

HOUSE COMMITTEE OF REFERENCE REPORT

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Chair of Committee

May 6, 2026  
Date

Committee on Business Affairs & Labor.

After consideration on the merits, the Committee recommends the following:

SB26-133 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend reengrossed bill, page 5, line 3, strike "CONVERSION," and  
2 substitute "ELECTION TO BECOME AN ARTIST COMPANY,".
- 3 Page 5, line 20, strike "**Conversion to**" and substitute "**Election to**  
4 **become an**".
- 5 Page 5, line 22, strike "CONVERT TO" and substitute "ELECT TO BECOME".
- 6 Page 5, line 23, strike "CONVERT TO" and substitute "ELECT TO BECOME".
- 7 Page 6, line 5, strike "CONVERSION," and substitute "ELECTION,".
- 8 Page 6, line 8, strike "CONVERSION" and substitute "ELECTION".
- 9 Page 6, line 18, strike "CONVERSION;" and substitute "ELECTION;".
- 10 Page 7, line 2, strike "CONVERSION" and substitute "ELECTION".
- 11 Page 7, line 4, strike "A CONVERSION" and substitute "AN ELECTION".
- 12 Page 7, line 7, strike "THE CONVERSION OF A LIMITED LIABILITY COMPANY  
13 TO" and substitute "THE ELECTION TO BECOME".
- 14 Page 7, line 10, strike "CONVERSION" and substitute "ELECTION".
- 15 Page 7, line 12, strike "CONVERSION TO" and substitute "ELECTION TO  
16 BECOME".

- 1 Page 9, lines 9 and 10, strike "COMPANY AS PROVIDED IN SECTION  
2 7-80-1219;" and substitute "COMPANY;".
- 3 Page 9, line 21, after "SECTION," insert "THE ARTICLES OF ORGANIZATION  
4 MUST ALSO INCLUDE".
- 5 Page 9, line 23, strike "LICENSE;" and substitute "LICENSE."
- 6 Page 12, line 22, after "COMPANY;" insert "AND".
- 7 Page 12, strike lines 23 through 25.
- 8 Renumber succeeding subparagraph accordingly.
- 9 Page 13, strike lines 13 and 14 and substitute:  
10 "(IV) CEASING TO BE AN ARTIST COMPANY, INCLUDING AN ACTION  
11 THAT CAUSES THE ENTITY TO NO LONGER MEET THE REQUIREMENTS SET  
12 FORTH IN SECTION 7-80-1203 (1);".
- 13 Page 20, lines 17 and 18, strike "AT THE TIME OF CONVERSION" and  
14 substitute "BY AMENDING ITS ARTICLES OF ORGANIZATION IN ACCORDANCE  
15 WITH THIS PART 12".
- 16 Page 26, strike lines 25 through 27.
- 17 Page 27, strike lines 1 and 2.
- 18 Renumber succeeding C.R.S. sections accordingly.
- 19 Page 27, line 23, strike "UPON" and substitute "EXCEPT AS IS NECESSARY  
20 TO COMPLY WITH APPLICABLE FEDERAL INCOME TAX LAW, INCLUDING  
21 SECTION 704 AND OTHER APPLICABLE PROVISIONS OF SUBCHAPTER K OF  
22 THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, UPON".
- 23 Page 28, line 3, after "TERMINATES." insert "THE OPERATING AGREEMENT  
24 OF ANY ARTIST COMPANY TREATED AS A PARTNERSHIP FOR FEDERAL  
25 INCOME TAX PURPOSES MUST INCLUDE ALLOCATION, DISTRIBUTION,  
26 VALUATION, CAPITAL ACCOUNT, AND OTHER ECONOMIC PROVISIONS  
27 REASONABLY DESIGNED, TO THE EXTENT PERMITTED BY APPLICABLE  
28 FEDERAL INCOME TAX LAW, TO FACILITATE THE REVERSION OF ARTISTIC  
29 WORK TO THE ARTIST-MEMBERS UNDER THIS SUBSECTION (2)(a)(I),  
30 INCLUDING PROVISIONS GOVERNING THE DISTRIBUTION OF CASH AND

1 OTHER PROPERTY OTHER THAN ARTISTIC WORK; THE ALLOCATION OF  
2 ITEMS OF INCOME, GAIN, LOSS, DEDUCTION, AND CREDIT; AND THE  
3 PRESERVATION OR SATISFACTION OF CONTINUING ECONOMIC RIGHTS WITH  
4 RESPECT TO REVERTED ARTISTIC WORK."

5 Page 28, line 17, strike "THE" and substitute "EXCEPT AS IS NECESSARY  
6 TO COMPLY WITH APPLICABLE FEDERAL INCOME TAX LAW, INCLUDING  
7 SECTION 704 AND OTHER APPLICABLE PROVISIONS OF SUBCHAPTER K OF  
8 THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE".

9 Page 29, strike lines 2 through 4 and substitute:

10 "(III) CONTINUING ROYALTY SHARING, REVENUE PARTICIPATION  
11 OBLIGATIONS, RECOUPMENT PROVISIONS, RETURN OF CAPITAL, OR OTHER  
12 ECONOMIC OBLIGATIONS SPECIFIED IN THE ARTICLES OF ORGANIZATION OR  
13 OPERATING AGREEMENT OF THE ARTIST COMPANY."

14 Page 30, strike lines 11 through 13 and substitute "FORM A LIMITED  
15 LIABILITY COMPANY AS AN ARTIST COMPANY PURSUANT TO THIS PART 12  
16 OR CAUSE AN EXISTING LIMITED LIABILITY COMPANY TO BECOME AN  
17 ARTIST COMPANY BY AMENDING ITS ARTICLES OF ORGANIZATION IN  
18 ACCORDANCE WITH THIS PART 12."

19 Page 30, after line 21 insert:

20 **"7-80-1224. Timeline for implementation - repeal.**

21 (1) NO LATER THAN JULY 1, 2027, THE SECRETARY OF STATE  
22 SHALL MAKE ANY CHANGES NECESSARY TO IMPLEMENT THIS PART 12,  
23 INCLUDING ACCEPTING ARTICLES OF ORGANIZATION AND AMENDED  
24 ARTICLES OF ORGANIZATION FILED PURSUANT TO THIS PART 12.

25 (2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2028."

26 Strike "7-80-1222" and substitute "7-80-1221" on: **Page 17**, lines 9 and  
27 23; **Page 18**, line 26; **Page 19**, lines 7 and 27; and **Page 26**, lines 11 and  
28 20.

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