

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0673.01 Alison Killen x4350

HOUSE BILL 24-1160

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HOUSE SPONSORSHIP

McLachlan and Bird,

SENATE SPONSORSHIP

Zenzinger and Kirkmeyer,

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House Committees  
Business Affairs & Labor

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE CREATION OF THE ECONOMIC DEVELOPMENT  
102 ORGANIZATION ACTION GRANT 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 economic development organization (EDO) action grant program (program) within the Colorado office of economic development (office) to provide grants to Colorado-based EDOs to support and increase EDO capacity to implement community-specific economic development programming, as identified in each EDO's program application. The office is required to administer the program in

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.

consultation with the Colorado economic development commission and a statewide economic development organization. The economic development organization grant program cash fund (fund) is created in the state treasury, and the office is required to award program grants from the fund. The state treasurer is required to transfer \$2 million from the general fund to the fund on July 1, 2024.

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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** 24-48.5-135 as  
3 follows:

4           **24-48.5-135. Economic development organization action grant**  
5 **program - grants - fund - definitions.** (1) **Definitions.** AS USED IN THIS  
6 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7           (a) "COMMISSION" MEANS THE COLORADO ECONOMIC  
8 DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102 (1).

9           (b) "ECONOMIC DEVELOPMENT ORGANIZATION" OR "EDO" HAS  
10 THE SAME MEANING AS SET FORTH IN SECTION 39-30.5-103 (4.5).

11           (c) (I) "ELIGIBLE ORGANIZATION" MEANS AN EDO WITH:

12                   (A) PRIMARY ACTIVITIES AND FUNCTIONS FOCUSED ON ECONOMIC  
13 DEVELOPMENT;

14                   (B) A DEDICATED ECONOMIC DEVELOPMENT STAFF;

15                   (C) AN OPERATING BUDGET GREATER THAN THE AMOUNT OF THE  
16 PROGRAM GRANT AWARD; AND

17                   (D) GOOD STANDING WITH THE COLORADO SECRETARY OF STATE.

18           (II) "ELIGIBLE ORGANIZATION" DOES NOT INCLUDE:

19                   (A) A FOR-PROFIT BUSINESS;

20                   (B) A SMALL BUSINESS DEVELOPMENT CENTER;

21                   (C) A RELIGIOUS ORGANIZATION;

22                   (D) AN ORGANIZATION THAT SPENDS MORE THAN FIFTEEN

1 PERCENT OF ITS BUDGET ON POLITICAL ADVOCACY OR LOBBYING; OR

2 (E) AN ORGANIZATION BASED OUTSIDE COLORADO.

3 (III) "ELIGIBLE ORGANIZATION" DOES NOT INCLUDE AN EDO  
4 PREVIOUSLY AWARDED AN ECONOMIC DEVELOPMENT GRANT, UNLESS THE  
5 EDO HAS SATISFIED ALL REPORTING AND PERFORMANCE REQUIREMENTS  
6 RELATED TO THE PAST GRANT AWARD PRIOR TO SUBMISSION OF THE EDO'S  
7 APPLICATION FOR AN ACTION GRANT PURSUANT TO THIS SECTION.

8 (d) "FUND" MEANS THE ECONOMIC DEVELOPMENT ORGANIZATION  
9 ACTION GRANT CASH FUND CREATED IN SUBSECTION (5) OF THIS SECTION.

10 (e) "INELIGIBLE COSTS" MEANS COSTS THAT AN EDO SHALL NOT  
11 PAY WITH MONEY FROM AN ACTION GRANT, AS SPECIFIED IN SUBSECTION  
12 (2)(b)(V) OF THIS SECTION.

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

15 (g) "PROGRAM" MEANS THE ECONOMIC DEVELOPMENT  
16 ORGANIZATION ACTION GRANT PROGRAM CREATED IN THIS SECTION.

17 (h) "SELECTION COMMITTEE" MEANS THE COMMITTEE  
18 RESPONSIBLE FOR EVALUATING AND RANKING ELIGIBLE ORGANIZATION  
19 PROPOSALS IN ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION.

20 (i) "STATEWIDE ECONOMIC DEVELOPMENT ORGANIZATION" MEANS  
21 A PUBLIC OR PRIVATE NONPROFIT ORGANIZATION LOCATED AND  
22 OPERATING IN COLORADO WITH EXPERIENCE IN PUBLIC-PRIVATE  
23 PARTNERSHIPS, PROVIDING RESOURCES AND TOOLS FOR ECONOMIC  
24 DEVELOPMENT, AND GRANT ADMINISTRATION IN SUPPORT OF ECONOMIC  
25 DEVELOPMENT.

26 (2) **Program creation.** (a) THE ECONOMIC DEVELOPMENT  
27 ORGANIZATION ACTION GRANT PROGRAM IS CREATED WITHIN THE OFFICE.

1 THE PURPOSE OF THE PROGRAM IS TO INCREASE THE CAPACITY OF THE  
2 OFFICE, AND INDIVIDUAL EDOs, TO IMPLEMENT AND PROMOTE PROGRAMS  
3 AND INITIATIVES TO SUPPORT THE DEVELOPMENT OF A ROBUST ECONOMIC  
4 DEVELOPMENT INFRASTRUCTURE ACROSS THE STATE THAT WILL ATTRACT,  
5 RETAIN, AND EXPAND BUSINESSES IN THE STATE. THE OFFICE SHALL  
6 SELECT A STATEWIDE ECONOMIC DEVELOPMENT ORGANIZATION TO ASSIST  
7 IN ADMINISTERING THE PROGRAM. THE OFFICE, IN PARTNERSHIP WITH THE  
8 SELECTED STATEWIDE ECONOMIC DEVELOPMENT ORGANIZATION, SHALL  
9 AWARD ACTION GRANTS TO ELIGIBLE ORGANIZATIONS SELECTED IN  
10 ACCORDANCE WITH THE PROCESS SET FORTH IN SUBSECTIONS (2)(b) AND  
11 (2)(c) OF THIS SECTION. THE OFFICE SHALL AWARD GRANTS FROM MONEY  
12 IN THE FUND CREATED IN SUBSECTION (5) OF THIS SECTION.

13 (b) TO APPLY FOR AN ACTION GRANT, AN ELIGIBLE ORGANIZATION  
14 MUST SUBMIT AN APPLICATION, IN A FORM AND MANNER PRESCRIBED BY  
15 THE OFFICE, THAT INCLUDES A PROPOSAL FOR A SPECIFIC ECONOMIC  
16 DEVELOPMENT INITIATIVE AND DESCRIBES HOW THE PROPOSAL WILL  
17 ADVANCE THE INITIATIVE. AN ELIGIBLE ORGANIZATION MUST INCLUDE THE  
18 FOLLOWING IN ITS PROGRAM APPLICATION:

19 (I) DETAILS REGARDING THE COMMUNITY SUPPORT AND NEED FOR  
20 THE INITIATIVE;

21 (II) SPECIFIC GOALS FOR THE INITIATIVE AND METRICS BY WHICH  
22 THE ELIGIBLE ORGANIZATION WILL MEASURE THE SUCCESS OF THE  
23 INITIATIVE IN ACHIEVING ITS GOALS; AND

24 (III) AN ESTIMATED, ITEMIZED BUDGET, INCLUDING AN  
25 EXPLANATION OF HOW THE ELIGIBLE ORGANIZATION WILL USE THE GRANT  
26 MONEY TO PAY ELIGIBLE COSTS NECESSARY TO ACCOMPLISH THE GOALS  
27 OF THE INITIATIVE.

1 (IV) FOR PURPOSES OF SUBSECTION (2)(b)(III) OF THIS SECTION,  
2 "ELIGIBLE COSTS" INCLUDE COSTS TO DEVELOP AND IMPLEMENT NEW  
3 PROGRAMMING OR EXPAND CURRENT PROGRAMMING AND ONE-TIME SEED  
4 MONEY TO START AN ONGOING, MULTI-YEAR INITIATIVE. COSTS RELATED  
5 TO CAPACITY, OPERATIONAL, OR PERSONNEL SUPPORT ARE ELIGIBLE COSTS  
6 IF THE GRANT MONEY IS USED TO EXPAND PROGRAMMING, PROVIDE  
7 TECHNICAL ASSISTANCE SERVICES, APPLY FOR GRANTS, OR LEVERAGE  
8 OTHER FUNDING SOURCES. ONGOING OPERATIONAL EXPENSES ARE NOT  
9 CONSIDERED ELIGIBLE COSTS.

10 (V) FOR PURPOSES OF SUBSECTION (2)(b)(III) OF THIS SECTION,  
11 "INELIGIBLE COSTS" INCLUDE:

12 (A) ANY EXPENSE NOT CONSIDERED AN ELIGIBLE EXPENSE IN  
13 ACCORDANCE WITH ANY APPLICABLE FEDERAL INTERNAL REVENUE  
14 SERVICE REGULATIONS OR GUIDANCE;

15 (B) WAGES PAID TO ANY OF THE EDO'S PRINCIPAL OFFICERS,  
16 BOARD MEMBERS, OR IMMEDIATE FAMILY MEMBERS OF SUCH PRINCIPAL  
17 OFFICERS OR BOARD MEMBERS WHO ARE NOT BONA FIDE EMPLOYEES OF  
18 THE EDO;

19 (C) CHARITABLE OR PASS-THROUGH CONTRIBUTIONS;

20 (D) POLITICAL CONTRIBUTIONS AND EXPENSES ASSOCIATED WITH  
21 POLITICAL AND LOBBYING ACTIVITIES;

22 (E) DRAW OR SALARY TO EMPLOYEES IN EXCESS OF THE AMOUNT  
23 PAID ON A WEEKLY OR MONTHLY BASIS FOR THE SAME PERIOD IN THE  
24 PREVIOUS YEAR;

25 (F) DEBT PAY DOWN OR PAY OFF IN EXCESS OF THE AMOUNT  
26 REQUIRED BY THE UNDERLYING DEBT INSTRUMENT;

27 (G) PREVIOUSLY PAID EXPENSES;

- 1 (H) ALCOHOL;
- 2 (I) FOOD, EXCEPT FOR OFFICIAL FUNCTIONS;
- 3 (J) GIFTS, DONATIONS, OR SPONSORSHIPS;
- 4 (K) EMPLOYEE BONUSES;
- 5 (L) AIRFARE UPGRADES;
- 6 (M) LATE FEES;
- 7 (N) EXPENSES UNRELATED TO THE EDO'S CORE SCOPE OF WORK;
- 8 AND
- 9 (O) OFFICE EQUIPMENT OR IMPROVEMENTS, INCLUDING
- 10 TECHNOLOGY UPGRADES OR HARDWARE.

11 (c) (I) THE OFFICE SHALL CREATE A SELECTION COMMITTEE TO  
12 EVALUATE AND RANK PROGRAM APPLICATIONS. THE SELECTION  
13 COMMITTEE INCLUDES AT LEAST ONE REPRESENTATIVE FROM THE  
14 FOLLOWING ENTITIES, TO BE APPOINTED BY THE ENTITY:

- 15 (A) THE OFFICE;
- 16 (B) THE ECONOMIC DEVELOPMENT COUNCIL OF COLORADO;
- 17 (C) THE COMMISSION; AND
- 18 (D) THE COLORADO DEPARTMENT OF LOCAL AFFAIRS.

19 (II) MEMBERS OF THE SELECTION COMMITTEE SHALL SERVE  
20 WITHOUT COMPENSATION OTHER THAN REIMBURSEMENT FOR REASONABLE  
21 AND ACTUAL EXPENSES INCURRED TO ATTEND MEETINGS.

22 (III) THE SELECTION COMMITTEE SHALL EVALUATE AND RANK THE  
23 APPLICATIONS SUBMITTED PURSUANT TO SUBSECTION (2)(b) OF THIS  
24 SECTION BASED ON THE ELIGIBLE ORGANIZATION'S RESPONSES TO  
25 APPLICATION QUESTIONS, THE INFORMATION PROVIDED IN THE ELIGIBLE  
26 ORGANIZATION'S PROPOSAL, AND THE PROPOSAL'S ALIGNMENT WITH  
27 LOCAL AND STATE ECONOMIC DEVELOPMENT GOALS AND INITIATIVES.

1 (IV) THE SELECTION COMMITTEE SHALL ALSO CONSIDER THE  
2 LOCATION OF EACH ELIGIBLE ORGANIZATION, THE ECONOMIC  
3 CIRCUMSTANCES OF THE COUNTY WHEREIN AN ELIGIBLE ORGANIZATION IS  
4 LOCATED, INCLUDING ANY CURRENT OR RECENT DECLINE IN THE LOCAL  
5 ECONOMY, AND MATTERS OF GEOGRAPHIC EQUITY IN SUPPORTING  
6 ECONOMIC DEVELOPMENT ACROSS THE STATE AS A WHOLE WHEN  
7 FINALIZING GRANT AWARD DECISIONS.

8 (d) THE OFFICE SHALL BASE GRANT AWARD AMOUNTS ON THE  
9 AVAILABILITY OF GRANT MONEY AND THE ITEMIZED BUDGET INCLUDED IN  
10 THE ELIGIBLE ORGANIZATION'S APPLICATION PURSUANT TO SUBSECTION  
11 (2)(b)(III) OF THIS SECTION. THE STATEWIDE ECONOMIC DEVELOPMENT  
12 ORGANIZATION THAT THE OFFICE SELECTS TO ASSIST IN ADMINISTERING  
13 THE PROGRAM PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION SHALL  
14 DISTRIBUTE THE GRANT AWARD MONEY TO THE SUCCESSFUL APPLICANTS  
15 AND ADMINISTER THE COMMON GRANT POLICIES SET FORTH IN SUBSECTION  
16 (3) OF THIS SECTION.

17 (3) **Common grant policies.** (a) ANY GRANT AWARDED PURSUANT  
18 TO SUBSECTION (2) OF THIS SECTION IS SUBJECT TO THE FOLLOWING  
19 CONDITIONS AND LIMITATIONS:

20 (I) THE OFFICE SHALL REPORT TO THE COMMISSION AND MAKE  
21 PUBLICLY AVAILABLE THE NAME OF EACH ELIGIBLE ORGANIZATION  
22 AWARDED A GRANT AND THE AMOUNT OF THE GRANT AWARD;

23 (II) WITHIN SIX MONTHS OF THE DISTRIBUTION OF THE GRANT  
24 AWARD, A GRANT RECIPIENT SHALL PARTICIPATE IN A MID-YEAR REVIEW  
25 REGARDING THE STATUS OF ITS PROPOSAL, IN ACCORDANCE WITH  
26 INSTRUCTIONS TO BE PROVIDED BY THE STATEWIDE ECONOMIC  
27 DEVELOPMENT ORGANIZATION THAT THE OFFICE SELECTED TO ASSIST IN

1 ADMINISTERING THE PROGRAM PURSUANT TO SUBSECTION (2)(a) OF THIS  
2 SECTION. THE GRANT RECIPIENT WILL HAVE AN OPPORTUNITY TO  
3 RECONSIDER ITS ORIGINAL APPLICATION PROPOSAL IN COLLABORATION  
4 WITH THE STATEWIDE ECONOMIC DEVELOPMENT ORGANIZATION AS PART  
5 OF THE MID-YEAR REVIEW, INCLUDING RECONSIDERATION OF  
6 APPROPRIATE, ELIGIBLE COSTS IN SUPPORT OF ITS PROPOSAL.

7 (III) AT THE END OF THE TWELVE-MONTH PERIOD FOLLOWING THE  
8 DISTRIBUTION OF THE GRANT AWARD, A GRANT RECIPIENT SHALL PROVIDE  
9 THE STATEWIDE ECONOMIC DEVELOPMENT ORGANIZATION WITH A FINAL  
10 REPORT DETAILING THE ECONOMIC IMPACT, LOCAL AND STATEWIDE PUBLIC  
11 BENEFIT, AND PROGRESS MADE IN ACHIEVING THE GRANT RECIPIENT'S  
12 SPECIFIC GOALS ACCORDING TO THE METRICS FOR MEASURING SUCCESS  
13 IDENTIFIED IN THE GRANT RECIPIENT'S APPLICATION IN ACCORDANCE WITH  
14 SUBSECTION (2)(b)(II) OF THIS SECTION. THE GRANT RECIPIENT SHALL  
15 PREPARE THE FINAL REPORT IN ACCORDANCE WITH INSTRUCTIONS TO BE  
16 PROVIDED BY THE STATEWIDE ECONOMIC DEVELOPMENT ORGANIZATION.  
17 THE DIRECTOR, OR THE DIRECTOR'S DESIGNEE, SHALL INCLUDE DATA FROM  
18 THE FINAL REPORTS IN THE REPORT SUBMITTED TO THE GENERAL  
19 ASSEMBLY PURSUANT TO SECTION 24-48.5-101 (7).

20 (IV) IF THE SELECTION COMMITTEE DETERMINES, ON OR AFTER THE  
21 END OF THE TWELVE-MONTH PERIOD FOLLOWING THE DISTRIBUTION OF  
22 THE GRANT AWARD, THAT A GRANT RECIPIENT USED AN AMOUNT OF THE  
23 GRANT AWARD FOR AN INELIGIBLE COST OR FOR A PURPOSE UNRELATED TO  
24 THE GRANT RECIPIENT'S PROPOSAL THAT WAS THE BASIS FOR THE GRANT  
25 AWARD, THE OFFICE, IN ITS DISCRETION, MAY REQUIRE THE GRANT  
26 RECIPIENT TO RETURN THE AMOUNT OF GRANT MONEY USED FOR AN  
27 INELIGIBLE COST OR FOR A PURPOSE UNRELATED TO THE GRANT

1 RECIPIENT'S PROPOSAL TO THE STATEWIDE ECONOMIC DEVELOPMENT  
2 ORGANIZATION FOR DEPOSIT IN THE FUND;

3 (V) IF THE SELECTION COMMITTEE DETERMINES, ON OR AFTER THE  
4 END OF THE TWELVE-MONTH PERIOD FOLLOWING THE DISTRIBUTION OF  
5 THE GRANT AWARD, THAT A GRANT RECIPIENT HAS NOT USED THE FULL  
6 AMOUNT OF THE GRANT AWARD, THE OFFICE, IN ITS DISCRETION, MAY  
7 REQUIRE THAT THE GRANT RECIPIENT RETURN THE REMAINING AMOUNT OF  
8 THE GRANT FUNDS TO THE STATEWIDE ECONOMIC ORGANIZATION FOR  
9 DEPOSIT IN THE FUND.

10 (4) **Grant administration.** (a) ON OR BEFORE SEPTEMBER 1, 2025,  
11 THE OFFICE SHALL ESTABLISH PROCEDURES AND TIMELINES FOR GRANT  
12 APPLICATIONS; CRITERIA FOR DETERMINING GRANT AMOUNTS, INCLUDING  
13 HOW PREFERENCES WILL BE APPLIED; GRANT RECIPIENT REPORTING  
14 REQUIREMENTS; AND ANY OTHER PROGRAM POLICIES. THE OFFICE MAY  
15 AMEND THESE POLICIES AT ANY TIME.

16 (b) PRIOR TO AWARDING A GRANT, THE OFFICE SHALL CONSULT  
17 WITH THE SELECTION COMMITTEE AND THE COMMISSION ABOUT ALL OF  
18 THE POTENTIAL GRANTS AND OTHER MONETARY INCENTIVES THAT AN  
19 EDO IS ELIGIBLE TO RECEIVE FROM THE STATE.

20 (c) THE OFFICE SHALL CONSULT WITH THE STATEWIDE ECONOMIC  
21 DEVELOPMENT ORGANIZATION TO REVIEW PROGRAM GRANT APPLICATIONS  
22 AND TO MONITOR AND EVALUATE THE GRANT RECIPIENTS AND THE  
23 ECONOMIC DEVELOPMENT ORGANIZATION ACTION GRANT INITIATIVES.

24 (d) SUBJECT TO THE AVAILABLE MONEY, THERE IS NO LIMIT ON THE  
25 NUMBER OF GRANTS THAT THE OFFICE MAY ANNUALLY AWARD.

26 (5) **Fund.** (a) (I) THE ECONOMIC DEVELOPMENT ORGANIZATION  
27 ACTION GRANT CASH FUND IS CREATED IN THE STATE TREASURY. THE

1 FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO  
2 SUBSECTION (5)(a)(II) OF THIS SECTION AND ANY OTHER MONEY THAT THE  
3 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

4 (II) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER  
5 TWO MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

6 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
7 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
8 FUND TO THE FUND.

9 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE  
10 OFFICE FOR THE PURPOSES OF THE PROGRAM.

11 **SECTION 2. Act subject to petition - effective date.** This act  
12 takes effect at 12:01 a.m. on the day following the expiration of the  
13 ninety-day period after final adjournment of the general assembly; except  
14 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
15 of the state constitution against this act or an item, section, or part of this  
16 act within such period, then the act, item, section, or part will not take  
17 effect unless approved by the people at the general election to be held in  
18 November 2024 and, in such case, will take effect on the date of the  
19 official declaration of the vote thereon by the governor.