

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

**INTRODUCED**

LLS NO. 21-1041.01 Esther van Mourik x4215

**SENATE BILL 21-291**

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**SENATE SPONSORSHIP**

**Fenberg and Holbert,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**  
Appropriations

**House Committees**

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**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.**

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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*

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.

*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.

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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  
10 BE SUBSEQUENTLY AMENDED.

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

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

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

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

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

- 27 (I) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEY TO A

1 DEPARTMENT FROM THE FUND OR TRANSFER THE MONEY TO ANOTHER  
2 CASH FUND TO MAKE NECESSARY INVESTMENTS IN WATER, SEWER, OR  
3 BROADBAND INFRASTRUCTURE.

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

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

1       NEGATIVE ECONOMIC IMPACTS OF THE COVID-19 PANDEMIC.

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

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

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

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

24              (b) THE STAFF OF THE JOINT BUDGET COMMITTEE SHALL REVIEW  
25       THE RECOMMENDATIONS MADE BY THE TASK FORCE TO ASCERTAIN  
26       WHETHER THE RECOMMENDATIONS WILL RESULT IN PROGRAMS REQUIRING  
27       ONGOING APPROPRIATIONS OF STATE MONEY AFTER THE FEDERAL MONEY

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

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

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

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

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

21 **SECTION 3. Effective date.** This act takes effect only if Senate  
22 Bill 21-\_\_\_ becomes law, and, in which case, this act takes effect either  
23 upon the effective date of this act or one day after the effective date of  
24 Senate Bill 21-\_\_\_, whichever is later.

25 **SECTION 4. Safety clause.** The general assembly hereby finds,  
26 determines, and declares that this act is necessary for the immediate  
27 preservation of the public peace, health, or safety.