



Financial Services & Commerce

During the 2017 legislative session, the General Assembly considered measures related to public benefit corporations, trusts, and financial regulators.

Public Benefit Corporations

House Bill 17-1200 made several changes to state law related to public benefit corporations, which are for-profit corporations or domestic cooperatives that are intended to produce a public benefit and to operate in a responsible and sustainable manner. Under prior law, the name of a public benefit corporation was required to contain the words “public benefit corporation,” or related abbreviations. The bill made this name requirement optional. The bill also changed the law to specify that certain words or abbreviations related to public benefit corporations may only be used by corporations and cooperatives organized as public benefit corporations under state law and that if a corporation or cooperative’s name does not include “public benefit corporation” or related abbreviations, the corporation must provide notice to any person who is issued stock or acquires treasury shares.

Additionally, the bill changed the law to allow limited cooperative associations to operate as public benefit corporations in addition to domestic cooperatives. The bill also amended the situations when a public benefit corporation must receive the approval of at least two-thirds of shareholders. Finally, the bill clarified annual reporting requirements.

Trusts

House Bill 17-1157 made several changes to state law related to when banks and credit unions are required to obtain certificates of trust. The bill expanded the types of banking transactions for which a bank may accept a certificate of trust as evidence of a trustee’s trust relationship to include all transactions, not just when a deposit account is opened. The bill also expanded the information that must be included on a certificate of trust and allowed credit unions to rely on a certificate of trust in the same manner as a bank.

Senate Bill 17-124, which was recommended by the Statutory Revision Committee, clarified the Colorado Uniform Trust Decanting Act by specifying that an authorized fiduciary may not exercise decanting power between two trusts if the first trust grants the settlor or another person the power to cause the first trust to cease to be a grantor trust.

Financial Regulators

Under state law, the Commissioner of Insurance is allowed to share or exchange information related to the condition of banks with specific federal banking and finance-related entities, including the U.S. Comptroller of the Currency, the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Consumer Financial Protection Bureau, and other states’ banking departments. *House Bill 17-1218* added that the Commissioner of Insurance

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may also share information related to the condition of trust companies and money transmitters with these entities. The bill also added a requirement that information may not be shared with another entity unless that entity shares similar information with the Division of Insurance and maintains the confidentiality of any exchanged information under conditions that are no less restrictive than those imposed upon the Division of Insurance.