



**Legislative
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**REVISED
FISCAL NOTE**

(replaces fiscal note dated January 30, 2019)

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

Date: March 26, 2019
Bill Status: House Business
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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 revised fiscal note reflects the reengrossed 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 takes effect July 1, 2020, if no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires 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