

Please Support SB19-086

Sponsors: Sen. Pete Lee and Rep. Shannon Bird

Senate Bill 086 makes several needed updates to the Colorado Business Corporation Act (CBCA) and the conforming Colorado Corporations and Associations Act (CCAA), which govern business entities (specifically corporations and associations) in the state.

(Title 7, Articles 90 and 101-117, CRS)

The bill is not a major overhaul or rewrite, but merely makes provisions consistent with modern business practices and looks to:

Provide clarity –

- Deletes definitions that are no longer needed, adds new definitions and reorganizes certain provisions to avoid confusion.
- Delete article relating to dissenter's rights and add replacement provisions to define the procedure to obtain appraisal rights in lieu of dissenters rights.
- Adds an optional forum selection provisions similar to that found in other states and the Model Business Corporation Act determined appropriate for the CBCA.
- Update certain provisions to be consistent with changes made in the CBCA and statutory drafting requirements.

Update provisions regarding –

- Conversions and mergers of entities and exchanges to owner's interests in entities.
- Entities formed under Colorado law or qualified to do business in the state as a foreign entity.
- Court proceedings filed by a dissolved Colorado entity for a determination of the amount and form of security to be provided for payment of claims that are contingent from events occurring after dissolution.
- Proxies and treatment for voting purposes of shares held by intermediaries and nominees.
- General standards of conduct for directors and officers and standards of liabilities for directors.
- Conflicting interest transactions and corporate opportunities.
- Indemnification of directors, officers, employees, fiduciaries & agents, and advancement of expenses.
- Corporate mergers, conversions, and exchanges by reference in the CCAA.
- Grounds for and the procedures for seeking judicial dissolution and providing for an election by one or more shareholders to purchase shares owned by the petitioning shareholders in lieu of proceeding with judicial dissolution.

Any questions please contact:

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