

**First Extraordinary Session  
Seventy-second General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 20B-0045.01 Yelana Love x2295

**HOUSE BILL 20B-1015**

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**HOUSE SPONSORSHIP**

**Liston**, Carver, Catlin, Champion, Holtorf, McKean, Pelton, Rich, Soper, Van Winkle, Will

**SENATE SPONSORSHIP**

**(None)**,

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**House Committees**  
Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING THE CREATION OF A SMALL BUSINESS PAYCHECK**  
102      **PROTECTION LOAN PROGRAM.**

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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 applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill creates the small business paycheck protection loan program (program). The program provides loans to eligible small businesses that have received a loan from the federal paycheck protection program, created in the federal "Coronavirus Aid, Relief, and Economic Security Act" ("CARES Act") and expanded in the "Paycheck Protection Program and Health Care Enhancement Act", and that continue to face

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.

economic hardship due to the COVID-19 pandemic.

A loan issued to a small business may not exceed the lesser of 20% of the business's approved federal paycheck protection loan or \$100,000. Each loan is deferred until the loan's maturity date and may be forgiven if the small business uses the loan solely for qualified purposes.

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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** 24-48.5-127 as  
3 follows:

4 **24-48.5-127. Small business paycheck protection program -**  
5 **definitions - repeal.** (1) **Definitions.** AS USED IN THIS SECTION, UNLESS  
6 THE CONTEXT OTHERWISE REQUIRES:

7 (a) "COVID-19" MEANS THE CORONAVIRUS DISEASE CAUSED BY  
8 THE SEVERE ACUTE RESPIRATORY SYNDROME CORONAVIRUS 2, ALSO  
9 KNOWN AS SARS-CoV-2.

10 (b) "ELIGIBLE SMALL BUSINESS" MEANS A PERSON THAT:

11 (I) QUALIFIED FOR AND RECEIVED A LOAN PURSUANT TO THE  
12 FEDERAL PAYCHECK PROTECTION PROGRAM; AND

13 (II) HAS FEWER THAN ONE HUNDRED EMPLOYEES, MEASURED AS  
14 FULL-TIME EQUIVALENTS.

15 (c) "FEDERAL PAYCHECK PROTECTION PROGRAM" MEANS THE  
16 FEDERAL PAYCHECK PROTECTION PROGRAM CREATED IN THE FEDERAL  
17 "CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT" ("CARES  
18 ACT"), PUB.L. 116-136, AS AMENDED, AND EXPANDED IN THE "PAYCHECK  
19 PROTECTION PROGRAM AND HEALTH CARE ENHANCEMENT ACT", PUB.L.  
20 116-139, AS AMENDED.

21 (d) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC  
22 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

23 (e) "PROGRAM" MEANS THE SMALL BUSINESS PAYCHECK

1 PROTECTION LOAN PROGRAM ESTABLISHED IN SUBSECTION (2) OF THIS  
2 SECTION.

3 (2) **Small business paycheck protection loan program.** (a) THE  
4 OFFICE SHALL ESTABLISH AND ADMINISTER A SMALL BUSINESS PAYCHECK  
5 PROTECTION LOAN PROGRAM TO ASSIST ELIGIBLE SMALL BUSINESSES THAT  
6 HAVE RECEIVED A LOAN THROUGH THE FEDERAL PAYCHECK PROTECTION  
7 PROGRAM AND CONTINUE TO FACE ECONOMIC HARDSHIP CAUSED BY THE  
8 COVID-19 PANDEMIC.

9 (b) TO RECEIVE A LOAN PURSUANT TO THE PROGRAM, AN ELIGIBLE  
10 SMALL BUSINESS MUST APPLY TO THE OFFICE BEFORE APRIL 1, 2021, IN A  
11 MANNER DETERMINED BY THE OFFICE. EACH INDIVIDUAL LOAN MUST NOT  
12 EXCEED THE LESSER OF TWENTY PERCENT OF THE LOAN AMOUNT THAT THE  
13 SMALL BUSINESS RECEIVED FROM THE FEDERAL PAYCHECK PROTECTION  
14 PROGRAM OR ONE HUNDRED THOUSAND DOLLARS.

15 (c) AN ELIGIBLE SMALL BUSINESS THAT RECEIVES A LOAN  
16 PURSUANT TO THIS SUBSECTION (2) MAY USE THE MONEY ONLY FOR THE  
17 PURPOSES AUTHORIZED BY THE FEDERAL PAYCHECK PROTECTION  
18 PROGRAM.

19 (3) **Deferral and forgiveness.** (a) LOANS ISSUED PURSUANT TO  
20 THIS SECTION MATURE FIVE YEARS AFTER ISSUANCE. THE OFFICE SHALL  
21 DEFER LOAN PAYMENTS UNTIL THE MATURITY DATE OF THE LOAN.

22 (b) A SMALL BUSINESS IS ELIGIBLE FOR LOAN FORGIVENESS IF THE  
23 MONEY IS USED FOR ELIGIBLE PAYROLL COSTS, PAYMENTS ON BUSINESS  
24 MORTGAGE INTEREST PAYMENTS, RENT, OR UTILITIES. A SMALL BUSINESS  
25 MAY APPLY FOR FORGIVENESS ONCE THE BUSINESS HAS USED ALL LOAN  
26 PROCEEDS FOR WHICH THE BUSINESS IS REQUESTING FORGIVENESS. A  
27 SMALL BUSINESS MAY APPLY FOR FORGIVENESS ON OR BEFORE THE

1 MATURITY DATE OF THE LOAN. IF A SMALL BUSINESS DOES NOT APPLY FOR  
2 FORGIVENESS ON OR BEFORE THE MATURITY DATE OF THE LOAN, THEN  
3 PROGRAM LOAN PAYMENTS ARE NO LONGER DEFERRED AND THE OFFICE  
4 SHALL REQUIRE THE SMALL BUSINESS TO BEGIN MAKING LOAN PAYMENTS  
5 TO THE OFFICE. THE AMOUNT EQUAL TO THE FORGIVEN PORTION OF THE  
6 LOAN IS NOT INCOME TO THE SMALL BUSINESS FOR PURPOSES OF THE  
7 STATE'S INCOME TAX SET FORTH IN ARTICLE 22 OF TITLE 39.

8 (4) **Financing.** THE PROGRAM IS FINANCED BY TEN MILLION  
9 DOLLARS APPROPRIATED FROM THE GENERAL FUND. JUST PRIOR TO THE  
10 CLOSE OF BUSINESS ON APRIL 30, 2021, ANY UNEXPENDED PORTION OF THE  
11 APPROPRIATION MADE FROM THE GENERAL FUND PURSUANT TO THIS  
12 SUBSECTION (4) REVERTS TO THE GENERAL FUND. THE OFFICE MAY  
13 EXPEND THE MONEY SPECIFIED IN THIS SUBSECTION (4) ONLY FOR:

14 (a) MAKING LOANS TO ELIGIBLE SMALL BUSINESSES PURSUANT TO  
15 THE PROGRAM; AND

16 (b) THE OFFICE'S COSTS OF ADMINISTERING THE PROGRAM, NOT TO  
17 EXCEED SIXTH-TENTHS OF ONE PERCENT OF THE MONEY SPECIFIED IN THIS  
18 SUBSECTION (4).

19 (5) **Reporting.** BY OCTOBER 1, 2021, THE OFFICE SHALL SUBMIT  
20 TO THE COMMITTEES OF THE GENERAL ASSEMBLY WITH JURISDICTION  
21 OVER BUSINESS AFFAIRS A REPORT SPECIFYING THE NUMBER OF LOANS  
22 DISTRIBUTED, THE AMOUNT OF EACH LOAN, THE RECIPIENT OF EACH LOAN,  
23 AND HOW THE RECIPIENT SPENT THE LOAN.

24 (6) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1,  
25 2026.

26 **SECTION 2. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.