

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

HOUSE BILL 26-1003

BY REPRESENTATIVE(S) Ricks and Camacho, Bacon, Boesenecker, Carter, Clifford, Duran, English, Froelich, Goldstein, Lieder, Lindsay, Martinez, Mauro, McCormick, Nguyen, Rutinel, Stewart K., Titone, Valdez, Woodrow, McCluskie;
also SENATOR(S) Kolker and Marchman, Amabile, Benavidez, Cutter, Exum, Kipp, Snyder, Wallace, Weissman, Coleman.

CONCERNING MODIFICATIONS TO THE SMALL BUSINESS RECOVERY AND RESILIENCY LOAN PROGRAM.

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

SECTION 1. In Colorado Revised Statutes, 24-48.5-605, **amend** (1)(b), (4)(a), (4)(b) introductory portion, (4)(b)(IV), and (4)(c) as follows:

24-48.5-605. Small business recovery and resiliency loan program - creation - requirements - oversight.

(1) (b) The purpose of the loan program is to support ~~the state's recovery from the economic crisis caused by COVID-19 through leveraging private investment to support~~ Colorado small businesses ~~recovering from the crisis caused by COVID-19~~ by making loans, acquiring participation

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.

interest in loans, leveraging private small business lending through the Colorado credit reserve program, or other activities that accomplish the same purpose. The loan program is also designed to support resiliency for small businesses as new challenges emerge. The loan program may only make loans directly if federal or state bank regulators prohibit the banking industry from originating loans for the loan program.

(4) Any contract for the administration of a loan program must include the following terms in order to receive money provided by the office pursuant to subsection (3) of this section:

(a) Except for money contributed to the Colorado credit reserve, the money from the small business recovery and resiliency fund provided by the office in a single tranche may not be committed pursuant to a contract relating to a loan program until money is committed pursuant to a contract relating to a loan program from other sources at a ratio of at least ~~four dollars~~ ONE DOLLAR from other sources for each one dollar provided by the state from the small business recovery and resiliency fund. If a loan program manager does not secure sufficient investments from other sources to meet this requirement within the time allowed by a contract, the money provided by the state must be returned to the small business recovery and resiliency fund.

(b) Except for money contributed to the Colorado credit reserve, once the money in a tranche is matched in accordance with subsection (4)(a) of this section, it must be used to make loans or purchase participation interest in loans for ~~BUSINESSES AS DETERMINED BY THE OVERSIGHT BOARD, INCLUDING~~ working capital ~~including~~ AND the purchase of equipment. ~~to eligible borrowers, or other activities that accomplish the same purpose~~ The oversight board shall consult with lending industry leaders and representatives of small businesses with regard to subsections (4)(b)(I) to (4)(b)(VI) of this section. Each loan must be subject to the following terms:

(IV) Principal and interest payments may be deferred for up to one year, as determined by the oversight board, with the unpaid interest being capitalized. Deferrals must be limited to circumstances of hardship. ~~created by the COVID-19 pandemic or based on ongoing economic conditions~~

(c) ~~(f) To ensure geographic equity, each tranche of loan funding must be subject to an initial period of time in which a portion of the money~~

~~is allocated to each county on a basis proportional to the county's share of small businesses relative to the state, the county's share of small business employees relative to the state, the county's share of small business personal property relative to the state, or other similar metrics as determined by the oversight board, or based on a formula established under subsection (4)(c)(IV) of this section. The money allocated to each county must be reserved for applications from eligible borrowers located in that county for the initial period of time. For the purposes of this subsection (4)(c), an eligible borrower is considered to be located in the county in which it has its principal place of business, as reflected in its most recent filing with the secretary of state or subject to such other documentation as the oversight board establishes. The oversight board shall determine the amount of time in which the money in each tranche is subject to a geographic restriction under this subsection (4)(c)(I)~~ THE LOAN PROGRAM SHALL BE USED TO FUND BUSINESSES ACROSS THE STATE OVER THE DURATION OF THE PROGRAM AND, IN ACCORDANCE WITH SECTION 24-48.5-604 (8)(d), SHALL MAINTAIN TARGETS AND SUPPORT BUSINESSES LOCATED IN RURAL COUNTIES AND BUSINESSES OWNED BY WOMEN, MINORITIES, OR VETERANS. THE PROGRAM SHALL TRACK THE DISTRIBUTION OF CAPITAL TO COUNTIES.

~~(H) Once the time period established by the oversight board under subsection (4)(c)(I) of this section has passed, all money remaining in the tranche is available to eligible borrowers on a statewide basis.~~

~~(HH) For money contributed to the Colorado credit reserve, the oversight board may waive the requirements of this subsection (4)(c) or establish alternative geographic distribution requirements or targets.~~

~~(IV) For any tranche of loan funding, the oversight board may, in its discretion, establish an alternative formula for the allocation of money to counties for purposes of subsection (4)(c)(I) of this section that accounts for how affected each county has been by the COVID-19 pandemic and its impacts or based on ongoing economic conditions.~~

SECTION 2. In Colorado Revised Statutes, 24-48.5-608, **add** (2)(d) as follows:

24-48.5-608. Small business recovery and resiliency fund - repeal.

(2) (d) (I) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER FIVE MILLION DOLLARS FROM THE SMALL BUSINESS RECOVERY AND RESILIENCY FUND TO THE COLORADO STARTUP LOAN PROGRAM FUND ESTABLISHED IN SECTION 24-48.5-131 (9).

(II) THIS SUBSECTION (2)(d) IS REPEALED, EFFECTIVE JULY 1, 2027.

SECTION 3. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate

preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO