A BILL FOR AN ACT

CONCERNING THE ESTABLISHMENT OF A STATE AND PRIVATE INVESTOR FUNDED SMALL BUSINESS RECOVERY LOAN PROGRAM, AND, IN CONNECTION THEREWITH, AUTHORIZING THE DEPARTMENT OF THE TREASURY TO OBTAIN THE STATE SHARE OF FUNDING FOR THE PROGRAM BY SELLING INSURANCE PREMIUM TAX CREDITS TO QUALIFIED TAXPAYERS AND AUTHORIZING THE STATE TREASURER TO CONTRACT WITH A PROGRAM MANAGER TO ESTABLISH AND ADMINISTER THE 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

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.)
The bill authorizes the state treasurer to enter into a contract or contracts to establish a small business recovery loan program (loan program). The purpose of the loan program is to assist the state's recovery from the COVID-19 pandemic by leveraging private investment for loans to Colorado small businesses recovering from the COVID-19 crisis. The treasurer is authorized to contract with the Colorado housing and finance authority or a private entity selected through an open and competitive process.

Subject to the availability of proceeds from insurance premium tax credit purchases, the state treasurer may invest up to $30 million in first loss capital from the small business recovery fund established in the bill in fiscal year 2020-21, and up to $30 million in first loss capital in fiscal year 2021-22; except that the total invested across both fiscal years may not exceed $50 million. The investments must be made in tranches of no more than $10 million each. Each tranche must be matched at a 4-to-1 ratio by money invested from other sources before it is committed or deployed. Once the money in a tranche is matched, it must be used to make loans of working capital to Colorado businesses with between 5 and 100 employees that meet eligibility criteria. The loans must be between $30,000 and $500,000, with a maturity of up to 5 years. The state treasurer may not invest a new tranche of state money until the prior tranche is at least 90% invested in small business loans.

When each tranche is deployed, it is subject to an initial period of time in which a portion of the money is allocated to each county on a per capita basis and reserved for eligible borrowers located in that county. After the initial period of time passes, the money remaining in the tranche is available on a statewide basis.

The small business recovery loan program oversight board (oversight board) is created in the department of the treasury (department). The oversight board consists of the state treasurer, the director of the office of economic development, a member appointed by the speaker of the house of representatives, a member appointed by the president of the senate, and a member appointed by the governor. The oversight board consults with the treasurer on the selection of a loan program manager, establishes certain terms and criteria applicable to the loan program, and provides oversight and guidance to the loan program to ensure it complies with statutory requirements and fulfills the purpose of assisting Colorado small businesses recovering from the COVID-19 crisis. The loan program manager must report on a quarterly basis to the oversight board. The oversight board must file written reports with the joint budget committee twice each fiscal year, and must report once each fiscal year for the first 2 years to the business committees of the house and senate.
The department is authorized to issue insurance premium tax credits to insurance companies that are authorized to do business in Colorado and incur premium tax liability, subject to procedures established by the department. The department may contract or consult with an independent third party to manage the bidding process. The department is required to issue a tax credit certificate to each successful purchaser. The department is authorized to issue up to $40 million in tax credit certificates in fiscal year 2020-21. The department is authorized to issue up to an additional $28 million in tax credits in fiscal year 2021-22, unless an equivalent amount of federal money is appropriated or allocated to the program.

A qualified taxpayer may claim the tax credit against its premium tax liability. For a tax credit certificate issued in fiscal year 2020-21, the qualified taxpayer may claim up to 50% of the credit in calendar year 2026, and may claim the remaining amount of the credit beginning in calendar year 2027. For a tax credit certificate issued in fiscal year 2021-22, the qualified taxpayer may claim the credit beginning in calendar year 2028. The amount of the credit claimed cannot exceed the taxpayer's premium tax liability for a given year. The unused amount carries forward and may be claimed in subsequent years; except that a credit cannot be claimed for premium tax liability incurred in a taxable year that begins after December 31, 2031.

The bill creates the small business recovery fund in the treasury. The fund consists of tax credit sale proceeds, any revenues, disbursements, or money returned to the state from the loan program, and any other money the general assembly appropriates or transfers to the fund. The money in the fund is continuously appropriated to the department to implement the loan program and to pay for the department's direct and indirect costs in administering the loan program and in issuing the tax credits. Beginning in fiscal year 2025-26, the treasurer must credit any unexpended and unencumbered money remaining in the fund at the end of a fiscal year to the general fund. The fund is repealed on July 1, 2029, and all unexpended and unencumbered money remaining in the fund is transferred to the general fund.

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

SECTION 1. In Colorado Revised Statutes, add part 2 to article
36 of title 24 as follows:

PART 2

SMALL BUSINESS RECOVERY LOAN PROGRAM
24-36-201. Short title. The short title of this part 2 is the "COLORADO LOANS FOR INCREASING MAIN STREET BUSINESS ECONOMIC RECOVERY ACT" or "CLIMBER ACT".

24-36-202. Legislative declaration. (1) The General Assembly hereby finds and declares that:

(a) There are nearly one hundred forty thousand small businesses with employees in Colorado;

(b) Small businesses in Colorado make up a disproportionately larger share of the economy of the state compared to the United States as a whole;

(c) Small businesses collectively employed over one million Coloradans before the public health crisis caused by COVID-19 began;

(d) The COVID-19 pandemic has harmed public health and economic conditions across the entire world, including the state of Colorado, across metropolitan regions, small towns, and rural communities, and has had a particularly deep negative financial impact on small businesses, their employees, and their home communities;

(e) The wide-ranging health and economic impacts of the COVID-19 pandemic are unprecedented in recent history and create unique challenges for the state;

(f) The health, safety, and welfare of the people of the state depend on the recovery of the state's economy, including the small businesses that make up a significant share of that economy;

(g) On March 27, 2020, the President of the United States
SIGNED THE FEDERAL "CORONAVIRUS AID, RELIEF, AND ECONOMIC
SECURITY ACT", ALSO KNOWN AS THE "CARES ACT", PUB.L. 116-136, TO
PROVIDE NECESSARY FEDERAL FUNDING FOR COVID-19 RESPONSE AND
RECOVERY;

(h) THE CARES ACT, ALONG WITH OTHER FEDERAL LAWS AND
PROGRAMS, PROVIDED MANY CRITICAL RESOURCES FOR SMALL
BUSINESSES, BUT THOSE RESOURCES ARE NOT EXPECTED TO BE SUFFICIENT
TO SUSTAIN THE LARGE AND DIVERSE SMALL BUSINESS COMMUNITY IN THE
STATE AS IT RECOVERS OVER THE NEXT FEW YEARS FROM THE COVID-19
CRISIS;

(i) THE GOVERNOR'S COUNCIL ON ECONOMIC STABILIZATION AND
GROWTH, MADE UP OF VOLUNTEERS FROM THE PRIVATE, PUBLIC, AND
PHILANTHROPIC SECTORS WITH DIVERSE BACKGROUNDS FROM ACROSS
COLORADO, HAS RECOMMENDED THAT THE STATE SEED THE
ESTABLISHMENT OF A FUND OF OVER ONE HUNDRED MILLION DOLLARS
TO STIMULATE LOANS FROM LENDING INSTITUTIONS DOING BUSINESS IN
COLORADO TO COLORADO SMALL BUSINESSES TO SUPPORT THE STATE'S
RECOVERY AND RESILIENCY FROM THE EFFECTS OF THE COVID-19
PANDEMIC;

(j) THERE IS A WELL-FUNCTIONING NETWORK OF RESPECTED
LENDING INSTITUTIONS ACROSS THE STATE WHO ARE COMMITTED TO THE
HEALTH OF COLORADO'S ECONOMY AND WANT TO CONTRIBUTE THEIR
EXPERTISE AND COMMUNITY RELATIONSHIPS TO SUPPORT THE SUCCESS OF
COLORADO'S SMALL BUSINESS COMMUNITY;

(k) THE STATE WILL RELY ON THOSE LENDING INSTITUTIONS AS
ESSENTIAL PARTNERS IN A SMALL BUSINESS RECOVERY LOAN PROGRAM;
AND
AUTHORIZING THE CREATION OF A SMALL BUSINESS RECOVERY LOAN PROGRAM SEEDED BY MONEY PROVIDED BY THE STATE WILL SUPPORT COLORADO SMALL BUSINESSES AFFECTED BY THE COVID-19 CRISIS AND ASSIST IN THE OVERALL ECONOMIC RECOVERY OF THE STATE.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) WHILE THE LOAN PROGRAM AUTHORIZED BY THIS PART 2 WILL BE PREDOMINATELY CAPITALIZED BY PRIVATE SECTOR INVESTMENTS, THE LIMITED USE OF STATE MONEY OBTAINED THROUGH THE SALE OF INSURANCE PREMIUM TAX CREDITS THAT WILL RESULT IN FUTURE STATE TAX EXPENDITURES INCURRED FOR THE PURPOSE OF SUPPORTING THE PROGRAM WILL, UNDER THE CURRENT ECONOMIC CONDITIONS, RESULT IN THE FORMATION OF MORE PRIVATE CAPITAL AT BETTER TERMS FOR SMALL BUSINESS BORROWERS THAN WOULD OTHERWISE BE AVAILABLE;

(b) THE LOAN PROGRAM, IF SUCCESSFUL, HAS THE POTENTIAL TO HELP SMALL BUSINESSES SURVIVE THE CRISIS CAUSED BY COVID-19 AND TO PROTECT JOBS ACROSS THE STATE, WHICH IN TURN WILL GENERATE AND SUSTAIN TAX REVENUES TO BOTH THE STATE AND LOCAL GOVERNMENTS;

(c) PRESERVING JOBS WITH SMALL BUSINESSES WILL ALSO REDUCE PUBLIC EXPENDITURES ON SAFETY NET PROGRAMS AND OTHER FORMS OF ASSISTANCE NEEDED BY THOSE WHO HAVE BECOME UNEMPLOYED AS A RESULT OF THE CRISIS CAUSED BY COVID-19;

(d) THE STATE MONEY CONTRIBUTED TO THE LOAN PROGRAM THEREFORE SERVES AN IMPORTANT AND DISCRETE PUBLIC PURPOSE IN SECURING THE STATE’S ECONOMIC AND OVERALL RECOVERY FROM THE CRISIS CAUSED BY COVID-19; AND

(e) SUPPORTING THE STATE’S RECOVERY FROM THE CRISIS CAUSED BY COVID-19 IS THE PRIMARY PURPOSE OF THE LOAN PROGRAM AND
OUTWEIGHS ANY BENEFIT TO PRIVATE INDIVIDUALS OR ENTITIES.

(3) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) THE INSURANCE PREMIUM TAX CREDITS AUTHORIZED BY THIS
PART 2 AS A METHOD TO PROVIDE MONEY TO THE LOAN PROGRAM ARE
AVAILABLE ONLY TO INSURANCE COMPANIES THAT INCUR PREMIUM TAX
LIABILITY IN THE STATE;

(b) THE TAX CREDITS CAN ONLY BE USED BY AN INSURANCE
COMPANY TO OFFSET TAX LIABILITY ACTUALLY INCURRED BY THE
INSURANCE COMPANY;

(c) THE TAX CREDITS ARE NOT REFUNDABLE AND DO NOT IMPOSE
AN OBLIGATION OF PAYMENT IN ANY FUTURE YEAR UPON THE STATE;

(d) THE USE OF PROCEEDS FROM THE SALE OF INSURANCE PREMIUM
TAX CREDITS TO SEED THE LOAN PROGRAM ALLOWS THE STATE TO
ACCOMPLISH THIS IMPORTANT PUBLIC PURPOSE THROUGH THE USE OF
FUTURE TAX EXPENDITURES AND THEREFORE:

(I) DOES NOT REQUIRE THE STATE TO BORROW MONEY, EXTEND OR
PLEDGE THE STATE’S CREDIT, OR OBLIGATE THE STATE TO MAKE FUTURE
PAYMENTS FROM STATE REVENUES; AND

(II) DOES NOT OTHERWISE CREATE ANY MULTIPLE-FISCAL YEAR
DIRECT OR INDIRECT DISTRICT DEBT OR OTHER FINANCIAL OBLIGATION
WHATSOEVER FOR PURPOSES OF SECTION 20 (4)(a) OF ARTICLE X OF THE
STATE CONSTITUTION.

24-36-203. Definitions. As used in this Part 2, unless the
context otherwise requires:

(1) "COLORADO CREDIT RESERVE" MEANS THE COLORADO CREDIT
RESERVE PROGRAM DESCRIBED IN SECTION 24-46-104 (1)(n).

(2) "CONTRACT" MEANS A CONTRACT ENTERED INTO BY THE STATE
TREASURER IN ACCORDANCE WITH SECTION 24-36-205 (1).

(3) "DEPARTMENT" MEANS THE DEPARTMENT OF THE TREASURY.

(4) "ELIGIBLE BORROWER" MEANS A BUSINESS THAT, AS DETERMINED BY THE OVERSIGHT BOARD:

(a) HAS ITS PRINCIPAL PLACE OF BUSINESS IN THE STATE;

(b) HAS AT LEAST FIVE BUT FEWER THAN ONE HUNDRED EMPLOYEES;

(c) CAN DEMONSTRATE THAT IT HAD AT LEAST TWO CONSECUTIVE YEARS OF POSITIVE CASH FLOW PRIOR TO FEBRUARY 29, 2020; AND

(d) CAN DEMONSTRATE THAT IT HAD A DEBT-SERVICE COVERAGE RATIO AS OF FEBRUARY 29, 2020, OF AT LEAST ONE-TO-ONE OR A HIGHER LEVEL AS DETERMINED BY THE OVERSIGHT BOARD.

(5) "LOAN PROGRAM" MEANS A SMALL BUSINESS RECOVERY LOAN PROGRAM ESTABLISHED IN ACCORDANCE WITH SECTION 24-36-205.

(6) "LOAN PROGRAM MANAGER" MEANS AN ENTITY THE STATE TREASURER CONTRACTS WITH TO ESTABLISH AND ADMINISTER THE LOAN PROGRAM IN ACCORDANCE WITH SECTION 24-36-205 (2).

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

(8) "OVERSIGHT BOARD" MEANS THE SMALL BUSINESS RECOVERY LOAN PROGRAM OVERSIGHT BOARD CREATED IN SECTION 24-36-204.

(9) "PREMIUM TAX LIABILITY" MEANS THE LIABILITY IMPOSED BY SECTION 10-3-209 OR 10-6-128, OR, IN THE CASE OF A REPEAL OR REDUCTION BY THE STATE OF THE LIABILITY IMPOSED BY SECTION 10-3-209 OR 10-6-128, ANY OTHER TAX LIABILITY IMPOSED UPON AN INSURANCE COMPANY BY THE STATE.

(10) "QUALIFIED TAXPAYER" MEANS AN INSURANCE COMPANY...
AUTHORIZED TO DO BUSINESS IN COLORADO THAT HAS PREMIUM TAX
LIABILITY Owing TO THE STATE AND THAT PURCHASES A TAX CREDIT
UNDER THIS PART 2. "QUALIFIED TAXPAYER" ALSO INCLUDES AN
INSURANCE COMPANY THAT RECEIVES OR ASSUMES A TAX CREDIT
TRANSFERRED IN ACCORDANCE WITH SECTION 24-36-206 (7)(e) OR
24-36-207 (6).

(11) "SMALL BUSINESS RECOVERY FUND" OR "FUND" MEANS THE
SMALL BUSINESS RECOVERY FUND ESTABLISHED IN SECTION 24-36-208.

(12) "SMALL BUSINESS RECOVERY TAX CREDIT" OR "TAX CREDIT"
MEANS THE TAX CREDIT CREATED IN SECTION 24-36-206.

(13) "TAX CREDIT SALE PROCEEDS" OR "SALE PROCEEDS" MEANS
THE MONEY OR OTHER LIQUID ASSET ACCEPTABLE TO THE STATE
TREASURER THAT A QUALIFIED TAXPAYER PAYS TO THE DEPARTMENT
THAT IS DEPOSITED IN THE SMALL BUSINESS RECOVERY FUND.

24-36-204. Small business recovery loan program oversight
board - creation - report - repeal. (1) THE SMALL BUSINESS RECOVERY
LOAN PROGRAM OVERSIGHT BOARD IS HEREBY CREATED IN THE
DEPARTMENT TO HELP ESTABLISH AND OVERSEE THE TERMS AND
CONDITIONS OF A CONTRACT OR CONTRACTS THROUGH WHICH THE
TREASURER MAY PROVIDE FIRST LOSS CAPITAL TO A LOAN PROGRAM OR
THE COLORADO CREDIT RESERVE. THIS SECTION DOES NOT PROHIBIT A
LOAN PROGRAM MANAGER OF A SPECIFIC LOAN PROGRAM OR THE
COLORADO CREDIT RESERVE FROM ESTABLISHING A SEPARATE
INVESTMENT ADVISORY COMMITTEE FOR THAT LOAN PROGRAM.

(2) (a) THE OVERSIGHT BOARD CONSISTS OF FIVE MEMBERS, AS
FOLLOWS:

(1) THE STATE TREASURER OR THE STATE TREASURER'S DESIGNEE;
(II) The director of the minority business office created in Section 24-49.5-102, on behalf of the office of economic development, or the director's designee;

(III) One member appointed by the speaker of the house of representatives;

(IV) One member appointed by the president of the senate;

and

(V) One member appointed by the governor.

(b) The appointing authorities shall make their initial appointments to the oversight board no later than July 31, 2020.

(c) The members appointed pursuant to subsection (2)(a) of this section must have substantial private sector experience in commercial banking or capital market activities and must have obtained executive level positions in these industries.

(d) The chair of the governor's council on economic stabilization and growth and the co-chairs of the council's financial services committee shall consult with and provide recommendations on initial appointments to the appointing authorities.

(3) Each member of the oversight board who is appointed pursuant to subsection (2) of this section serves at the pleasure of the official who appointed the member. The term of appointment is three years. An appointed member may serve multiple terms. In the event of a vacancy in an appointed position on the oversight board, a new member shall be appointed in the same manner as provided in subsections (2)(a)(III) to (2)(a)(V) of this section for the unexpired portion of the term.
(4) Each member of the Oversight Board serves without compensation but is entitled to reimbursement for actual, reasonable, and necessary expenses incurred in the performance of his or her duties as a member of the Oversight Board.

(5) The state treasurer, or the state treasurer’s designee, shall serve as the chair of the Oversight Board.

(6) The Oversight Board shall meet at least once every quarter. The chair may call such additional meetings as are necessary for the Oversight Board to complete its duties.

(7) The Oversight Board is a state public body subject to Part 4 of Article 6 of this Title 24. In addition to any other requirements, the Oversight Board shall hold meetings open to the public, publish the agenda for each meeting in advance, keep and publish minutes from each meeting, provide advanced notification of meeting times to banking trade associations and other groups that request notification, and receive written and public testimony at each meeting.

(8) The Oversight Board’s activities with regard to a contract or contracts for the provision of state money for a loan program established in accordance with Section 24-36-205 include, at a minimum:

(a) Consulting with the state treasurer on the selection of a loan program manager;

(b) In consultation with lending industry leaders and representatives of small businesses, determining specific terms applicable to a loan program as required in Section 24-36-205, which terms must be designed in good faith to procure the
PARTICIPATION OF LENDING INSTITUTIONS AND BE CONSISTENT WITH
REGULATORY REQUIREMENTS AND UNDERWRITING CRITERIA, INCLUDING
THE DURATION OF THE GEOGRAPHIC RESTRICTION OF MONEY IN A LOAN
PROGRAM;

(c) PROVIDING GUIDANCE AND INPUT THROUGHOUT THE
IMPLEMENTATION OF A LOAN PROGRAM;

(d) ESTABLISHING AND PUBLISHING TARGETS FOR THE
PERCENTAGE OF LOANS SUPPORTED BY A LOAN PROGRAM THAT ARE MADE
TO BUSINESSES OWNED BY WOMEN, MINORITIES, AND VETERANS AND TO
BUSINESSES LOCATED IN RURAL COUNTIES. IN ESTABLISHING THE TARGETS
REQUIRED BY THIS SUBSECTION (8)(d), THE OVERSIGHT BOARD SHALL
CONSULT WITH THE MINORITY BUSINESS OFFICE WITHIN THE OFFICE OF THE
GOVERNOR AND THE DIVISION OF BUSINESS FUNDING AND INCENTIVES
WITHIN THE OFFICE OF ECONOMIC DEVELOPMENT;

(e) REGULARLY REVIEWING PROGRESS IN ACHIEVING THE TARGETS
ESTABLISHED PURSUANT TO SUBSECTION (8)(d) OF THIS SECTION AND
MAKING ADJUSTMENTS TO A LOAN PROGRAM TO HELP ACHIEVE THE
TARGETS IF NEEDED; AND

(f) PROVIDING SUCH ADDITIONAL OVERSIGHT AND CREATING
POLICIES AND PROCEDURES AS MAY BE NECESSARY TO ENSURE THAT THE
PROGRAM COMPLIES WITH THE REQUIREMENTS OF THIS PART 2 AND
FULFILLS ITS PURPOSE OF SUPPORTING THE STATE'S RECOVERY FROM THE
COVID-19 PANDEMIC BY ASSISTING COLORADO SMALL BUSINESSES IN
RECOVERING FROM THE CRISIS CAUSED BY COVID-19.

(9) THE OVERSIGHT BOARD SHALL CONSULT WITH SMALL
BUSINESSES IN ESTABLISHING THE CRITERIA FOR ELIGIBLE BORROWERS
PURSUANT TO SECTION 24-36-203 (4).
(10) The oversight board shall adopt a conflict of interest policy for its members in order to prevent those who serve on the board from profiting or otherwise benefiting from eligible loans.

(11) A member of the oversight board may assist in raising money or investments for a loan program without compensation.

(12)(a) The oversight board shall submit a written report on the implementation of the loan program to the joint budget committee. The oversight board shall submit its first report on or before November 30, 2020, and shall submit the report each six months thereafter for a period of two years. After the report submitted November 30, 2022, the oversight board shall submit the report annually, on or before November 30 of each year. The oversight board shall also submit the report once each year in fiscal years 2020-21 and 2021-22 to the business affairs and labor committee of the house of representatives, or any successor committee, and the business, labor, and technology committee of the senate, or any successor committee. Notwithstanding the requirement in section 24-1-136 (11)(a)(I), the requirement to submit the report required in this subsection (11) continues until this section is repealed.

(b) The report must include, at a minimum, information on the following:

(I) The number and size of loans made;
(II) The geographic distribution of loans made;
(III) The distribution of loans made by business sector;
(IV) The demographics of the owners of the businesses
RECEIVING LOANS, INCLUDING THE NUMBER OF BUSINESSES OWNED BY WOMEN, MINORITIES, AND VETERANS;

(V) THE NUMBER OF LOANS MADE TO RURAL BUSINESSES;

(VI) THE SIZE OF THE BUSINESSES RECEIVING LOANS;

(VII) THE NUMBER OF PEOPLE EMPLOYED BY THE BUSINESSES RECEIVING LOANS;

(VIII) DISTRIBUTIONS OR REVENUE RECEIVED BY THE STATE FROM THE PROGRAM;

(IX) THE FINANCIAL PERFORMANCE OF THE FUND;

(X) THE DEFAULT RATES FOR LOANS MADE BY THE PROGRAM;

(XI) BORROWER INTEREST RATES ON THE LOANS AND AN EXPLANATION OF HOW THE RATES COMPLY WITH THE REQUIREMENTS OF SECTION 24-36-205 (4)(b)(V); AND

(XII) ANY OTHER INFORMATION REQUESTED BY THE CHAIR OF THE JOINT BUDGET COMMITTEE, THE BUSINESS AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES OR ANY SUCCESSOR COMMITTEE, OR THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE OR ANY SUCCESSOR COMMITTEE.

(c) THE OVERSIGHT BOARD SHALL MAKE A PRESENTATION TO A JOINT MEETING OF THE BUSINESS AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, AT LEAST ONCE EACH FISCAL YEAR OR MORE OFTEN IF REQUESTED BY THE CHAIRS OF THE COMMITTEES.

(13) THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2029.

24-36-205. Small business recovery loan program - creation - requirements - oversight. (1) (a) THE STATE TREASURER IS AUTHORIZED
TO ENTER INTO A CONTRACT OR CONTRACTS TO ESTABLISH A SMALL
BUSINESS RECOVERY LOAN PROGRAM IN ACCORDANCE WITH THIS PART 2.

(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 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 shall only make
loans directly if federal or state bank regulators prohibit the
banking industry from originating loans for the loan program.

(2) The state treasurer may contract with the Colorado
housing and finance authority created in Part 7 of Article 4 of
Title 29 or with a bank, non-profit organization, non-depository
community development financial institution, business
development corporation, certified public accountant firm, or
fund manager to administer a loan program. If the state
treasurer contracts with an entity other than the Colorado
housing and finance authority to administer a loan program, the
state treasurer shall use an open and competitive process to
select the entity. The state treasurer shall consult with the
director of the office of economic development and the
oversight board in selecting and contracting with a loan
program manager.

(3)(a) Notwithstanding any restriction on the investment
of state money set forth in Section 24-36-113 or in any other
PROVISION OF LAW, SUBJECT TO THE AVAILABILITY OF MONEY IN THE SMALL BUSINESS RECOVERY FUND AND THE REQUIREMENTS OF THIS PART 2:

(I) IN FISCAL YEAR 2020-21, THE STATE TREASURER MAY PROVIDE UP TO THIRTY MILLION DOLARS IN FIRST LOSS CAPITAL TO A LOAN PROGRAM OR PROGRAMS OR TO THE COLORADO CREDIT RESERVE FROM THE SMALL BUSINESS RECOVERY FUND; AND

(II) SUBJECT TO THE LIMITATIONS IN SUBSECTION (3)(b) OF THIS SECTION, IN FISCAL YEAR 2021-22, THE STATE TREASURER MAY PROVIDE UP TO THIRTY MILLION DOLARS IN FIRST LOSS CAPITAL TO A LOAN PROGRAM OR PROGRAMS OR TO THE COLORADO CREDIT RESERVE FROM THE SMALL BUSINESS RECOVERY FUND.

(b) THE MONEY PROVIDED UNDER THIS SUBSECTION (3) MUST BE PROVIDED IN TRANCHES OF TEN MILLION DOLARS OR LESS, UP TO A MAXIMUM AMOUNT OF FIFTY MILLION DOLARS IN ALL TRANCHES COMBINED ACROSS FISCAL YEARS 2020-21 AND 2021-22. THE STATE TREASURER SHALL NOT PROVIDE A TRANCHE TO A LOAN PROGRAM OR TO THE COLORADO CREDIT RESERVE UNTIL AT LEAST NINETY PERCENT OF THE MONEY IN ANY PRIOR TRANCHE HAS BEEN INVESTED IN SMALL BUSINESS LOANS IN ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION, AS DETERMINED BY THE OVERSIGHT BOARD AND CERTIFIED BY THE LOAN PROGRAM MANAGER. MONEY PROVIDED TO THE COLORADO CREDIT RESERVE IS CONSIDERED INVESTED IN SMALL BUSINESS LOANS FOR THE PURPOSES OF THIS SUBSECTION (3)(b) ONCE IT IS PAID TO THE COLORADO HOUSING AND FINANCE AUTHORITY.

(4) ANY CONTRACT FOR THE ADMINISTRATION OF A LOAN PROGRAM MUST INCLUDE THE FOLLOWING TERMS IN ORDER TO RECEIVE

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MONEY PROVIDED BY THE STATE TREASURER PURSUANT TO SUBSECTION (3) OF THIS SECTION:

(a) Except for money contributed to the Colorado Credit Reserve, the money provided by the State Treasurer in a single tranche shall 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 four dollars from other sources for each one dollar provided by the State. 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 shall be returned to the Small Business Recovery 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 working capital 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:

(I) The loan must be in an amount of at least thirty thousand dollars but not more than five hundred thousand dollars, as determined by the Oversight Board;

(II) The loan must have a maximum initial maturity of five years, based on the need of the eligible borrower, with no
PENALTY FOR PREPAYMENT, AS DETERMINED BY THE OVERSIGHT BOARD.

The originating lender may extend the term for purposes of restructuring the loan.

(III) The principal must be amortized over the term of the loan or a longer period, as determined by the Oversight Board;

(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.

(V) The loan must carry an interest rate that is lower than would otherwise be available on a risk-adjusted basis from a commercial lender or that bears terms that are not otherwise available from a commercial lender, as determined by the Oversight Board; and

(VI) The eligible borrower may provide a personal guarantee, collateral, or other security as determined by the Oversight Board, which may be subordinate to existing debt.

(c) (I) In order 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).

(II) 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.

(III) 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 FUNDS 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.

(d)(I) A LOAN PROGRAM MANAGER SHALL MAKE EVERY EFFORT TO ACHIEVE TARGETS PUBLISHED BY THE OVERSIGHT BOARD PURSUANT TO SECTION 24-36-204(8)(d) FOR THE PERCENTAGE OF LOANS SUPPORTED BY THE PROGRAM THAT ARE MADE TO BUSINESSES OWNED BY WOMEN, MINORITIES, AND VETERANS AND TO BUSINESSES LOCATED IN RURAL

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COUNTIES. A LOAN PROGRAM MANAGER SHALL CONSULT WITH THE
MINORITY BUSINESS OFFICE WITHIN THE OFFICE OF THE GOVERNOR AND
THE DIVISION OF BUSINESS FUNDING AND INCENTIVES WITHIN THE OFFICE
OF ECONOMIC DEVELOPMENT TO DEVELOP AN OUTREACH STRATEGY FOR
MARKETING THE LOAN PROGRAM TO BUSINESSES OWNED BY WOMEN,
MINORITIES, AND VETERANS AND BUSINESSES LOCATED IN RURAL
COUNTIES.

(II) FOR MONEY CONTRIBUTED TO THE COLORADO CREDIT
RESERVE, THE OVERSIGHT BOARD MAY WAIVE THE REQUIREMENTS OF THIS
SUBSECTION (4)(d) OR MAY ESTABLISH ALTERNATIVE TARGETS FOR THE
PERCENTAGE OF LOANS SUPPORTED BY THE PROGRAM THAT ARE MADE TO
BUSINESSES OWNED BY WOMEN, MINORITIES, AND VETERANS AND TO
BUSINESSES LOCATED IN RURAL COUNTIES.

(e) A LOAN PROGRAM MANAGER SHALL WORK WITH THE DIVISION
OF BUSINESS FUNDING AND INCENTIVES WITHIN THE OFFICE OF ECONOMIC
DEVELOPMENT TO ALIGN THE PROGRAM WITH OTHER ACCESS TO CAPITAL
PROGRAMS IN THE STATE.

(5) IF THE MONEY IN A TRANCHE IS NOT FULLY INVESTED IN SMALL
BUSINESS LOANS AS DETERMINED BY THE OVERSIGHT BOARD IN THE TIME
PERIOD ALLOWED UNDER A CONTRACT, THE PORTION OF THE UNUSED
MONEY PROVIDED BY THE STATE SHALL BE RETURNED TO THE SMALL
BUSINESS RECOVERY FUND.

(6) DISTRIBUTIONS OR REVENUE PAID TO THE STATE PURSUANT TO
A CONTRACT UNDER THIS SECTION SHALL BE DEPOSITED IN THE SMALL
BUSINESS RECOVERY FUND; EXCEPT THAT, IF SUCH DISTRIBUTIONS OR
REVENUE ARE PAID AFTER THE SMALL BUSINESS RECOVERY FUND IS
REPEALED, THE MONEY SHALL BE PAID TO THE STATE TREASURER, WHO
(7) The loan program manager shall report on the implementation of the loan program to the oversight board at least quarterly, within one month after the end of each calendar quarter, or more often if requested by the oversight board. The reports must include the information necessary to allow the board to provide the reports required in section 24-36-204 (12), and any additional information requested by the board.

24-36-206. Small business recovery tax credits - authorization to issue - terms - report. (1) A qualified taxpayer may purchase small business recovery tax credits from the department in accordance with this section and may apply the tax credits against its premium tax liability in accordance with section 24-36-207.

(2) (a) The department is authorized to issue tax credit certificates to qualified taxpayers equal to the lesser of a total face value of up to forty million dollars or total sales proceeds of up to thirty million five hundred thousand dollars in fiscal year 2020-21.

(b) The department is authorized to issue tax credit certificates to qualified taxpayers equal to the lesser of a total face value of up to twenty-eight million dollars or total sales proceeds of up to twenty-one million dollars in fiscal year 2021-22; except that, if money received by the state from the federal government has been appropriated, transferred, or allocated to the fund for the purposes of this part 2, the value
OF THE TAX SALES PROCEEDS THAT THE DEPARTMENT IS AUTHORIZED TO
RAISE UNDER THIS SUBSECTION (2)(b) IN FISCAL YEAR 2021-22 IS REDUCED
BY THE AMOUNT OF FEDERAL MONEY APPROPRIATED, TRANSFERRED, OR
ALLOCATED BY THE FUND.

(c) THE DEPARTMENT MAY CONTRACT WITH AN INDEPENDENT
THIRD PARTY TO CONDUCT OR CONSULT ON A BIDDING PROCESS AMONG
QUALIFIED TAXPAYERS TO PURCHASE THE TAX CREDITS.

(d) THE DEPARTMENT SHALL CONSULT WITH INSURANCE
COMPANIES IN ADVANCE OF ISSUING ANY TAX CREDITS IN ACCORDANCE
WITH THIS SECTION.

(3) AN INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN
COLORADO SEEKING TO PURCHASE TAX CREDITS MUST APPLY TO THE
DEPARTMENT IN THE MANNER PRESCRIBED BY THE DEPARTMENT.

(4) USING PROCEDURES ADOPTED BY THE DEPARTMENT, OR, IF
APPLICABLE, BY AN INDEPENDENT THIRD PARTY, EACH INSURANCE
COMPANY THAT SUBMITS AN APPLICATION SHALL MAKE A TIMELY AND
IRREVOCABLE OFFER, CONTINGENT ONLY UPON THE DEPARTMENT'S
ISSUANCE TO THE INSURANCE COMPANY OF THE TAX CREDIT CERTIFICATES,
TO MAKE A SPECIFIED PURCHASE PAYMENT AMOUNT TO THE DEPARTMENT
ON DATES SPECIFIED BY THE DEPARTMENT. THE OFFER MUST INCLUDE ALL
OF THE FOLLOWING:

(a) THE REQUESTED AMOUNT OF TAX CREDITS, WHICH MUST NOT
BE LESS THAN ANY MINIMUM AMOUNT ESTABLISHED IN PROCEDURES BY
THE DEPARTMENT OR, IF APPLICABLE, THE INDEPENDENT THIRD PARTY;

(b) THE QUALIFIED TAXPAYER'S PROPOSED TAX CREDIT PURCHASE
AMOUNT FOR EACH TAX CREDIT DOLLAR REQUESTED. THE MINIMUM
PROPOSED TAX CREDIT PURCHASE AMOUNT MUST BE EITHER:
(I) THE PERCENTAGE OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS THAT THE DEPARTMENT AND, IF APPLICABLE, THE INDEPENDENT THIRD PARTY DETERMINES TO BE CONSISTENT WITH MARKET CONDITIONS AS OF THE OFFER DATE; OR

(II) IF NO AMOUNT IS ESTABLISHED BY THE DEPARTMENT OR INDEPENDENT THIRD PARTY PURSUANT TO SUBSECTION (4)(b)(I) OF THIS SECTION, SEVENTY-FIVE PERCENT OF THE REQUESTED DOLLAR AMOUNT OF TAX CREDITS; AND

(c) ANY OTHER INFORMATION THE DEPARTMENT, OR, IF APPLICABLE, INDEPENDENT THIRD PARTY REQUIRES.

(5) THE DEPARTMENT SHALL PROVIDE WRITTEN NOTICE TO EACH INSURANCE COMPANY THAT SUBMITS AN APPLICATION INDICATING WHETHER OR NOT THE INSURANCE COMPANY HAS BEEN APPROVED AS A PURCHASER OF TAX CREDITS AND, IF SO, THE AMOUNT OF TAX CREDITS ALLOCATED AND THE DATE BY WHICH PAYMENT OF THE TAX CREDIT SALE PROCEEDS MUST BE MADE.

(6) ON RECEIPT OF PAYMENT OF THE SALE PROCEEDS, THE DEPARTMENT SHALL ISSUE TO EACH QUALIFIED TAXPAYER A TAX CREDIT CERTIFICATE. THE TAX CREDIT CERTIFICATE MUST STATE ALL OF THE FOLLOWING:

(a) THE TOTAL AMOUNT OF PREMIUM TAX CREDITS THAT THE QUALIFIED TAXPAYER MAY CLAIM;

(b) THE AMOUNT THAT THE QUALIFIED TAXPAYER HAS PAID OR AGREED TO PAY IN RETURN FOR THE ISSUANCE OF THE TAX CREDIT CERTIFICATES AND THE DATE OF THE PAYMENT;

(c) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE FOR USE BY THE QUALIFIED TAXPAYER;
(d) Any penalties or other remedies for noncompliance;
(e) The procedures to be used for transferring or assuming the tax credits in accordance with subsection (7)(e) of this section or section 24-36-207 (6);
(f) The serial number of the tax credit certificate; and
(g) Any other requirements deemed necessary by the department as a condition of issuing the tax credit certificate.

(7) (a) The department shall not issue a tax credit certificate to any qualified taxpayer that fails to provide the tax credit sale proceeds within the time the department specifies.
(b) A qualified taxpayer that fails to provide the tax credit sale proceeds within the time the department specifies is subject to a penalty equal to ten percent of the amount of the purchase price that remains unpaid. The penalty must be paid to the department within thirty days after demand.
(c) The department may offer to reallocate the defaulted tax credits among other qualified taxpayers, so that the result after reallocation is the same as if the initial allocation had been performed without considering the tax credit allocation to the defaulting qualified taxpayer.
(d) If the reallocation of tax credits under subsection (7)(c) of this section results in the payment by another qualified taxpayer of the amount of tax credit sale proceeds not paid by the defaulting qualified taxpayer, the department may waive the penalty imposed under subsection (7)(b) of this section.
(e) A qualified taxpayer that fails to pay the tax credit
SALE PROCEEDS WITHIN THE TIME SPECIFIED MAY AVOID THE IMPOSITION
OF THE PENALTY BY TRANSFERRING THE ALLOCATION OF TAX CREDITS TO
A NEW OR EXISTING QUALIFIED TAXPAYER WITHIN THIRTY DAYS AFTER THE
DUE DATE OF THE DEFAULTED INSTALLMENT. ANY TRANSFEREE OF AN
ALLOCATION OF TAX CREDITS OF A DEFAULTING QUALIFIED TAXPAYER
UNDER THIS SUBSECTION (7) SHALL AGREE TO PAY THE TAX CREDIT SALE
PROCEEDS WITHIN FIVE DAYS AFTER THE DATE OF THE TRANSFER.

(8) THE TAX CREDIT SALE PROCEEDS PROVIDED BY A QUALIFYING
TAXPAYER IN RETURN FOR A TAX CREDIT CERTIFICATE MUST BE DEPOSITED
IN THE SMALL BUSINESS RECOVERY FUND.

(9) (a) THE DEPARTMENT SHALL PROVIDE A REPORT TO THE
DIVISION OF INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES
FOR EACH FISCAL YEAR IN WHICH IT ISSUES TAX CREDIT CERTIFICATES
PURSUANT TO THIS PART 2 WITHIN THIRTY DAYS OF THE CLOSE OF THE
FISCAL YEAR. THE REPORT MUST INCLUDE:

(I) THE NAME AND IDENTIFYING NUMBER ISSUED BY THE NATIONAL
ASSOCIATION OF INSURANCE COMMISSIONERS, OR ANY SUCCESSOR
ORGANIZATION, OF EACH QUALIFIED TAXPAYER TO WHICH THE
DEPARTMENT ISSUED A TAX CREDIT CERTIFICATE;

(II) THE TOTAL AMOUNT OF THE TAX CREDIT ALLOCATED TO THE
QUALIFIED TAXPAYER; AND

(III) THE SERIAL NUMBER OF THE TAX CREDIT CERTIFICATE ISSUED
TO THE QUALIFIED TAXPAYER.

(b) THE DEPARTMENT SHALL MAINTAIN RECORDS OF EACH TAX
CREDIT CERTIFICATE ISSUED, TRANSFERRED, OR ASSUMED THAT ARE
SUFFICIENT TO ALLOW THE DIVISION OF INSURANCE IN THE
DEPARTMENT OF REGULATORY AGENCIES TO VERIFY THE ISSUANCE AND
OWNERSHIP OF THE CREDIT.

24-36-207. Use of small business recovery tax credits - carry over. (1) For a tax credit certificate issued in fiscal year 2020-21:

(a) In calendar year 2026, the qualified taxpayer may claim up to fifty percent of the credit against premium tax liability incurred for a taxable year that begins on or after January 1, 2025; and

(b) Beginning in calendar year 2027, the qualified taxpayer may claim the remaining amount of the credit against premium tax liability incurred for a taxable year that begins on or after January 1, 2026.

(2) For a tax credit certificate issued in fiscal year 2021-22, beginning in calendar year 2028, the qualified taxpayer may claim the credit against premium tax liability incurred for a taxable year that begins on or after January 1, 2027.

(3) The total credit to be applied by a qualified taxpayer in any one year must not exceed the premium tax liability of the qualified taxpayer for the taxable year. If the qualified taxpayer cannot use the entire amount of the tax credit for the taxable year in which the taxpayer is eligible for the credit, the excess may be carried over to succeeding taxable years and used as a credit against the premium tax liability of the taxpayer for those taxable years; except that the credit may not be carried over to any taxable year that begins after December 31, 2031. Any amount of the credit that is not timely claimed expires and is not refundable.
(4) A qualified taxpayer claiming a credit under this part 2 shall submit the tax credit certificate with its tax return.

(5) A qualified taxpayer claiming a tax credit under this part 2 shall not be required to pay any additional or retaliatory tax as a result of claiming the credit.

(6) If a qualified taxpayer holding an unclaimed tax credit is part of a merger, acquisition, or line of business divestiture transaction, the tax credit may be transferred to and assumed by the resulting entity if the resulting entity is an insurance company authorized to do business in Colorado that has premium tax liability. The qualified taxpayer that originally purchased the credit and the resulting entity shall notify the department in writing of the transfer or assumption of the credit in accordance with procedures adopted by the department. The department shall provide a copy of the notice to the division of insurance in the department of regulatory agencies and shall maintain a record of the transfer or assumption of the tax credit. The transfer or assumption of the tax credit does not affect the time schedule for claiming the tax credit as provided in this section.

24-36-208. Small business recovery fund - repeal. (1) The small business recovery fund is hereby created in the state treasury. The fund consists of:

(a) tax credit sale proceeds received from qualified taxpayers and deposited in the fund pursuant to section 24-36-205;

(b) distributions, revenue, or money returned to the state
FROM A LOAN PROGRAM ESTABLISHED PURSUANT TO SECTION 24-36-205
AND DEPOSITED IN THE FUND; AND

(c) Any other money that the General Assembly may
appropriate or transfer to the fund.

(2) The state treasurer shall credit all interest and
income derived from the deposit and investment of money in the
small business recovery fund to the fund.

(3) Money in the fund is continuously appropriated to the
department for the purposes specified in this part 2. The
department may expend money in the fund to pay for its direct
and indirect costs in implementing and administering this part 2.

(4) Beginning in fiscal year 2025-26, the state treasurer
shall credit any unexpended and unencumbered money remaining
in the fund at the end of a fiscal year to the general fund.

(5) The state treasurer shall transfer all unexpended
and unencumbered money in the fund at the end of the fiscal
year on June 30, 2029, to the general fund.

(6) This section is repealed, effective July 1, 2029.

24-36-209. Office of economic development. The office of
economic development shall assist the state treasurer and the
department in implementing this part 2.

24-36-210. Repeal of part. This part 2 is repealed, effective
December 31, 2033.

SECTION 2. In Colorado Revised Statutes, 24-75-402, add
(5)(qq) as follows:

24-75-402. Cash funds - limit on uncommitted reserves -
reduction in the amount of fees - exclusions - repeal.
(5) Notwithstanding any provision of this section to the contrary, the
following cash funds are excluded from the limitations specified in this
section:

(qq) THE SMALL BUSINESS RECOVERY FUND CREATED IN SECTION
24-36-208.

SECTION 3. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, or safety.