

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 17-1089.01 Yelana Love x2295

HOUSE BILL 17-1293

HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

Todd,

House Committees
Local Government

Senate Committees
Local Government

A BILL FOR AN ACT

101 **CONCERNING THE ABILITY OF A LOCAL GOVERNMENT OFFICIAL TO**
102 **SERVE ON A NONPROFIT ENTITY'S BOARD OF DIRECTORS.**

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 specifies that it is neither a conflict of interest nor a breach of fiduciary duty or the public trust for a local government official to serve on the board of directors of a nonprofit entity.

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
3rd Reading Unamended
April 18, 2017

HOUSE
Amended 2nd Reading
April 17, 2017

1 **SECTION 1.** In Colorado Revised Statutes, 24-18-109, **add** (5)
2 as follows:

3 **24-18-109. Rules of conduct for local government officials and**
4 **employees.** (5) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
5 ARTICLE 18, IT IS NEITHER A CONFLICT OF INTEREST NOR A BREACH OF
6 FIDUCIARY DUTY OR THE PUBLIC TRUST FOR A LOCAL GOVERNMENT
7 OFFICIAL WHO IS A MEMBER OF THE GOVERNING BODY OF A LOCAL
8 GOVERNMENT TO SERVE ON A BOARD OF DIRECTORS OF A NONPROFIT
9 ENTITY AND, WHEN SERVING ON THE GOVERNING BODY, TO VOTE ON
10 MATTERS THAT MAY PERTAIN TO OR BENEFIT THE NONPROFIT ENTITY.

11 (b) (I) EXCEPT AS PROVIDED IN SUBSECTION (5)(b)(II) OF THIS
12 SECTION, A LOCAL GOVERNMENT OFFICIAL IS NOT REQUIRED TO PROVIDE
13 OR FILE A DISCLOSURE OR OTHERWISE COMPLY WITH THE REQUIREMENTS
14 OF SUBSECTION (3) OF THIS SECTION UNLESS THE LOCAL GOVERNMENT
15 OFFICIAL HAS A FINANCIAL INTEREST IN OR THE LOCAL GOVERNMENT
16 OFFICIAL OR AN IMMEDIATE FAMILY MEMBER RECEIVES SERVICES FROM
17 THE NONPROFIT ENTITY INDEPENDENT OF THE OFFICIAL'S MEMBERSHIP ON
18 THE BOARD OF DIRECTORS OF THE NONPROFIT ENTITY.

19 (II) A LOCAL GOVERNMENT OFFICIAL WHO SERVES ON THE BOARD
20 OF DIRECTORS OF A NONPROFIT ENTITY SHALL PUBLICLY ANNOUNCE HIS OR
21 HER RELATIONSHIP WITH THE NONPROFIT ENTITY BEFORE VOTING ON A
22 MATTER THAT PROVIDES A DIRECT AND SUBSTANTIAL ECONOMIC BENEFIT
23 TO THE NONPROFIT ENTITY.

24 **SECTION 2. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly (August
27 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a

1 referendum petition is filed pursuant to section 1 (3) of article V of the
2 state constitution against this act or an item, section, or part of this act
3 within such period, then the act, item, section, or part will not take effect
4 unless approved by the people at the general election to be held in
5 November 2018 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.