

## The agenda for Colorado's entrepreneurs: 2026 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. Colorado is home to more than 730,000 small businesses, employing 1.2 million people and accounting for 99.5% of all businesses in the state.<sup>1</sup> They play a significant role in our state economy and workforce. However, national economic uncertainty coupled with an especially fast-changing business landscape has required small businesses to adapt, yet again. As such, state governments must implement policies that address the new burdens that businesses are now facing. That is why Small Business Majority has created a comprehensive state policy agenda to ensure small business ownership and entrepreneurship are at the center of a robust, equitable and competitive economy for the state. It is critical that state lawmakers enact both short- and long-term policies to empower entrepreneurs, remove barriers and strengthen the small business ecosystem. To achieve these goals, Colorado policymakers should consider the following policy proposals.

### Bolster a Main Street-friendly workforce and the creation of quality jobs

- **Increase access and affordability in healthcare.**
  - **Allow the Attorney General greater oversight authority for healthcare mergers and acquisitions.** Consolidation in healthcare, especially hospital consolidation, continues to drive up healthcare costs for small businesses and workers. We urge Colorado policymakers to support legislation granting the Colorado Attorney General's office greater authority to oversee healthcare mergers and acquisitions and take appropriate action if the transaction poses a risk to the public.
  - **Ensure long-term funding for Colorado's Health Insurance Affordability Enterprise.** Health insurance costs continue to rise in Colorado and are even higher for rural communities. The Health Insurance Affordability Enterprise (HIAE) provides funding for programs in the individual marketplace that make healthcare coverage more affordable and accessible. Colorado policymakers must determine a long-term funding stream to support the HIAE so that small business owners and their employees can continue to access the healthcare coverage they need.
  - **Counteract Medicaid cuts for the most vulnerable populations.** In the wake of federal Medicaid cuts signed into law in H.R.1, policymakers should ensure that Medicaid access is protected for the most vulnerable individuals, including independent contractors, entrepreneurs and small business workers. Policymakers should also ensure that funding for the Reproductive Health Care Program is protected so that Colorado's immigrant entrepreneurs and workers can access the reproductive healthcare services they need regardless of their documentation status.
  - **Continue to support the implementation of the Colorado Option.** Now in its fourth 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 and make sure that the Colorado Division of Insurance holds carriers and hospitals accountable in meeting their Colorado Option premium reduction targets.
- **Enact policies that address the lack of affordability and accessibility of childcare and that support childcare providers.** Childcare continues to be unaffordable and difficult to access, especially impacting rural small business owners and women entrepreneurs. 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 such as Colorado's Child Care Contribution Tax Credit, which is due

for reauthorization. This tax credit generates approximately \$60 million per year to support childcare providers across the state, helping them keep their doors open and also helping families access care.

- **Continue to support the implementation of Colorado’s paid leave family and medical leave insurance (FAMLI) program.** FAMLI benefits launched in 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.

## Increase access to capital and opportunity for entrepreneurs

- **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. The Governor’s FY 2026-2027 budget request includes a \$15 million cut to the CLIMBER Loan Fund, the loan participation program receiving SSBCI funds in Colorado. We urge lawmakers to protect funding for small business loan programs, especially when SBA lending is becoming more difficult and small business owners are facing exacerbated barriers to accessing capital. We also urge policymakers to support legislation reappropriating some CLIMBER funds to other lending programs more accessible to Community Development Financial Institution (CDFI) participation, and adjusting the private leverage capital requirement for lenders in the CLIMBER program to ensure more CDFIs can become participating lenders and deploy CLIMBER loans to more small businesses.
- **Increase access to capital for small business owners by supporting the lending and operations of Colorado’s CDFIs.** CDFIs provide capital to small business owners who, due to systemic barriers, struggle to obtain financing from traditional lending institutions. However, financial support for CDFIs is being threatened at the federal level, and many CDFIs in Colorado are already feeling this impact. Along with changes to SBA financing that make it harder for minority entrepreneurs to access capital, CDFI financing will be in even greater need. We urge Colorado lawmakers to support legislative proposals that would invest in our CDFIs, allowing them to continue to deploy capital to Colorado’s most underserved small business owners.
- **Strengthen education and outreach dollars for small business programs, particularly as federal resources for small businesses face budget cuts and scrutiny.** Reductions in staff and budget for vital agencies and programs will continue to harm small businesses by dramatically decreasing access to advising and technical assistance. Colorado must support OEDIT in offering multilingual resources for small businesses across the state.
- **Promote responsible lending practices by lenders and brokers as set forth in the [Small Business Borrowers’ Bill of Rights](#).**<sup>2</sup> Although the state has passed a 36% rate cap for loans that are less than \$10,000, small businesses deserve to make apples-to-apples comparisons when seeking financing. While consumer loans are required to disclose the annual percentage rate (APR), federal law does not require the same for commercial financing. Without APR disclosure, small businesses are susceptible to hidden terms and unfair pricing. In lieu of a federal law, the state must pass its own legislation to require transparency and fairness in small business financing products to protect small businesses, no matter the size of the loan.
- **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, especially for minority- and women-owned businesses, as they grapple with tariffs, inflation, workforce shortages and cuts to small business programs.
- **Increase transparency and protections for small businesses with commercial leases.** Increasing and unpredictable common area maintenance (CAM) fees, commercial property taxes and property insurance fees, collectively known as triple net fees, are making it harder for small business owners to manage their budget. Also, commercial leases, often complex and difficult to

understand, present even bigger challenges when a business owner doesn't speak English or it is not their first language. Long-standing businesses are increasingly being forced out of their buildings when landlords sell properties, often with little notice or support, and other businesses receive minimal notice of rent increases or lease non-renewals, leaving them with insufficient time to plan, renegotiate, or relocate. The legislature should strengthen protections for small businesses with commercial leases by enhancing lease transparency, expanding language access requirements, and establishing minimum notice periods for rent increases, lease non-renewals and property sales.

- **Remove SSN barriers for immigrant Coloradans to access entrepreneurship and workforce development opportunities.** Immigrant entrepreneurs and workers face disproportionate barriers to obtaining contracts. Colorado passed a law in 2021 that opened up occupational licensing and public contracting opportunities for undocumented Coloradans, but the unnecessary requirement of a social security number (SSN) by third-party background check companies still hinders their ability to access business contracts. We urge lawmakers to pass legislation that ensures that background checks for non-employment opportunities like independent contracting roles do not require a social security number.

### Promote a level playing field for Colorado small businesses

- **Protect small businesses from discriminatory pricing practices.** Small business owners are especially vulnerable to experiencing price discrimination at the hands of large suppliers. Oftentimes, large corporations can exploit buying power to receive steeper discounts for goods purchased by suppliers, while small businesses are forced to pay higher prices for the same products. Small business owners may then be forced to pass these higher costs on to customers to keep up with operations, which can result in them losing business to large corporations that can undercharge for the same goods due to the discounts they receive. We encourage policymakers to strengthen Colorado's price discrimination statute by including a prohibition of price discrimination based on who the purchaser is, such as a small business. In the case that a price differential is challenged, it would require the supplier to prove that the price differential is based on cost and not the purchaser. This would help level the playing field and mitigate anti-competitive behavior, allowing small businesses to more fairly compete with larger corporations.
- **Implement a graduated income tax in Colorado to increase state investment in childcare and healthcare.** Due to Colorado's Taxpayers Bill of Rights (TABOR), Colorado has a flat income tax structure that restricts state revenue and disproportionately impacts the income of low- and moderate-earners such as most small business owners. By increasing income taxes on Coloradans earning more than \$500,000, our state can generate an extra estimated \$2.4-\$3.5 billion, a significant portion of which will go toward supporting affordable childcare and healthcare for Colorado's small business owners, workers and families. We urge Coloradans to approve a graduated income tax to support access to childcare and healthcare for our small business community.

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<sup>1</sup> "2025 State Small Business Profile Colorado." U.S. Small Business Administration Office of Advocacy. 2025. [https://advocacy.sba.gov/wp-content/uploads/2025/06/Colorado\\_2025-State-Profile.pdf](https://advocacy.sba.gov/wp-content/uploads/2025/06/Colorado_2025-State-Profile.pdf)

<sup>2</sup> "Small Business Borrowers' Bill of Rights," Responsible Business Lending Coalition, <https://www.borrowersbillofrights.org/setting-the-standards>