

First Extraordinary Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20B-0021.01 Jery Payne x2157

HOUSE BILL 20B-1010

HOUSE SPONSORSHIP

Buck,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A GRANT PROGRAM TO HELP
102 NONESSENTIAL SMALL BUSINESSES REMAIN SOLVENT DURING
103 TIMES OF ECONOMIC HARDSHIP CREATED BY THE COVID-19
104 PANDEMIC, AND, IN CONNECTION THEREWITH, MAKING AN
105 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 nonessential small business pandemic grant program (program). The program compensates nonessential small

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.

businesses for up to 50% of revenue that was lost due to an order or rule issued to address the COVID-19 pandemic that lowered the business's revenues. In connection with creating the program, the bill authorizes small businesses to apply for and use the grant money for any reasonable business expense that helps the small businesses to remain solvent.

The office of economic development (office) administers the program and the director of the office is authorized to promulgate rules. The office will consult with the Colorado economic development commission. The rules must:

- Specify the time frames for applying for grants and distributing grant money;
- Establish the application form and information needed to apply;
- Specify the qualifications to be awarded a grant; and
- Establish accounting categories for operating a small business and within which the grants are required to be spent.

A small business needs to follow the application process and be qualified to receive a grant. A small business qualifies for a grant under this section if the small business:

- Has not declared the type of bankruptcy that results in liquidation of the business;
- Has been ordered to shut down because of the COVID-19 pandemic within the 90 days before the application is submitted;
- Has lost revenue because of economic hardship caused by the COVID-19 pandemic.

The office must distribute the grant money within 30 days after awarding the grants. The office may use an agent from within or outside state government to administer all or a portion of the program.

A grant recipient must submit a report from 60 to 90 days after receiving a grant with the following information:

- The date the grant was received;
- The total amount of the grant and the total amount of the grant money spent to date; and
- Each accounting category within which the grant was spent and the amounts spent within each accounting category.

If the first report submitted by the small business does not cover all expenditures, another report is required. By January 1, 2022, the office must submit a summarized report about the program to the business, labor, and technology committee of the senate, the business affairs and labor committee of the house of representatives, and the governor.

The program is funded by an appropriation and repeals September 1, 2022.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-48.5-127 as
3 follows:

4 **24-48.5-127. Nonessential small business pandemic grant**
5 **program - creation - report - rules - definitions - repeal.** (1) **Short**
6 **title.** THE SHORT TITLE OF THIS SECTION IS THE "NONESSENTIAL SMALL
7 BUSINESS PANDEMIC GRANT PROGRAM ACT".

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

10 (a) "COMMISSION" MEANS THE COLORADO ECONOMIC
11 DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102 (2).

12 (b) "GRANT PROGRAM" MEANS THE NONESSENTIAL SMALL
13 BUSINESS PANDEMIC GRANT PROGRAM CREATED IN SUBSECTION (3) OF
14 THIS SECTION.

15 (c) "LOST REVENUE" MEANS THE TOTAL AMOUNT OF REVENUE
16 THAT A SMALL BUSINESS DID NOT RECEIVE BECAUSE OF AN ORDER OR RULE
17 ISSUED TO ADDRESS THE COVID-19 PANDEMIC. THE AMOUNT IS
18 CALCULATED BY MULTIPLYING THE NUMBER OF DAYS THE ORDER OR RULE
19 WAS IN PLACE BY THE AVERAGE DAILY DIFFERENCE IN REVENUE, WHICH IS
20 CALCULATED BY THE FOLLOWING:

21 (I) IF THE SMALL BUSINESS WAS CREATED ON OR BEFORE JANUARY
22 1, 2018, THE DIFFERENCE BETWEEN:

23 (A) THE AVERAGE DAILY AMOUNT OF REVENUE THE SMALL
24 BUSINESS RECEIVED FROM JANUARY 1, 2018, TO THE DAY BEFORE AN
25 ORDER OR RULE THAT LOWERED REVENUE WAS ISSUED TO ADDRESS THE
26 COVID-19 PANDEMIC; AND

1 (B) THE AVERAGE DAILY AMOUNT OF REVENUE THE SMALL
2 BUSINESS RECEIVED BEGINNING ON THE DATE AN ORDER OR RULE THAT
3 LOWERED REVENUE WAS ISSUED TO ADDRESS THE COVID-19 PANDEMIC
4 AND ENDING ON THE DATE THE SMALL BUSINESS APPLIED FOR A GRANT; OR

5 (II) IF THE SMALL BUSINESS WAS CREATED AFTER JANUARY 1,
6 2018, THE DIFFERENCE BETWEEN:

7 (A) THE AVERAGE DAILY AMOUNT OF REVENUE THE SMALL
8 BUSINESS RECEIVED FROM THE DATE THE SMALL BUSINESS WAS CREATED
9 TO THE DAY BEFORE AN ORDER OR RULE THAT LOWERED REVENUE WAS
10 ISSUED TO ADDRESS THE COVID-19 PANDEMIC; AND

11 (B) THE AVERAGE DAILY AMOUNT OF REVENUE THE SMALL
12 BUSINESS RECEIVED BEGINNING ON THE DATE AN ORDER OR RULE THAT
13 LOWERED REVENUE WAS ISSUED TO ADDRESS THE COVID-19 PANDEMIC
14 AND ENDING ON THE DATE THE SMALL BUSINESS APPLIED FOR A GRANT.

15 (d) "NONESSENTIAL" MEANS THAT A BUSINESS HAS BEEN ORDERED
16 TO SHUT DOWN BECAUSE OF THE COVID-19 PANDEMIC.

17 (e) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
18 DEVELOPMENT CREATED IN SECTION 24-48.5-101 (1).

19 (f) "SMALL BUSINESS" MEANS A PERSON THAT IS A FOR-PROFIT
20 ENTERPRISE AND THAT EMPLOYS FEWER THAN FIFTY EMPLOYEES,
21 MEASURED AS FULL-TIME EQUIVALENTS.

22 (3) **Creation - rules.** (a) THERE IS HEREBY CREATED IN THE
23 OFFICE THE NONESSENTIAL SMALL BUSINESS PANDEMIC GRANT PROGRAM
24 TO PROVIDE GRANTS OF UP TO FIFTY PERCENT OF LOST REVENUE TO
25 NONESSENTIAL SMALL BUSINESSES FOR COVID-19 PANDEMIC RELIEF TO
26 HELP THE SMALL BUSINESSES REMAIN SOLVENT.

27 (b) A SMALL BUSINESS MAY USE THE MONEY RECEIVED THROUGH

1 THE GRANT PROGRAM FOR ANY REASONABLE BUSINESS EXPENSE THAT
2 HELPS THE SMALL BUSINESS TO REMAIN SOLVENT.

3 (c) IN CONSULTATION WITH THE COMMISSION, THE OFFICE SHALL
4 ADMINISTER THE GRANT PROGRAM AND, SUBJECT TO AVAILABLE
5 APPROPRIATIONS, SHALL AWARD GRANTS AS PROVIDED IN THIS SECTION.

6 (d) THE OFFICE, IN CONSULTATION WITH THE COMMISSION, SHALL
7 IMPLEMENT THE GRANT PROGRAM IN ACCORDANCE WITH THIS SECTION. IN
8 ACCORDANCE WITH ARTICLE 4 OF THIS TITLE 24, THE DIRECTOR OF THE
9 OFFICE SHALL PROMULGATE SUCH RULES AS ARE REQUIRED IN THIS
10 SECTION AND SUCH ADDITIONAL RULES AS MAY BE NECESSARY TO
11 IMPLEMENT THE GRANT PROGRAM. AT A MINIMUM, THE RULES MUST:

- 12 (I) SPECIFY THE TIME FRAMES FOR APPLYING FOR GRANTS;
- 13 (II) SPECIFY THE FORM OF THE GRANT PROGRAM APPLICATION;
- 14 (III) SPECIFY THE TIME FRAMES FOR DISTRIBUTING GRANT MONEY;
- 15 (IV) SPECIFY ANY INFORMATION REQUIRED TO BE SUBMITTED IN
16 THE APPLICATION FOR A GRANT;

17 (V) SPECIFY THE QUALIFICATIONS AS ESTABLISHED IN SUBSECTION
18 (4)(b) OF THIS SECTION AND ANY ADDITIONAL QUALIFICATIONS
19 NECESSARY TO IMPLEMENT THIS SECTION; AND

20 (VI) ESTABLISH ACCOUNTING CATEGORIES FOR OPERATING A
21 SMALL BUSINESS AND WITHIN WHICH THE GRANTS ARE REQUIRED TO BE
22 SPENT.

23 (4) **Application - rules - qualifications - awards.** (a) TO
24 RECEIVE A GRANT, A SMALL BUSINESS MUST SUBMIT AN APPLICATION TO
25 THE OFFICE IN ACCORDANCE WITH RULES PROMULGATED BY THE DIRECTOR
26 OF THE OFFICE. AT A MINIMUM, THE APPLICATION MUST INCLUDE:

- 27 (I) INFORMATION THAT THE SMALL BUSINESS IS QUALIFIED, IN

1 ACCORDANCE WITH SUBSECTION (4)(b) OF THIS SECTION, FOR A GRANT;

2 (II) THE AMOUNT OF REVENUE THAT THE SMALL BUSINESS
3 RECEIVED BEGINNING ON JANUARY 1, 2018, AND ENDING THE DAY BEFORE
4 THE ORDER OR RULE THAT LOWERED REVENUE WAS ISSUED, BUT IF THE
5 SMALL BUSINESS WAS CREATED AFTER JANUARY 1, 2018, THE DATE THE
6 SMALL BUSINESS WAS CREATED AND THE AMOUNT OF REVENUE THE SMALL
7 BUSINESS RECEIVED BEGINNING ON THE DATE THE SMALL BUSINESS WAS
8 CREATED AND ENDING THE DAY BEFORE THE ORDER OR RULE THAT
9 LOWERED REVENUE WAS ISSUED;

10 (III) THE AMOUNT OF REVENUE THE SMALL BUSINESS HAS
11 RECEIVED BEGINNING ON THE DATE THE ORDER OR RULE THAT LOWERED
12 REVENUE WAS ISSUED AND ENDING ON:

13 (A) THE DATE THE SMALL BUSINESS APPLIED FOR THE GRANT IF
14 THE ORDER OR RULE THAT LOWERED REVENUE IS STILL IN EFFECT; OR

15 (B) THE DATE THE ORDER OR RULE THAT LOWERED REVENUE WAS
16 LIFTED OR REPEALED; AND

17 (IV) ANY OTHER INFORMATION REQUIRED BY RULE TO BE
18 SUBMITTED TO OBTAIN A GRANT.

19 (b) A SMALL BUSINESS QUALIFIES FOR A GRANT UNDER THIS
20 SECTION IF THE SMALL BUSINESS:

21 (I) HAS NOT DECLARED BANKRUPTCY UNDER CHAPTER 7 OF TITLE
22 11 OF THE UNITED STATES CODE;

23 (II) (A) HAS BEEN ORDERED TO SHUT DOWN BECAUSE OF THE
24 COVID-19 PANDEMIC WITHIN THE NINETY DAYS BEFORE APPLYING FOR A
25 GRANT; OR

26 (B) HAS HAD OPERATING RESTRICTIONS PLACED ON THE SMALL
27 BUSINESS THAT MATERIALLY LOWERS THE REVENUE BECAUSE OF THE

1 COVID-19 PANDEMIC WITHIN THE NINETY DAYS BEFORE APPLYING FOR A
2 GRANT; AND

3 (III) HAS LOST REVENUE BECAUSE OF ECONOMIC HARDSHIP
4 CAUSED BY THE COVID-19 PANDEMIC.

5 (c) THE OFFICE SHALL REVIEW THE APPLICATIONS RECEIVED UNDER
6 THIS SECTION AND AWARD GRANTS, SUBJECT TO AVAILABLE
7 APPROPRIATIONS, THAT DO NOT EXCEED FIFTY PERCENT OF LOST REVENUE
8 TO SMALL BUSINESSES BASED ON THE QUALIFICATIONS ESTABLISHED IN
9 SUBSECTION (4)(b) OF THIS SECTION AND ANY ADDITIONAL
10 QUALIFICATIONS ESTABLISHED BY RULE.

11 (d) THE OFFICE SHALL DISTRIBUTE THE GRANT MONEY WITHIN
12 THIRTY DAYS AFTER THE OFFICE AWARDS THE GRANTS. IN ADMINISTERING
13 THE GRANT PROGRAM, THE OFFICE MAY USE AN AGENT FROM WITHIN OR
14 OUTSIDE STATE GOVERNMENT TO ADMINISTER ALL OR A PORTION OF THE
15 GRANT PROGRAM. ANY AGENT SHALL COMPLY WITH THIS SECTION.

16 (5) **Reporting requirements.** (a) AT LEAST SIXTY DAYS AND NO
17 MORE THAN NINETY DAYS AFTER RECEIVING A GRANT, A SMALL BUSINESS
18 SHALL SUBMIT A REPORT TO THE OFFICE. AT A MINIMUM, THE REPORT
19 MUST INCLUDE THE FOLLOWING INFORMATION:

20 (I) THE DATE THE GRANT WAS RECEIVED;

21 (II) THE TOTAL AMOUNT OF THE GRANT AND THE TOTAL AMOUNT
22 OF THE GRANT MONEY SPENT TO DATE;

23 (III) EACH ACCOUNTING CATEGORY WITHIN WHICH THE GRANT
24 WAS SPENT AND THE AMOUNTS SPENT WITHIN EACH ACCOUNTING
25 CATEGORY; AND

26 (IV) A STATEMENT OF WHETHER THE SMALL BUSINESS HAS FILED
27 BANKRUPTCY, AND IF THE SMALL BUSINESS FILED BANKRUPTCY, UNDER

1 WHAT CHAPTER OF TITLE 11 OF THE UNITED STATES CODE THE SMALL
2 BUSINESS FILED BANKRUPTCY.

3 (b) IF, ON THE DATE THAT THE SMALL BUSINESS SUBMITS THE
4 REPORT REQUIRED IN SUBSECTION (5)(a) OF THIS SECTION, THE SMALL
5 BUSINESS HAS NOT SPENT ALL OF THE GRANT MONEY AWARDED, THE
6 SMALL BUSINESS SHALL SUBMIT ANOTHER REPORT IN ACCORDANCE WITH
7 SUBSECTION (5)(a) OF THIS SECTION; EXCEPT THAT, IN LIEU OF THE
8 DEADLINES LISTED IN SUBSECTION (5)(a) OF THIS SECTION, THE REPORT
9 MUST BE FILED AT LEAST SIXTY DAYS AND NO MORE THAN NINETY DAYS
10 AFTER SUBMITTING THE FIRST REPORT.

11 (c) ON OR BEFORE JANUARY 1, 2022, THE OFFICE SHALL SUBMIT A
12 SUMMARIZED REPORT ABOUT THE GRANT PROGRAM TO THE BUSINESS,
13 LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE AND THE BUSINESS
14 AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR
15 ANY SUCCESSOR COMMITTEES, AND TO THE GOVERNOR. AT A MINIMUM,
16 THE REPORT MUST INCLUDE:

17 (I) THE NUMBER OF GRANTS AND THE AMOUNT OF GRANT MONEY
18 DISTRIBUTED;

19 (II) THE ACCOUNTING CATEGORIES WITHIN WHICH THE GRANT
20 MONEY WAS SPENT AND HOW MUCH MONEY WAS SPENT WITHIN EACH
21 CATEGORY; AND

22 (III) A STATEMENT OF THE OFFICE'S EVALUATION OF THE
23 EFFECTIVENESS OF THE GRANT PROGRAM BASED ON THE BANKRUPTCY
24 INFORMATION OBTAINED FROM THE SMALL BUSINESS REPORTS SUBMITTED
25 IN ACCORDANCE WITH SUBSECTION (5)(a) OF THIS SECTION AND ANY
26 OTHER INFORMATION THE OFFICE DEEMS RELEVANT.

27 (6) **Funding.** THE GENERAL ASSEMBLY SHALL ANNUALLY

1 APPROPRIATE MONEY TO THE GOVERNOR'S OFFICE FOR USE BY THE OFFICE
2 TO IMPLEMENT AND ADMINISTER THE GRANT PROGRAM. SUBJECT TO
3 APPROPRIATION, THE OFFICE MAY USE A PORTION OF THE MONEY
4 ANNUALLY APPROPRIATED FOR THE GRANT PROGRAM TO PAY THE DIRECT
5 AND INDIRECT COSTS THAT THE OFFICE INCURS TO ADMINISTER THE GRANT
6 PROGRAM.

7 (7) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1,
8 2022.

9 **SECTION 2. Appropriation.** For the 2020-21 state fiscal year,
10 \$_____ is appropriated to the office of the governor for use by the
11 Colorado office of economic development. This appropriation is from the
12 general fund. To implement this act, the Colorado office of economic
13 development may use this appropriation for making grants to nonessential
14 small businesses that qualify under the act. Any money appropriated in
15 this section not expended prior to July 1, 2021, is further appropriated to
16 the office of the governor for the 2021-22 state fiscal year for the same
17 purpose.

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