



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1003: SMALL BUSINESS RECOVERY MODIFICATIONS

Prime Sponsors:

Rep. Ricks; Camacho
Sen. Kolker

Fiscal Analyst:

Brendan Fung, 303-866-4781
brendan.fung@coleg.gov

Published for: House Business Affairs & Labor

Drafting number: LLS 26-0383

Version: Initial Fiscal Note

Date: January 22, 2026

Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill modifies the Small Business Recovery and Resiliency Loan Program and transfers \$5.0 million from the Small Business Recovery and Resiliency Fund to the Colorado Startup Loan Program Fund.

Types of impacts. The bill is projected to affect the following areas on a one-time basis:

- State Transfers
- Minimal State Workload

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$0	\$0
Transferred Funds	\$5,000,000	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Fund sources for these impacts are shown in the tables below.

Table 1A
State Transfers

Fund Source	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
Small Business Recovery and Resiliency Fund	-\$5,000,000	\$0	\$0
Colorado Startup Loan Program Fund	\$5,000,000	\$0	\$0
Net Transfer	\$0	\$0	\$0

Summary of Legislation

The bill modifies the Small Business Recovery and Resiliency Loan Program in the Office of Economic Development and International Trade (OEDIT) by amending its stated purpose, lowering the Small Business Recovery and Resiliency Fund's matching ratio, and repealing conditions of loan repayment and funding allocation.

Purpose

Under current law, the Small Business Recovery and Resiliency Loan Program supports Colorado's economic recovery from the COVID-19 public health crisis. The bill repeals this stated purpose, and allows the program to broadly leverage private investment in small businesses.

Additionally, loan funding in the program is currently allocated to counties based on their proportion of small businesses, small business employees, and other similar metrics. Eligible borrowers within these counties may then apply for a loan directly through the county. The bill repeals these conditions, and allocates loan funding to businesses across the state.

Matching Ratio

Funds in the Small Business Recovery and Resiliency Fund may currently be used if the money is matched from another funding source at a rate of \$4 of private funds for every \$1 of state funds. The bill lowers the private leverage requirement to a 1:1 ratio. Once matched, this money may be used to make loans or purchase participation interest in business loans as determined by the program's oversight board.

Deferrals

Under current law, principal and interest payments may be deferred for up to one year under circumstances of hardship created by the COVID-19 public health crisis. The bill repeals this conditional requirement, allowing deferrals for any circumstance of hardship.

Transfer

Lastly, the bill requires the State Treasurer to transfer \$5.0 million from the Small Business Recovery and Resiliency Fund to the Colorado Startup Loan Program Fund on June 30, 2026.

Background

The CLIMBER Act, enacted under [House Bill 20-1413](#), includes the Small Business Recovery and Resiliency Loan Program to leverage private investments for loans to small businesses, the Small Business Recovery and Resiliency Premium Tax Credit for insurance companies operating in the state, and the Small Business Recovery and Resiliency Fund. As of January 2026, the Small Business Recovery and Resiliency Fund has a balance of about \$34.0 million. Under the bill, \$5.0 million is transferred out, leaving \$29.0 million for loan deployment and program administration.

The Colorado Startup Loan Program provides loan capital and comprehensive technical assistance to mission-based lenders, entrepreneurs, and small business owners requiring capital to start, restart, or restructure a business. As of January 2026, the Colorado Startup Loan Program Fund is fully encumbered and no funds are currently available.

State Transfers

In the current FY 2025-26, the bill transfers \$5.0 million from the Small Business Recovery and Resiliency Fund to the Colorado Startup Loan Program Fund.

State Expenditures

While the bill does not substantially change total state expenditures, loan funding will shift from one program under OEDIT to another. Beginning in FY 2026-27, the total amount available for loans through the Small Business Recovery and Resiliency Program will reduce by \$5.0 million, and increase by the same amount for loans through the Colorado Startup Loan Program. The exact timing of loan deployment and repayments have not been estimated in this fiscal note, but are expected to net out over the course of the loan's terms.

Workload in OEDIT will also minimally increase to update program guidelines and loan criteria, which can be accomplished within existing appropriations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Office of Economic Development

Treasury

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).