

CHAPTER 226

CORPORATIONS AND ASSOCIATIONS

HOUSE BILL 26-1088

BY REPRESENTATIVE(S) Clifford and Taggart, Keltie, Mauro, Rutinel, Titone, Duran, Flannell;
also SENATOR(S) Cutter and Kolker, Jodeh, Marchman, Weissman, Coleman.

AN ACT

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

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

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

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

(5) IF PAYMENT FOR A DOCUMENT SUBMITTED TO THE SECRETARY OF STATE FOR FILING IS NOT SUCCESSFULLY PROCESSED, INCLUDING REVERSAL OF THE ELECTRONIC PAYMENT, THE DOCUMENT HAS NOT BEEN SUCCESSFULLY FILED, NOTWITHSTANDING THE TIME OR DATE INITIALLY STAMPED ON THE DOCUMENT. THE SECRETARY OF STATE MAY EITHER:

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

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

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

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

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

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

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

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

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

(3) Review - secretary of state.

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

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

(II) MAY MARK THE BUSINESS RECORD WITH A NOTICE THAT THE ENTITY HAS RECEIVED A COMPLAINT OR IS UNDER INVESTIGATION.

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

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

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

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

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

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

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

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

(g) (VIII) IN THE SITUATION DESCRIBED IN THE INTRODUCTORY PORTION OF SUBSECTION (4)(g)(V) OF THIS SECTION, THE SECRETARY OF STATE MAY TAKE ANY OF THE ACTIONS DESCRIBED IN SUBSECTIONS (4)(g)(V)(A) TO (4)(g)(V)(C) OF THIS SECTION AGAINST ANY OTHER ENTITY THAT USES AN ENTITY AS THE REGISTERED AGENT THAT HAS BEEN CONCEDED OR HAS BEEN FOUND TO BE FRAUDULENT OR UNAUTHORIZED AS THE REGISTERED AGENT.

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

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

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

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

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

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

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

7-56-715. Procedure for judicial dissolution.

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

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

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

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

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

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

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

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

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

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

7-80-811. Procedure for judicial dissolution.

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

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

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

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

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

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

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

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

SECTION 5. In Colorado Revised Statutes, 7-90-402, **add** (6) as follows:

7-90-402. Interrogatories by secretary of state - fraudulent business records.

(6) (a) IF THE SECRETARY OF STATE HAS A REASONABLE BASIS TO BELIEVE THAT A RECORD IS FRAUDULENT OR UNAUTHORIZED BASED ON THE RESPONSE OR FAILURE TO RESPOND TO AN INTERROGATORY, THE SECRETARY OF STATE MAY:

(I) MARK THE RECORD WITH A NOTICE THAT THE RECORD IS UNAUTHORIZED OR FRAUDULENT AND DECLARE THE ENTITY DELINQUENT PURSUANT TO SECTIONS 7-90-901 AND 7-90-902;

(II) REDACT THE UNAUTHORIZED ADDRESS OR NAME FROM THE RECORD AND FROM ANY OTHER RELEVANT RECORDS;

(III) DISABLE ADDITIONAL FILING FUNCTIONALITY ON THE ENTITY'S RECORDS;
AND

(IV) TAKE ACTIONS AUTHORIZED IN SECTION 7-90-314 (4)(g)(VIII).

(b) AS USED IN THIS SECTION, "REASONABLE BASIS" MEANS THE SECRETARY OF STATE HAS INFORMATION REASONABLY DEMONSTRATING THAT A FILING HAS VIOLATED SECTION 7-90-314 (1). THIS INFORMATION INCLUDES A RECORD HAVING THE FOLLOWING WITH RESPECT TO A RECORD DETERMINED TO BE FRAUDULENT OR UNAUTHORIZED UNDER SECTION 7-90-314:

(I) A MATCH OR CLOSE SIMILARITY IN AN ENTITY OR CONTACT NAME OR ADDRESS WITH THE FRAUDULENT OR UNAUTHORIZED RECORD;

(II) PATTERNS OF ACTIVITY CONSISTENT WITH THE FRAUDULENT OR UNAUTHORIZED RECORD; OR

(III) ELECTRONIC IDENTIFIERS ASSOCIATED WITH THE FRAUDULENT OR UNAUTHORIZED RECORD.

(c) A PERSON AGGRIEVED BY AN ACTION TAKEN BY THE SECRETARY OF STATE UNDER SUBSECTION (6)(a) OF THIS SECTION MAY REQUEST THE SECRETARY OF STATE TO REVERSE THE ACTIONS TAKEN. THE REQUEST MUST BE SUBMITTED IN A FORM PRESCRIBED BY THE SECRETARY OF STATE AND INCLUDE EVIDENCE SHOWING THAT THE ACTION WAS AN ERROR. IF THE SECRETARY OF STATE DENIES THE REQUEST, THE AGGRIEVED PERSON MAY SEEK JUDICIAL REVIEW BY BRINGING AN ACTION IN THE DISTRICT COURT IN AND FOR THE CITY AND COUNTY OF DENVER.

SECTION 6. In Colorado Revised Statutes, 7-114-302, **amend** (1) as follows:

7-114-302. Procedure for judicial dissolution.

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

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

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

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

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

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

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

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

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

7-134-302. Procedure for judicial dissolution.

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

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

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

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

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

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

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

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

SECTION 8. Appropriation. (1) For the 2026-27 state fiscal year, \$193,954 is appropriated to the department of state. This appropriation is from the department of state cash fund created in section 24-21-104 (3)(b), C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$37,860 for use by the business and licensing division for personal services, which amount is based on an assumption that the division will require an additional 0.8 FTE;

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

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

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

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

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

Approved: May 29, 2026