

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0432

**Date:** March 20, 2013

**Prime Sponsor(s):** Rep. Lee

**Bill Status:** House Business, Labor, Economic, and Workforce Development

**Fiscal Analyst:** Jonathan Senft (303-866-3523)

**TITLE:** CONCERNING A STUDY TO ASSESS THE AVAILABILITY OF CAPITAL FOR SMALL BUSINESSES IN COLORADO.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b> General Fund	Up to \$100,000	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill requires the Office of Economic Development and International Trade (OEDIT) to contract for a study to assess the need and availability of capital for Colorado small business, and related barriers to capital.

The study must include a statewide survey of small businesses, including:

- the geographic location of the business;
- type of business, including the goods or services provided;
- years in operation and stage of business development;
- number of employees;
- the amount, sources and use of capital secured during the previous ten years;
- the business's readiness to receive capital; and
- a forecast of its capital needs for the next five years.

On or before May 1, 2014, the author of the study must deliver a report on the survey's findings, with recommendations, to the Economic Development Commission. OEDIT must make the report available online by June 1, 2014, and include it its 2014 annual report.

This bill also creates the Small Business Capital Study fund. This cash fund has no identified source of funding. Therefore, this fiscal note assumes that the study will be fully funded by General Fund appropriations.

### **State Expenditures**

For FY 2013-14, this bill increases General Fund expenditures by up to \$100,000, within OEDIT. This estimate is based on a information provided by PriceWaterhouseCoopers LLC, although OEDIT is required to seek competitive bids for this study. In addition, this bill allows OEDIT staff to provide staff support to the authors, if necessary, although this support is expected to be minimal, and done within existing appropriations.

### **State Appropriations**

For FY 2013-14, the Office of Economic Development and International Trade requires a General Fund appropriation of \$100,000.

### **Departments Contacted**

Governor's Office