



Economic Development

During the 2021 legislative session, the General Assembly considered several measures intended to support economic development efforts in the state.

COVID-19 Relief

The General Assembly passed several bills intended to provide assistance to help businesses recover from the COVID-19 pandemic.

Senate Bill 21-291 creates the Economic Recovery and Relief Cash Fund to provide assistance to small businesses, industries, unemployed workers, and communities disproportionately impacted by the COVID-19 pandemic. The bill transfers \$848.8 million in federal funds received under the American Rescue Plan to the new fund. Of this amount, \$40 million is transferred to the Colorado Economic Development Fund to provide grants to small businesses or other economic development activities, \$10 million of which must be used to incentivize small businesses to locate in rural areas of the state and for the Location Neutral Employment Incentive Program. The bill creates a legislative task force to meet during the 2021 interim and issue a report with recommendations on policies that use money from the new fund to help the state recover from the COVID-19 pandemic.

House Bill 21-1263 creates the Meeting and Events Incentives Program in the Colorado Tourism Office to provide support for eligible events, such as meetings, conferences, and festivals. The program provides pre-approved applicants with a 10 percent rebate between \$3,500 and \$100,000 against the eligible hard costs of hosting an eligible event between July 1, 2021, and December 31, 2022. The legislature appropriated a total of \$10 million for the program.

During the 2020 regular session, the legislature passed *Senate Bill 20-222*, which used federal CARES Act money to create the Small Business COVID-19 Grant Program. *House Bill 21-1302* appropriates an additional \$15 million for the grant program and modifies the criteria and preferences for grant applicants.

House Bill 21-1285 provides funding to support the creative arts industries and arts-related economic development. The bill appropriates \$3.5 million for the Arts Relief Program, which was initially created during the 2020 special session in *Senate Bill 20B-001*. The program provides relief payments for eligible arts, culture, and entertainment artists, crew members, and organizations involved in the music, theater, motion picture, television, dance, and visual arts industries. An additional \$1.5 million is to be awarded as capacity-building grants to certain cultural facilities that are focused on historically marginalized and under-resourced

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communities. The bill also directs up to \$12 million from the Department of Local Affairs' Small Business Relief Program, which was also created in SB 20B-001, to be transferred to the Arts Relief Program. Finally, the bill provides up to \$6 million in funding for the Colorado Office of Film, Television, and Media.

During the 2020 special session, the legislature passed *House Bill 20B-1004*, which allowed qualifying retailers, including restaurants, bars, and mobile food service providers, to deduct up to \$70,000 monthly from state net taxable sales for up to five sites from November 2020 to February 2021. *House Bill 21-1265* continues the existing deduction for June, July, and August 2021, and expands eligibility to include a variety of other caterers and food service contractors.

Rural Economic Development

The General Assembly passed two bills intended to support economic development activities in rural Colorado.

The legislature created the Rural Economic Development Initiative (REDI) Grant Program in the Department of Local Affairs in FY 2015-16 through an amendment to the Long Bill. The program was codified into law through *Senate Bill 20-002*. It provides grants for projects that create new jobs in rural communities through a new employer or an expansion of an existing employer, or that create diversity and resiliency in a rural community's local economy. *Senate Bill 21-204* appropriates an additional \$5 million General Fund for the REDI program. The bill also continues the Rural Economic Advancement of Colorado Towns program, which coordinates the state's response to significant economic events in rural communities, including a plant closure or substantial layoff.

Senate Bill 21-229 creates the Rural Jump-Start Zone Grant Program and appropriates \$3 million for the program. Under the program, the Economic Development Commission may issue grants to new businesses that locate inside a Rural Jump-Start Zone and establish a relationship with a state institution of higher education or economic development organization.

Business Support

The General Assembly passed two other bills that are intended to provide support directly to businesses across the state.

House Bill 21-1288 creates the Colorado Startup Loan Program in the Office of Economic Development and International Trade (OEDIT) to provide loans and grants to eligible businesses seeking capital to start, restart, or restructure a business. The General Assembly provided \$40 million in funding for the program.

Senate Bill 21-241 creates the Small Business Accelerated Growth Program in OEDIT to provide grants and loans to eligible businesses with 19 or fewer employees for business development support. The program prioritizes businesses located in target areas, which include state opportunity zones, enterprise zones, historically underutilized business zones, Rural Jump-Start Zones, or a Tier One transition community. The program is funded with \$3.0 million, which includes money for a marketing initiative to promote the program.

Community Economic Development

The General Assembly passed two bills intended to support community economic development efforts.

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Senate Bill 21-110 provides \$30 million to the Colorado Department of Transportation's Revitalizing Main Streets and Safer Main Streets Programs. The Revitalizing Main Streets Program is intended to support infrastructure projects that promote the safety and vibrancy of community main streets.

Senate Bill 21-252 creates the Community Revitalization Grant Program in OEDIT. The purpose of the program is to provide grants to projects across the state that are intended to create or revitalize mixed-use commercial centers. The grants are intended to support creative projects in these commercial centers that would combine revitalized or newly constructed commercial spaces with public or community spaces. The program is funded with \$65 million General Fund.

Outdoor Recreation

The General Assembly passed one bill that is intended to support the outdoor recreation industry in the state.

House Bill 21-1223 creates the Outdoor Recreation Industry Office in OEDIT. The office is to serve as a central coordinator of outdoor recreation matters, make recommendations that inform the Governor's policy on outdoor recreation industry matters, support the outdoor recreation industry, and address the chronic and systemic inequities that prevent underserved youth and communities from engaging in meaningful outdoor recreation experiences and career pathways in the industry.