

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0617.01 Jery Payne x2157

HOUSE BILL 26-1088

HOUSE SPONSORSHIP

Clifford and Taggart,

SENATE SPONSORSHIP

Cutter,

House Committees

State, Civic, Military, & Veterans Affairs
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING ENTITY FILINGS MADE WITH THE SECRETARY OF STATE,**
102 **AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill authorizes the secretary of state (secretary) to:

- Mark as void or remove from the system an entity filing if an electronic payment for the entity filing fee is reversed or is not completed;
- Suspend or dismiss a complaint if the secretary determines that a relationship exists between the complainant and the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

person that is the subject of the complaint alleging a fraudulent filing; and

- Mark a business record with a notice that an entity is unauthorized or fraudulent without referring a complaint about the entity to the attorney general if the secretary receives a notice from the attorney general that the entity being listed as the registered agent was created or registered without authorization or for fraudulent purposes.

The bill prohibits using a fraudulent entity as a registered agent in a business entity filing.

Current law provides an administrative process for determining if an entity filing is made fraudulently or otherwise violates the law when a complaint is made. If such a determination is made, the entity filings may be canceled and the filers penalized. The procedures require the attorney general to notify the entity's registered agent. If the entity does not reply within 21 days after the notification, another notice is mailed, and if the entity does not reply to that notice within 21 days, the complaint is deemed to be conceded. The bill:

- Authorizes the attorney general to provide written notice to any other point of contact that the attorney general determines through investigation to be a means to reach the entity, if the address of the registered agent is the same as the address of the complainant;
- Repeals the second 21-day notice period; and
- Authorizes a person that is injured by such a violation to bring an action to dissolve the entity.

Under current law, actions to dissolve an entity must be brought in the district court for the county where the entity's principal office is located; if the entity has no principal office in this state, where the registered agent is located; or, if the entity has no registered agent, in Denver. The bill authorizes the action to be brought in Denver when the dissolution is based on a fraudulent filing.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 7-90-303, **add** (5) as
3 follows:

4 **7-90-303. Filing, service, and copying fees - subpoenas.**

5 (5) IF PAYMENT FOR A DOCUMENT SUBMITTED TO THE SECRETARY
6 OF STATE FOR FILING IS NOT SUCCESSFULLY PROCESSED, INCLUDING
7 REVERSAL OF THE ELECTRONIC PAYMENT, THE DOCUMENT HAS NOT BEEN

1 SUCCESSFULLY FILED, NOTWITHSTANDING THE TIME OR DATE INITIALLY
2 STAMPED ON THE DOCUMENT. THE SECRETARY OF STATE MAY EITHER:

3 (a) MARK THE DOCUMENT AS VOID AND ADJUST THE ENTITY'S
4 RESULTING STATUS; OR

5 (b) REMOVE THE DOCUMENT FROM THE ONLINE FILING SYSTEM.

6 **SECTION 2.** In Colorado Revised Statutes, 7-90-314, **amend**
7 (1)(b), (1)(c), (3)(a), (4)(a), (4)(f), and (5); **repeal** (4)(e); and **add** (1)(d),
8 (4)(g)(VIII), and (4)(g)(IX) as follows:

9 **7-90-314. Fraudulent filings - complaint - review - referral to**
10 **attorney general - referral to administrative law judge - marking**
11 **filing as fraudulent - deceptive trade practice - definition.**

12 (1) **Fraudulent filings.** The following actions are prohibited:

13 (b) Including an address in a document filed in the secretary of
14 state's office under this part 3 without the consent of the owner of or
15 occupant of the included address; ~~and~~

16 (c) Delivering a document regarding an entity to the secretary of
17 state's office if the individual who makes the delivery lacks the necessary
18 written consent or authority to do so; AND

19 (d) USING A FRAUDULENT ENTITY, INCLUDING AN ENTITY THAT IS
20 HELD TO BE FRAUDULENT UNDER SUBSECTION (4)(g)(V) OF THIS SECTION,
21 AS A REGISTERED AGENT.

22 (3) **Review - secretary of state.**

23 (a) Upon receipt of a complaint submitted pursuant to subsection
24 (2) of this section, the secretary of state shall review the complaint and
25 evaluate whether the complaint indicates a violation of subsection (1) of
26 this section and satisfies the requirements of subsection (2) of this
27 section. If so, the secretary of state, using electronic means, shall:

1 (I) Refer the complaint to the attorney general for review and
2 investigation under the "Colorado Consumer Protection Act", article 1 of
3 title 6; AND

4 (II) FOR COMPLAINTS ALLEGING THAT THE FILING WAS MADE IN
5 VIOLATION OF SUBSECTION (1)(a) OF THIS SECTION, MARK THE BUSINESS
6 RECORD WITH A NOTICE THAT THE ENTITY IS HAS RECEIVED A COMPLAINT
7 OR IS UNDER INVESTIGATION.

8

9 (4) **Review - attorney general - hearing and findings -**
10 **administrative law judge - definition.**

11 (a) Upon receipt of a complaint referred by the secretary of state
12 in accordance with subsection (3)(a) of this section, the attorney general
13 shall review the complaint and determine whether the complaint should
14 be investigated. If the attorney general determines that the complaint
15 should be investigated, the attorney general:

16 (I) Shall mail a written notice and demand to the street address or
17 mailing address, if different from the street address, as well as to the
18 email address, if available, of the registered agent of record listed in the
19 secretary of state's online filing system for the entity at issue; EXCEPT
20 THAT, IF THE ADDRESS OF THE REGISTERED AGENT IS THE SAME AS THE
21 ADDRESS OF THE COMPLAINANT, THE ATTORNEY GENERAL MAY PROVIDE
22 WRITTEN NOTICE TO ANY OTHER POINT OF CONTACT THAT THE ATTORNEY
23 GENERAL DETERMINES THROUGH INVESTIGATION TO BE A MEANS TO
24 REACH THE ENTITY AT ISSUE;

25 (I.5) ~~and, if a telephone number is available, the attorney general~~
26 ~~shall~~ MAY contact the registered agent by telephone IF A TELEPHONE
27 NUMBER IS AVAILABLE; and

1 (II) May provide written or verbal notice and demand to any other
2 point of contact that the attorney general determines through investigation
3 to be a means by which to reach the entity at issue.

4 (e) ~~If, within twenty-one days after mailing a notice and demand,~~
5 ~~the attorney general does not receive a response in writing or otherwise,~~
6 ~~the attorney general shall send a second notice and demand, consistent~~
7 ~~with the requirements of this subsection (4), and allow twenty-one days~~
8 ~~for a response, which must comply with subsection (4)(c) of this section.~~

9 (f) (I) If the attorney general does not receive a response within
10 twenty-one days after mailing a ~~second~~ notice and demand ~~as described~~
11 ~~in subsection (4)(c)~~ IN ACCORDANCE WITH SUBSECTION (4)(c) of this
12 section, each allegation in the notice and demand is deemed conceded by
13 the person that did not respond, and the attorney general may certify that
14 fact to the secretary of state. Upon receiving the certification, the
15 secretary of state shall take the appropriate remedial action under
16 subsections (4)(g)(V) and (4)(g)(VI) of this section based on the
17 conceded notice and demand.

18 (II) As used in this subsection (4)(f), "conceded notice and
19 demand" means a notice and demand described in ~~subsection (4)(c)~~
20 SUBSECTION (4)(c) of this section sent by the attorney general to which
21 the attorney general did not receive a response and in which, pursuant to
22 subsection (4)(f)(I) of this section, each allegation is deemed conceded by
23 the person that did not respond.

24 (g) (VIII) IN THE SITUATION DESCRIBED IN THE INTRODUCTORY
25 PORTION OF SUBSECTION (4)(g)(V) OF THIS SECTION, THE SECRETARY OF
26 STATE MAY TAKE ANY OF THE ACTIONS DESCRIBED IN SUBSECTIONS
27 (4)(g)(V)(A) TO (4)(g)(V)(C) OF THIS SECTION AGAINST ANY OTHER

1 ENTITY THAT USES AN ENTITY AS THE REGISTERED AGENT THAT HAS BEEN
2 CONCEDED OR HAS BEEN FOUND TO BE FRAUDULENT OR UNAUTHORIZED
3 AS THE REGISTERED AGENT.

4 (IX) IF A DOCUMENT SUBMITTED TO THE SECRETARY OF STATE FOR
5 FILING INCLUDES A REFERENCE TO THE SECRETARY OF STATE, THE
6 SECRETARY OF STATE'S ADDRESS OR VARIATIONS OF EITHER THE NAME OR
7 ADDRESS, THE SECRETARY OF STATE MAY, WITHOUT THE NEED FOR A FILED
8 COMPLAINT, TAKE ANY OF THE ACTIONS DESCRIBED IN SUBSECTIONS
9 (4)(g)(V)(A) TO (4)(g)(V)(C) OF THIS SECTION CONCERNING THE ENTITY
10 OR FILING.

11 (5) **Enforcement - deceptive trade practice - private right of**
12 **action.**

13 (a) A violation of subsection (1) of this section is a deceptive trade
14 practice under section 6-1-105 (1)(ppp) and is subject to enforcement by
15 the department of law in addition to the enforcement described in this
16 section. A determination by the administrative law judge as provided by
17 subsection (4)(g)(IV) of this section or a failure to timely respond to a
18 notice and demand as provided by subsection (4)(f) of this section
19 constitutes a prima facie showing that subsection (1) of this section was
20 violated.

21 (b) A PERSON THAT IS INJURED BY AN ENTITY THAT HAS VIOLATED
22 SUBSECTION (1) OF THIS SECTION MAY BRING AN ACTION TO DISSOLVE THE
23 ENTITY IN ACCORDANCE WITH PART 7 OF ARTICLE 56 OF THIS TITLE 7, PART
24 8 OF ARTICLE 80 OF THIS TITLE 7, PART 3 OF ARTICLE 114 OF THIS TITLE 7,
25 PART 3 OF ARTICLE 134 OF THIS TITLE 7, OR THE COMMON LAW OF
26 COLORADO, AS APPLICABLE. THE COURT MAY DISSOLVE THE ENTITY IF THE
27 COURT FINDS THAT:

1 (I) THE ENTITY OBTAINED ITS ARTICLES OF INCORPORATION OR
2 ORGANIZATION THROUGH FRAUD; OR

3 (II) THE ENTITY HAS CONTINUED TO EXCEED OR ABUSE THE
4 AUTHORITY CONFERRED UPON IT BY LAW.

5 **SECTION 3.** In Colorado Revised Statutes, 7-56-715, **amend** (1)
6 as follows:

7 **7-56-715. Procedure for judicial dissolution.**

8 (1) (a) A proceeding to dissolve a cooperative brought by the
9 attorney general ~~shall~~ MUST be brought:

10 (I) In the district court for the county in this state in which the
11 street address of the cooperative's principal office is located; ~~or~~;

12 (II) If the cooperative has no principal office in this state, in the
13 district court for the county in which the street address of its registered
14 agent is located; ~~or~~;

15 (III) If the cooperative has no registered agent, in the district court
16 for the city and county of Denver; OR

17 (IV) IF THE DISSOLUTION IS BASED ON A FRAUDULENT FILING WITH
18 THE SECRETARY OF STATE, IN THE DISTRICT COURT FOR THE CITY AND
19 COUNTY OF DENVER.

20 (b) IF SUBSECTION (1)(a) OF THIS SECTION DOES NOT APPLY, a
21 proceeding brought by any other party named in section 7-56-714 ~~shall~~
22 MUST be brought:

23 (I) In the district court for the county in this state in which the
24 street address of the cooperative's principal office is located; ~~or~~;

25 (II) If the cooperative has no principal office in this state, in the
26 district court for the county in which the street address of its registered
27 agent is located; or

1 (III) If the cooperative has no registered agent, in the district court
2 for the city and county of Denver.

3 **SECTION 4.** In Colorado Revised Statutes, 7-80-811, **amend** (1)
4 as follows:

5 **7-80-811. Procedure for judicial dissolution.**

6 (1) (a) A judicial proceeding by the attorney general to dissolve
7 a limited liability company ~~shall~~ MUST be brought:

8 (I) In the district court for the county in this state in which the
9 street address of the limited liability company's principal office or the
10 street address of its registered agent is located; ~~or~~;

11 (II) If the limited liability company has no principal office in this
12 state and no registered agent, in the district court for the city and county
13 of Denver; OR

14 (III) IF THE DISSOLUTION IS BASED ON A FRAUDULENT FILING WITH
15 THE SECRETARY OF STATE, IN THE DISTRICT COURT FOR THE CITY AND
16 COUNTY OF DENVER.

17 (b) IF SUBSECTION (1)(a) OF THIS SECTION DOES NOT APPLY, a
18 judicial proceeding brought by ~~any other~~ A party named in section
19 7-80-810 to dissolve a limited liability company ~~shall~~ MUST be brought:

20 (I) In the district court for the county in this state in which the
21 street address of the limited liability company's principal office is located;
22 ~~or~~;

23 (II) If ~~it~~ THE LIMITED LIABILITY COMPANY has no principal office
24 in this state, in the district court for the county in which the street address
25 of its registered agent is located; or

26 (III) If the limited liability company has no registered agent, in the
27 district court for the city and county of Denver.

1 **SECTION 5.** In Colorado Revised Statutes, 7-114-302, **amend**
2 (1) as follows:

3 **7-114-302. Procedure for judicial dissolution.**

4 (1) (a) A proceeding by the attorney general to dissolve a
5 corporation ~~shall~~ MUST be brought:

6 (I) In the district court for the county in this state in which the
7 street address of the corporation's principal office or the street address of
8 its registered agent is located; ~~or~~;

9 (II) If the corporation has no principal office in this state and no
10 registered agent, in the district court for the city and county of Denver; OR

11 (III) IF THE DISSOLUTION IS BASED ON A FRAUDULENT FILING WITH
12 THE SECRETARY OF STATE, IN THE DISTRICT COURT FOR THE CITY AND
13 COUNTY OF DENVER.

14 (b) IF SUBSECTION (1)(a) OF THIS SECTION DOES NOT APPLY, a
15 proceeding brought by ~~any other~~ A party named in section 7-114-301 ~~shall~~
16 MUST be brought:

17 (I) In the district court for the county in this state in which the
18 street address of the corporation's principal office is located; ~~or~~;

19 (II) If ~~it~~ THE CORPORATION has no principal office in this state, in
20 the district court for the county in which the street address of its
21 registered agent is located; or

22 (III) If the corporation has no registered agent, in the district court
23 for the city and county of Denver.

24 **SECTION 6.** In Colorado Revised Statutes, 7-134-302, **amend**
25 (1) as follows:

26 **7-134-302. Procedure for judicial dissolution.**

27 (1) (a) A proceeding by the attorney general to dissolve a

1 nonprofit corporation ~~shall~~ MUST be brought:

2 (I) In the district court for the county in this state in which the
3 street address of the nonprofit corporation's principal office or the street
4 address of its registered agent is located; ~~or~~;

5 (II) If the nonprofit corporation has no principal office in this state
6 and no registered agent, in the district court for the city and county of
7 Denver; OR

8 (III) IF THE DISSOLUTION IS BASED ON A FRAUDULENT FILING WITH
9 THE SECRETARY OF STATE, IN THE DISTRICT COURT FOR THE CITY AND
10 COUNTY OF DENVER.

11 (b) IF SUBSECTION (1)(a) OF THIS SECTION DOES NOT APPLY, a
12 proceeding brought by any other party named in section 7-134-301 ~~shall~~
13 MUST be brought:

14 (I) In the district court for the county in this state in which the
15 street address of the nonprofit corporation's principal office is located; ~~or~~;

16 (II) If ~~it~~ THE NONPROFIT CORPORATION has no principal office in
17 this state, in the district court for the county in which the street address of
18 its registered agent is located; or

19 (III) If the nonprofit corporation has no registered agent, in the
20 district court for the city and county of Denver.

21 **SECTION 7. Appropriation.** (1) For the 2026-27 state fiscal
22 year, \$193,954 is appropriated to the department of state. This
23 appropriation is from the department of state cash fund created in section
24 24-21-104 (3)(b), C.R.S. To implement this act, the department may use
25 this appropriation as follows:

26 (a) \$37,860 for use by the business and licensing division for
27 personal services, which amount is based on an assumption that the

1 division will require an additional 0.8 FTE;

2 (b) \$5,400 for use by the business and licensing division for
3 operating expenses;

4 (c) \$147,686 for use by the information technology division for
5 personal services, which amount is based on an assumption that the
6 division will require an additional 0.3 FTE; and

7 (d) \$3,008 for use by the information technology division for
8 operating expenses.

9 **SECTION 8. Act subject to petition - effective date -**
10 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
11 the expiration of the ninety-day period after final adjournment of the
12 general assembly (August 12, 2026, if adjournment sine die is on May 13,
13 2026); except that, if a referendum petition is filed pursuant to section 1
14 (3) of article V of the state constitution against this act or an item, section,
15 or part of this act within such period, then the act, item, section, or part
16 will not take effect unless approved by the people at the general election
17 to be held in November 2026 and, in such case, will take effect on the
18 date of the official declaration of the vote thereon by the governor.

19 (2) This act applies to complaints filed on or after the applicable
20 effective date of this act.