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# Highlights from Colorado's Special Legislative Session on COVID-19 Relief Efforts

December 2020 • [Chelsea Marx](#)

On December 2, 2020, Colorado's 72nd General Assembly concluded a whirlwind special session, approving nearly \$350 million in relief and aid programs to support Colorado families and businesses amidst the surging COVID-19 pandemic. Legislators funded the relief measures with an unanticipated surplus in 2019 income tax revenues otherwise slated for the state's budget reserves. This alert summarizes the bills that passed during the special session, focusing on those that provide relief and financial assistance for housing and businesses, and identifies a few things to watch for in the coming legislative session.

### SB20B-002: Housing and Direct COVID Emergency Assistance

This bill authorizes the state treasurer to channel nearly \$60 million from the general fund into various housing assistance programs. First, the bill directs \$54 million to the state's existing housing development grant fund for the purpose of providing emergency housing assistance to individuals in financial need, including overdue rent payments and mortgage payments. Second, the bill creates an emergency direct assistance program in the division of housing to help individuals who are not eligible for other assistance programs, such as undocumented workers, and funds it with a \$5 million transfer from the general fund. Finally, the bill adds \$1 million to the existing eviction legal defense fund, which was established in 2019 to expand access to legal assistance for indigent individuals facing eviction.

### SB20B-003: Money for Energy Utility Bill Payment Assistance

This bill creates a \$5 million low-income energy assistance fund to be administered by the energy office for use by Energy Outreach Colorado. Energy Outreach Colorado is a statewide nonprofit that assists low-income households manage utility costs, including by providing direct bill payments to utility companies.

### SB20B-001: COVID-19 Relief Small and Minority Businesses Arts Organizations

This bill appropriates just over \$57 million for (i) aid to small businesses, arts organizations and minority businesses, and (ii) additional funding for contact tracing by the state department of public health and environment. The bill allocates \$37 million to cities or counties that are subject to and complying with public health orders that restrict capacities because of the pandemic for distribution to small businesses. Eligible local governments can distribute direct relief payments of up to \$7,000 for small businesses in the sectors hardest hit by public health orders restricting capacity, such as restaurants, bars, movie theaters and gyms. The bill also allocates \$4 million to provide direct payments, grants and loans to minority-owned businesses through the minority business office that is part of the state's office of economic development.

### HB20B-1004: Qualified Retailer Retain Sales Tax for Assistance

This bill aims to offset revenue losses by bars, restaurants and food trucks due to pandemic-related capacity limits by allowing these businesses to retain a portion of state sales taxes due in November 2020, December 2020, January 2021 and February 2021. Each qualifying retailer may deduct up to \$2,000 in sales tax per month, per location, for up to five locations. The bill is roughly estimated to provide between \$40 million to \$52 million in tax relief to these businesses.

### **Other Legislation Passed**

In addition to the direct relief described above, Colorado state legislators also passed legislation providing grants to prop up the child care sector ([HB20B-1002](#)), expand and extend support for food pantries ([HB20B-1003](#)), and help school districts improve and increase broadband internet access for their students ([HB20B-1001](#)). Legislators also set aside \$100 million that can be transferred to the state's disaster emergency fund to pay for the state's public health and emergency response expense arising from the pandemic. Finally, the legislature empowered local governments across the state to limit the fees that food-delivery services, such as Door Dash and Grubhub, charge restaurants where indoor dining is limited to 50% or less.

### **What's to Come During Colorado's 2021 Legislative Session?**

### *Additional Aid?*

After the special session, Governor Polis and legislative leadership stated that in spite of the relief measures passed during the special session, more aid packages will be needed to aid Colorado families and business in the coming year. However, the extent of such aid is largely dependent on the state's December revenue and additional aid for state governments from Congress. As of this writing, Congress has not agreed on any such aid.

### *A Virtual or Suspended Session?*

Given that Colorado's 2021 legislative session is set to convene on January 13, 2021 and continue through mid-May, the entire session will likely be overshadowed by the continuing pandemic. For now, the State's plans for vaccine distribution indicate that the general public will not be vaccinated until the summer of 2021. The limited scope of the special session, and overall agreement about the legislative measures needed, lent themselves to a mostly virtual session that may be difficult to replicate for the entire 2021 legislative session. Certain procedural changes, like allowing members of the public to testify via video conferencing or telephone from any location in the state may feasibly continue into the new session, others, like practicing social distancing measures and other pandemic precautions may prove difficult to sustain for an entire legislative session.

Earlier this year, the Colorado Supreme Court concluded that the Colorado Constitution does not absolutely require the state legislative session to be held over the course of one hundred and twenty consecutive calendar days during a declared public health emergency. Thus, so long as the pandemic continues to be a public health emergency in the state, the General Assembly could adopt joint rules, as it did in 2020, suspending the session for any period if the logistics of holding the session amidst the continuing pandemic are unworkable.

As 2020 draws to close, it is hard to predict what the continued effects of the COVID-19 pandemic will be. However, one thing remains clear, the pandemic will undoubtedly shape Colorado's upcoming legislative session.

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