

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0473.01 Jed Franklin x5484

HOUSE BILL 24-1001

HOUSE SPONSORSHIP

Lukens and Taggart,

SENATE SPONSORSHIP

Roberts and Simpson,

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING REAUTHORIZATION OF THE RURAL JUMP-START ZONE
102 PROGRAM.

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>.)

Currently, the rural jump-start zone grant program (grant program) terminates on July 1, 2024, and all grant money in the rural jump-start zone grant fund account (account) reverts to the general fund on June 30, 2024. The bill continues the grant program until July 1, 2026, and the grant money in the account reverts to the general fund on June 30, 2026.

The bill changes the total allowable administrative cost of the grant

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

program from \$100,000 per fiscal year to \$300,000 total for the sum of all fiscal years that the grant program is in effect.

The new business income tax credit and the new hire income tax credit, which are benefits under the grant program, currently expire on January 1, 2026. The bill extends the tax credits for 5 years, until January 1, 2031.

The bill prohibits the Colorado economic development commission (commission) from approving more than 3 rural jump-start zones in counties with populations of less than 100,000 in any year. The number of credit certificates that the commission may issue in each approved rural jump-start zone in one income tax year for all new hires employed by all new businesses that are in one of the 14 industries that the commission targets for economic development in the state is increased from 300 to 500.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-46-105, **amend**
3 (7)(a)(II) and (7)(b) as follows:

4 **24-46-105. Colorado economic development fund - creation -**
5 **report - repeal.** (7) (a) There is hereby created an account within the
6 Colorado economic development fund established pursuant to subsection
7 (1) of this section to be known as the rural jump-start zone grant fund
8 account. The account consists of any money appropriated to the fund by
9 the general assembly. The money in the account is subject to annual
10 appropriation by the general assembly for the purposes set forth in this
11 subsection (7). Any money not expended or encumbered from any
12 appropriation at the end of any fiscal year remains available for
13 expenditure in the next fiscal year without further appropriation. The
14 money in the account may be used:

15 (II) For the direct and indirect costs that the Colorado office of
16 economic development incurs, not to exceed ~~one~~ THREE hundred thousand
17 dollars ~~per fiscal year~~, to administer the rural jump-start zone grant

1 program under section 39-30.5-105 (5).

2 (b) This subsection (7) is repealed, effective ~~July 1, 2024~~ JULY 1,
3 2026. Any money remaining in the rural jump-start zone grant fund
4 account on ~~June 30, 2024~~ JUNE 30, 2026, reverts to the general fund.

5 **SECTION 2.** In Colorado Revised Statutes, 39-30.5-104, **amend**
6 (7)(a) and (7)(b)(II) as follows:

7 **39-30.5-104. Rural jump-start zone program requirements -**
8 **commission - guidelines - definitions.** (7) (a) The commission shall, at
9 a public meeting properly noticed, review each application for a rural
10 jump-start zone submitted by a state institution of higher education or an
11 economic development organization. Based on the application submitted
12 and the commission's guidelines, the commission may approve the rural
13 jump-start zone and may approve the new business for the rural
14 jump-start zone program benefits specified in section 39-30.5-105; except
15 that the commission may not approve more than three rural jump-start
16 zones for the 2016 calendar year, MAY NOT APPROVE MORE THAN THREE
17 RURAL JUMP-START ZONES IN COUNTIES WITH POPULATIONS LESS THAN
18 ONE HUNDRED THOUSAND IN ANY YEAR, and may not approve any rural
19 jump-start zones or approve any new businesses for the rural jump-start
20 zone program benefits on and after ~~January 1, 2026~~ JANUARY 1, 2031.
21 The commission may only approve a new business for the rural jump-start
22 zone program benefits if the commission is satisfied that the new business
23 meets the definition of new business as specified in section 39-30.5-103
24 (7), that the new hires will meet the definition of new hire as specified in
25 section 39-30.5-103 (8), and that the new business will be located in the
26 rural jump-start zone for which the state institution of higher education
27 or economic development organization sought approval.

1 (b) (II) The commission shall not issue more than a total of two
2 hundred credit certificates in one income tax year for all new hires
3 employed by all new businesses in each rural jump-start zone that receive
4 approval as specified in subsection (7)(a) of this section; except that the
5 commission has the discretion to increase this limit to ~~three~~ FIVE hundred
6 credit certificates if the new business is in one of the fourteen industries
7 that the commission targets for economic development in the state.

8 **SECTION 3.** In Colorado Revised Statutes, 39-30.5-105, **amend**
9 (1)(a)(I) and (2)(a)(I) as follows:

10 **39-30.5-105. Rural jump-start zone program benefits.** (1) **New**
11 **business income tax credit.** (a) (I) If a new business locates in a rural
12 jump-start zone during the income tax years commencing on or after
13 January 1, 2016, but before ~~January 1, 2026~~ JANUARY 1, 2031, and the
14 commission has approved the new business for the rural jump-start zone
15 program benefits as specified in section 39-30.5-104 (7)(a), then except
16 as provided in subsection (1)(a)(II) of this section, the new business is
17 entitled to receive an annual income tax credit in an amount equal to one
18 hundred percent of the income taxes imposed by article 22 of this title 39
19 on the income derived from its activities in the rural jump-start zone for
20 four consecutive income tax years beginning with the first income tax
21 year designated by the commission in the first credit certificate. The
22 commission shall conduct an annual review to verify that the new
23 business continues to meet the requirements set forth in this article 30.5
24 and shall issue a credit certificate to the new business for every income
25 tax year during the four-year period only if the commission is satisfied the
26 requirements are being met.

27 (2) **New hire income tax credit.** (a) (I) Except as provided in

1 section 39-30.5-104 (7)(b)(II) and subsection (2)(a)(II) of this section, if
2 a new hire is employed by a new business, and the commission has
3 approved the new business for the rural jump-start zone program benefits
4 as specified in section 39-30.5-104 (7)(a), for income tax years
5 commencing on or after January 1, 2016, but before ~~January 1, 2026~~
6 JANUARY 1, 2031, new hires are entitled to receive an income tax credit
7 in an amount equal to one hundred percent of the income taxes imposed
8 by article 22 of this title 39 on the new hire's wages paid by the new
9 business for work performed in the rural jump-start zone for four
10 consecutive income tax years beginning with the first income tax year in
11 which the new hire is employed by the new business. The commission
12 shall conduct an annual review to verify that the new hire and the new
13 business continue to meet the requirements set forth in this article 30.5
14 and shall issue a credit certificate to the new business for each new hire
15 for every income tax year during the four-year period only if the
16 commission is satisfied the requirements are being met.

17 **SECTION 4. Safety clause.** The general assembly finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, or safety or for appropriations for
20 the support and maintenance of the departments of the state and state
21 institutions.