH REGIONAL ACCESS PARTNER SELECTED BY THE DIVISION TO AWARD AND MONITOR GRANTS PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION MAY USE UP TO FIVE PERCENT OF THE AMOUNT AWARDED TO RECIPIENTS FOR COSTS ASSOCIATED WITH AWARDED AND MONITORING THE GRANTS.

(9) **Reporting requirement.** THE DIVISION AND ANY PERSON THAT RECEIVES MONEY FROM THE DIVISION, INCLUDING A REGIONAL ACCESS PARTNER, SHALL COMPLY WITH THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5).

(10) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

**SECTION 2. Appropriation.** For the 2022-23 state fiscal year, \$35,000,000 is appropriated to the department of local affairs for use by the division of local government. This appropriation is from the economic recovery and relief cash fund created in section 24-75-228 (2)(a), C.R.S., is of money the state received from the federal coronavirus state fiscal recovery fund, and is based on an assumption that the division will require an additional 0.5 FTE. To implement this act, the division may use this appropriation for small community-based nonprofit infrastructure grants. Any money appropriated in this section not expended prior to July 1, 2023, is further appropriated to the division from July 1, 2023, through December 30, 2024, for the same purpose.

**SECTION 3. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: June 3, 2022