



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number: LLS 19-0470
Prime Sponsors: Sen. Lee
Rep. Bird

Date: November 12, 2019
Bill Status: Signed into Law
Fiscal Analyst: Ariel Hammerquist | 303-866-3469
Ariel.Hammerquist@state.co.us

Bill Topic: UPDATE BUSINESS ENTITY LAWS

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure
 - State Transfer
 - TABOR Refund
 - Local Government
 - Statutory Public Entity

The bill makes changes to the Colorado Business Corporation Act and the Colorado Corporations and Associations Act. The bill creates a one-time increase in expenditures in FY 2019-20.

Appropriation Summary: For FY 2019-20, the bill requires a cash fund appropriation of \$59,360 to the Department of State.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 19-086

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditure	Cash Fund	\$59,360	-
Transfer		-	-
TABOR Refund		-	-
	Total	\$59,360	-
	Total FTE	-	-

Summary of Legislation

The bill makes various modifications and clarifications to the Colorado Business Corporation Act and conforming changes to the Colorado Corporations and Associations Act. This includes, for instance, provisions governing articles of incorporation, mergers, standards of conduct for employees and officers, and procedures for seeking judicial dissolution.

State Expenditures

The bill is expected to increase cash fund expenditures by \$59,360 in FY 2019-20 only, from the Department of State Cash Fund. Some provisions in the bill will require the Department of State to create new business forms that function within the electronic filing system for business entities. Specifically, two new forms will be needed to revise the current Statement of Share Exchange form to two Statement of Owner's Interest Exchange forms for domestic and foreign acquiring entities. This one-time work is expected to take 560 hours of contracted IT staff at a rate of \$106 per hour.

Effective Date

The bill was signed into law by the Governor on May 13, 2019, and takes effect July 1, 2020, assuming no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires and includes a cash fund appropriation of \$59,360 to the Department of State from the Department of State Cash Fund.

State and Local Government Contacts

Secretary of State