



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 21-0877 **Date:** August 27, 2021
Prime Sponsors: Sen. Fields; Bridges **Bill Status:** Signed into Law
Rep. Ricks; Daugherty **Fiscal Analyst:** Sonia Hatfield | 303-866-5851
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Bill Topic: **SMALL BUSINESS ACCELERATED GROWTH PROGRAM**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates the Small Business Accelerated Growth Program in the Office of Economic Development. The bill increases state expenditures and revenue beginning in FY 2020-21 and appropriated funding may be spent through December 31, 2023.

Appropriation Summary: For FY 2020-21, this bill includes an appropriation of \$1.65 million to the Office of Economic Development.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 21-241

		Current Year FY 2020-21	Budget Year FY 2021-22	Budget Year FY 2022-23
Revenue		-	-	-
Expenditures	General Fund	\$1.65 million	-	-
Transfers		-	-	-
TABOR Refund		-	-	-

Summary of Legislation

The bill creates the Small Business Accelerated Growth Program in the Office of Economic Development and International Trade (OEDIT) to provide business development support to businesses with fewer than 19 employees.

Small Business Accelerated Growth Program. On or before September 1, 2021, OEDIT is required to develop a marketing initiative to promote the program in target areas, in coordination with local, state, and federal partners. OEDIT must publish on its website the eligibility criteria for businesses to participate by October 2021, select participants by December 2022, and disburse grants by December 2023. In order to provide business development support, the office may utilize existing infrastructure, including using trained and certified private contractors. The businesses selected have one year to use the support offered by the program. In addition, \$1.35 million in grants from the Colorado Startup Loan Fund must be awarded to participants who complete the program.

Reporting. Beginning in July 2020 until July 2024, OEDIT is required to submit annual reports to the Governor's Office and the General Assembly detailing the use of the funds and the businesses participating in the program.

State Revenue

This bill potentially increases state revenue from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Expenditures

Beginning in the current FY 2020-21, state expenditures will increase in OEDIT by a total of \$1.65 million to administer and implement the Small Business Accelerated Growth Program. Any money not used remains available for expenditure until December 31, 2023. As outlined in the bill, OEDIT will use \$1.5 million to administer and implement the program, including for hiring FTE and consultants to support program participants in marketing, operations, finance, access to capital, and other business development activities. The remaining \$150,000 will be used for the marketing initiative.

In addition, the bill specifies the allocation of \$1.35 million in grants to program participants. Funding for the Colorado Startup Loan Fund is appropriated through HB 21-1288.

Effective Date

The bill was signed into law by the Governor and took effect on June 14, 2021.

State Appropriations

In FY 2020-21, this bill includes an appropriation of \$1.65 million from the General Fund to the Office of Economic Development and International Trade, which may be spent through December 31, 2023.

State and Local Government Contacts

Economic Development
Information Technology

Governor
Treasury