

## The agenda for Colorado's entrepreneurs: 2025 legislative session

Small Business Majority has created a comprehensive state policy agenda to ensure entrepreneurship is at the center of a thriving and inclusive economy in Colorado. The state's more than 715,000 small businesses employ 1.1 million people, accounting for 99.5% of all businesses in Colorado. This is why it's critical that state lawmakers enact policies and programs to support and empower these entrepreneurs, guaranteeing they have access to critical resources and incentives to start and grow their business, affordable and quality healthcare, and benefit programs that will make it easier for them to attract and retain talented employees.

### Increase healthcare accessibility and affordability

Colorado has made significant strides in expanding access to affordable healthcare, but more must be done to support the state's small business ecosystem. Many Coloradans, including entrepreneurs and small business employees, are still facing hidden hospital bills and fees, which adds yet another layer to the burden of accessing healthcare. We are confident that Colorado can address its gap in healthcare coverage and transparency by enacting common-sense policies. Specific proposals to strengthen healthcare markets and expand health coverage include the following:

- **Continue to support implementation of the Colorado Option.** Now in its third year, the Colorado Option is working with health insurance carriers to reduce premium rates for Coloradans. We must ensure small businesses and their employees have equitable access to the Option's standardized plans in the small group market.
- **Limit payments made to hospitals for the small group market.** Colorado hospitals continue to enjoy a streak of high profits, and—according to the Colorado Department of Healthcare Policy & Financing—it's among the highest in the nation. High hospital prices significantly drive up healthcare costs, making it challenging for small business owners and their employees to afford it. Therefore, we urge state lawmakers to pass legislation establishing reimbursement limits for prices paid to certain hospitals through the small group market.
- **Lower prescription drug costs for Colorado small business owners.** Enact legislation that would lower prescription drug costs for small businesses while also protecting small, independent pharmacies.
- **Defending Medicaid and health insurance programs.** Facing a significant budget shortfall this year, we call on Colorado policymakers to ensure funding for Medicaid, as well as for Colorado's Reinsurance and OmniSalud Programs, is safeguarded from budget cuts.
- **Provide Medicaid coverage for abortion care and enshrine guidance regarding emergency medical protections in Colorado statute.** We urge state lawmakers to enact legislation implementing Amendment 79, which was approved by Colorado voters in 2024, by allowing Colorado's Medicaid program to cover abortion care. We also support legislation clarifying emergency medical protections in Colorado's statute to protect access to lifesaving reproductive healthcare.

### Ensure Colorado entrepreneurs and small business employees have access to essential benefits

Colorado's entrepreneurs and small business employees need a modernized benefits infrastructure that creates quality jobs for those who do not work for large organizations. They also need a level playing field with larger companies that offer benefits that smaller businesses struggle to provide. This is why we are pleased that lawmakers and voters have approved measures to implement a state-backed paid family and

medical leave insurance pool and the Colorado Secure Savings Program, and we are now focused on supporting implementation of these programs in a way that prioritizes the needs of small business owners.

- **Continue to support the implementation of Colorado’s paid leave family and medical leave insurance (FAMLI) program.** FAMLI benefits launched on January 1, 2024, giving small business owners, employees and the self-employed access to parental leave or leave to handle serious health conditions for themselves and family members. We must continue to increase awareness of the FAMLI program among small businesses in Colorado and ensure that the program is working as intended for small businesses.
- **Continue to support outreach of the Colorado Secure Savings Program by ensuring rulemaking and implementation acknowledge the unique needs of small businesses and their employees,** and work with state officials to educate business owners on the program’s requirements. The plan, which allows employees to contribute to their own retirement savings, is helping Colorado’s small businesses provide access to a critical benefit without taking on the expense or administrative burden. It is critical that business owners and their employees fully understand the value of retirement savings and have adequate tools to make informed financial decisions.

### Support childcare providers in Colorado through common-sense policies

A robust community of childcare providers can support our economy and allows entrepreneurs and their businesses to thrive. But both the industry and the beneficiaries are facing accessibility and affordability issues, which hampers entrepreneurship in Colorado. To address the childcare crisis in Colorado, we must:

- **Enact policies that address the lack of affordability and accessibility of childcare and that support childcare providers.** We urge state lawmakers to prioritize efforts that lower the cost and increase the availability of childcare for small business owners’ families and workers, and efforts to support childcare providers through tax credits and investments.
- **Mitigate the negative impacts of private equity in childcare.** As private equity entities continue to negatively impact the stability of small childcare businesses and the affordability and accessibility of childcare for small business owners’ families and workers, we urge state lawmakers to enact accountability requirements for private equity entities in childcare to protect small childcare businesses and families. This includes requiring childcare centers to adhere to specific guidelines to receive state funding, and for private equity entities acquiring childcare centers to adhere to certain requirements that better protect the childcare business owner, their employees and the families they serve.
- **Work with the Colorado Department of Early Childhood (CDEC) to support the implementation and execution of programs.** The Colorado CDEC supports families and the early childhood industry across the state. The continued implementation of the Universal Preschool program, as well as upcoming changes to the Colorado Child Care Assistance Program (CCCAP) will require ongoing support from partners and key stakeholders with an equity lens in mind to support families and providers. In addition, we must find a sustainable policy solution that will fund childcare services in Colorado.

### Expand access to equitable capital and protect small business borrowers

Access to capital is one of the major hurdles that small business owners face, particularly for entrepreneurs of color, women, rural entrepreneurs and others in under-resourced communities. Expanding access to equitable capital would help support entrepreneurs in starting and growing their enterprises and help level the playing field for businesses that struggle to access capital through traditional financial institutions. To address this unequal playing field, we recommend the following proposals.

- **Continue to support Colorado’s implementation of the State Small Business Credit Initiative (SSBCI) programs.** This includes working alongside the Office of Economic Development & International Trade (OEDIT) to ensure these programs equitably target micro, rural and BIPOC-businesses through impactful lending and investments.
- **Expand protections for small business borrowers by ensuring transparent and fair lending practices.** Currently, the federal Truth in Lending Act (TILA) requires that consumer creditors disclose critical financing information, including annual percentage rate (APR), in a clear and comparable format; however, these requirements are not extended to commercial financing. Without a federal law, state lawmakers must pass a law to ensure Colorado small business owners have access to transparent and fair financing products.
- **Create grant opportunities for new and current businesses.** We urge state lawmakers to offer and facilitate grant opportunities for business owners to fill gaps in access to capital.

### Support public policy solutions that reduce barriers to entrepreneurship

A healthy entrepreneurial ecosystem provides innovative pathways for under-resourced individuals such as women, people of color, rural communities, veterans, disabled people and immigrants to enter the mainstream American economy and build income and independence. State lawmakers can support Colorado’s entrepreneurs and independent workers by implementing the following policy recommendations:

- **Extend and expand the Employee Ownership Tax Credit.** The Employee Ownership Tax Credit is available to Colorado businesses to cover up to 50% of eligible costs to convert their business to an employee ownership model. However, the tax credit is currently set to expire at the end of 2026. We urge lawmakers to extend this credit through income tax year 2037, increase the coverage percentage up to 75% of eligible costs and modify certain eligibility criteria to expand small businesses’ access to this credit.
- **Reform the commercial property tax payment structure to support small businesses.** Currently, commercial property taxes are due in mid-January of the following year with only two payment options: full payment by April 30 or two installment payments due on February 28 and June 15. These current payment structures may not be convenient for many small business owners and can make it hard to balance their budgets, especially if they are experiencing cash flow issues. We propose providing a path forward for small businesses by creating a third payment option—monthly installments. It is essential to enact provisions that will alleviate the financial burdens on entrepreneurs, particularly during this post-pandemic world. This additional payment option would help preserve small businesses that have been in our communities for decades.
- **Protect small business owners with commercial leases from unclear common area maintenance fees.** Common area maintenance (CAM) fees are fees that appear in commercial leases for businesses that cover maintenance costs. However, oftentimes these fees are not made fully transparent to small business owners signing a commercial lease and are disproportionately impacting small business owners of color who are already at risk of displacement. We support requiring more transparency of common area maintenance fees so that specific fees and services provided for the fees are called out in the small business owner’s commercial lease.