

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

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 21-1041.01 Esther van Mourik x4215

SENATE BILL 21-291

SENATE SPONSORSHIP

Fenberg and Holbert,

HOUSE SPONSORSHIP

(None),

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE TRANSFER OF FORTY MILLION DOLLARS TO THE**
102 **COLORADO ECONOMIC DEVELOPMENT FUND FOR THE PURPOSE**
103 **OF PROVIDING GRANTS TO BUSINESSES AND FOR INVESTING IN**
104 **ECONOMIC DEVELOPMENT OPPORTUNITIES IN RESPONSE TO THE**
105 **NEGATIVE ECONOMIC IMPACTS OF THE CORONAVIRUS**
106 **PANDEMIC FROM THE NEWLY CREATED ECONOMIC RECOVERY**
107 **AND RELIEF CASH FUND WHICH FUND CONSISTS OF CERTAIN**
108 **MONEY THAT THE STATE RECEIVES FROM THE FEDERAL**
109 **CORONAVIRUS STATE FISCAL RECOVERY FUND, AND, IN**
110 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does

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.

SENATE
Amended 2nd Reading
May 28, 2021

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 economic recovery and relief cash fund (fund) which consists of money deposited in the fund from the "American Rescue Plan Act of 2021" cash fund. To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, the bill allows the general assembly to appropriate or transfer money for specified uses.

The bill transfers \$40 million to the Colorado economic development fund for the Colorado office of economic development to use \$10 million of the appropriated money to incentivize small businesses to locate in rural Colorado and for the location neutral employment incentive program which provides incremental cash incentives per remote employee per year for up to 5 years to small businesses that hire new employees in designated rural areas of the state. The bill specifies that the remaining appropriated money must be used, subject to the fund requirements, to provide grants to small businesses or to undertake any other economic development activity in response to the negative economic impacts of the COVID-19 pandemic.

The bill requires the executive committee of the legislative council to create a task force to meet during the 2021 legislative interim and issue a report with recommendations to the general assembly and the governor on policies that use money from the fund to provide a stimulative effect to the state's economy, necessary relief for Coloradans, or that address emerging economic disparities resulting from the pandemic.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-75-228 as
3 follows:

4 **24-75-228. Economic recovery and relief cash fund - creation**
5 **- allowable uses - interim task force - report - legislative declaration**
6 **- definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE
7 CONTEXT OTHERWISE REQUIRES:

8 (a) "AMERICAN RESCUE PLAN ACT OF 2021" MEANS THE FEDERAL
9 "AMERICAN RESCUE PLAN ACT OF 2021", PUB.L. 117-2, AS THE ACT MAY

1 BE SUBSEQUENTLY AMENDED.

2 (b) "DEPARTMENT" MEANS A PRINCIPAL DEPARTMENT IDENTIFIED
3 IN SECTION 24-1-110 AND THE JUDICIAL DEPARTMENT. THE TERM ALSO
4 INCLUDES THE OFFICE OF THE GOVERNOR, INCLUDING ANY OFFICES
5 CREATED THEREIN.

6 (c) "FUND" MEANS THE ECONOMIC RECOVERY AND RELIEF CASH
7 FUND CREATED IN SUBSECTION (2)(a) OF THIS SECTION OR AN IDENTICAL
8 COMPANION FUND CREATED BY OPERATION OF SECTION 24-75-226 (4)(c).

9 (2) (a) THE ECONOMIC RECOVERY AND RELIEF CASH FUND IS
10 HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF
11 MONEY CREDITED TO THE FUND IN ACCORDANCE WITH SUBSECTION (3) OF
12 THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
13 APPROPRIATE OR TRANSFER TO THE FUND. TO RESPOND TO THE PUBLIC
14 HEALTH EMERGENCY WITH RESPECT TO COVID-19 OR ITS NEGATIVE
15 ECONOMIC IMPACTS, THE GENERAL ASSEMBLY MAY APPROPRIATE OR
16 TRANSFER MONEY FROM THE FUND TO A DEPARTMENT FOR THE
17 FOLLOWING USES:

- 18 (I) ASSISTANCE TO SMALL BUSINESSES;
- 19 (II) AID TO IMPACTED INDUSTRIES;
- 20 (III) ASSISTANCE TO UNEMPLOYED WORKERS;
- 21 (IV) CONTRIBUTIONS TO THE UNEMPLOYMENT COMPENSATION
22 FUND CREATED IN SECTION 8-77-101 (1); AND
- 23 (V) RELIEF EFFORTS FOR UNMET NEEDS, ESPECIALLY FOR
24 COMMUNITIES DISPROPORTIONATELY IMPACTED BY THE COVID-19
25 PANDEMIC.

26 (b) IN ADDITION TO THE USES SET FORTH IN SUBSECTION (2)(a) OF
27 THIS SECTION:

1 (I) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY TO A
2 DEPARTMENT FROM THE FUND OR TRANSFER THE MONEY TO ANOTHER
3 CASH FUND TO MAKE NECESSARY INVESTMENTS IN WATER, SEWER, OR
4 BROADBAND INFRASTRUCTURE.

5 (II) (A) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES
6 THAT MANY BUSINESSES IN THE STATE, LARGE AND SMALL, AND
7 ESPECIALLY BUSINESSES IN RURAL AREAS, SUSTAINED SIGNIFICANT
8 NEGATIVE ECONOMIC IMPACTS AS A RESULT OF THE COVID-19 PANDEMIC
9 AND IT IS THEREFORE IMPORTANT AND APPROPRIATE THAT ANY ECONOMIC
10 DEVELOPMENT EFFORTS UNDERTAKEN WITH MONEY FROM THE FUND TO
11 SUPPORT THE STATE'S BUSINESSES MEET THE PURPOSE OF RESPONDING TO
12 THE COVID-19 PANDEMIC OR ITS NEGATIVE ECONOMIC CONSEQUENCES
13 AS SPECIFIED UNDER THE "AMERICAN RESCUE PLAN ACT OF 2021".

14 (B) FIFTEEN DAYS AFTER THE EFFECTIVE DATE OF THIS
15 SUBSECTION (2)(b)(II), FORTY MILLION DOLLARS SHALL BE TRANSFERRED
16 TO THE COLORADO ECONOMIC DEVELOPMENT FUND CREATED IN SECTION
17 24-46-105. SUBJECT TO THE REQUIREMENTS IN SUBSECTION (2)(a) OF THIS
18 SECTION, THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT SHALL USE
19 TEN MILLION DOLLARS TO INCENTIVIZE SMALL BUSINESSES TO LOCATE IN
20 RURAL COLORADO AND FOR THE LOCATION NEUTRAL EMPLOYMENT
21 INCENTIVE PROGRAM WHICH PROVIDES INCREMENTAL CASH INCENTIVES
22 PER REMOTE EMPLOYEE PER YEAR FOR UP TO FIVE YEARS TO SMALL
23 BUSINESSES THAT HIRE NEW EMPLOYEES IN DESIGNATED RURAL AREAS OF
24 THE STATE. THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT SHALL
25 USE THE REMAINING MONEY, SUBJECT TO THE REQUIREMENTS IN
26 SUBSECTION (4) OF THIS SECTION, TO PROVIDE GRANTS TO SMALL
27 BUSINESSES OR TO UNDERTAKE ANY OTHER ECONOMIC DEVELOPMENT

1 ACTIVITY PERMITTED IN SECTION 24-46-105 IN RESPONSE TO THE
2 NEGATIVE ECONOMIC IMPACTS OF THE COVID-19 PANDEMIC.

3 (3) (a) THREE DAYS AFTER THE EFFECTIVE DATE OF THIS
4 SUBSECTION (3)(a), THE STATE TREASURER SHALL TRANSFER EIGHT
5 HUNDRED FORTY-EIGHT MILLION SEVEN HUNDRED SIXTY-ONE THOUSAND
6 SEVEN HUNDRED NINETY DOLLARS FROM THE "AMERICAN RESCUE PLAN
7 ACT OF 2021" CASH FUND CREATED IN SECTION 24-75-226 TO THE FUND.

8 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
9 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
10 FUND TO THE FUND.

11 (4) A DEPARTMENT MAY EXPEND MONEY APPROPRIATED OR
12 TRANSFERRED FROM THE FUND FOR PURPOSES PERMITTED UNDER THE
13 "AMERICAN RESCUE PLAN ACT OF 2021" AND SHALL NOT USE THE MONEY
14 FOR ANY PURPOSE PROHIBITED BY THE ACT. A DEPARTMENT OR ANY
15 PERSON WHO RECEIVES MONEY FROM THE FUND SHALL COMPLY WITH ANY
16 REQUIREMENTS SET FORTH IN SECTION 24-75-226.

17 (5) (a) THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL
18 SHALL, BY RESOLUTION, CREATE A TASK FORCE TO MEET DURING THE 2021
19 LEGISLATIVE INTERIM AND ISSUE A REPORT WITH RECOMMENDATIONS TO
20 THE GENERAL ASSEMBLY AND THE GOVERNOR ON POLICIES THAT USE
21 MONEY FROM THE FUND TO PROVIDE A STIMULATIVE EFFECT TO THE
22 STATE'S ECONOMY, NECESSARY RELIEF FOR COLORADANS, OR THAT
23 ADDRESS EMERGING ECONOMIC DISPARITIES RESULTING FROM THE
24 PANDEMIC.

25 (b) THE STAFF OF THE JOINT BUDGET COMMITTEE SHALL REVIEW
26 THE RECOMMENDATIONS MADE BY THE TASK FORCE TO ASCERTAIN
27 WHETHER THE RECOMMENDATIONS WILL RESULT IN PROGRAMS REQUIRING

1 ONGOING APPROPRIATIONS OF STATE MONEY AFTER THE FEDERAL MONEY
2 HAS BEEN EXPENDED AND TO IDENTIFY WHETHER THE RECOMMENDATIONS
3 ARE DUPLICATIVE OF ANY EXISTING STATE PROGRAMS OR
4 APPROPRIATIONS, OR DUPLICATIVE OF ANY EXISTING FEDERALLY FUNDED
5 STATE PROGRAM.

6 (c) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY FROM THE
7 FUND FOR THE REASONABLE EXPENSES OF THE TASK FORCE.

8 (d) THE TASK FORCE MAY INCLUDE NONLEGISLATIVE MEMBERS
9 AND CREATE WORKING GROUPS TO ASSIST THEM. THE EXECUTIVE
10 COMMITTEE OF THE LEGISLATIVE COUNCIL SHALL SPECIFY REQUIREMENTS
11 FOR MEMBERS' PARTICIPATION IN THE TASK FORCE. THE TASK FORCE
12 SHALL NOT SUBMIT BILL DRAFTS AS PART OF THEIR RECOMMENDATIONS.

13 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

14 **SECTION 2. Appropriation.** For the 2021-22 state fiscal year,
15 \$40,000,000 is appropriated to the office of the governor for use by
16 economic development programs. This appropriation is from the
17 Colorado economic development fund created in section 24-46-105,
18 C.R.S., and of money the state received from the federal coronavirus state
19 fiscal recovery fund. To implement this act, the office may use this
20 appropriation for assistance to businesses affected by the COVID-19
21 pandemic or its negative economic impacts.

22 **SECTION 3. Appropriation. (1) For the 2021-22 state fiscal**
23 **year, \$13,488 is appropriated to the legislative department for use by the**
24 **legislative council. This appropriation is from the economic recovery and**
25 **relief cash fund created in section 24-75-228 (2)(a), C.R.S., and of money**
26 **the state received from the federal coronavirus state fiscal recovery fund**
27 **and is based on an assumption that the legislative council will require an**

1 additional 0.2 FTE. To implement this act, the legislative council may use
2 this appropriation to implement this act.

3 (2) For the 2021-22 state fiscal year, \$8,470 is appropriated to the
4 legislative department for use by the general assembly. This appropriation
5 is from the economic recovery and relief cash fund created in section
6 24-75-228 (2)(a), and of money the state received from the federal
7 coronavirus state fiscal recovery fund. To implement this act, the general
8 assembly may use this appropriation for legislator reimbursement.

9 **SECTION 4. Effective date.** This act takes effect only if Senate
10 Bill 21-288 becomes law, and, in which case, this act takes effect either
11 upon the effective date of this act or one day after the effective date of
12 Senate Bill 21-288, whichever is later.

13 **SECTION 5. Safety clause.** The general assembly hereby finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, or safety.