

CHAPTER 80

CORPORATIONS AND ASSOCIATIONS

HOUSE BILL 22-1250

BY REPRESENTATIVE(S) Woodrow and Pico, Lynch, Valdez D., Gray, Hooton;
also SENATOR(S) Zenzinger and Woodward, Kirkmeyer, Moreno, Priola.

AN ACT

CONCERNING NONSUBSTANTIVE CHANGES TO TITLE 7 OF THE COLORADO REVISED STATUTES.

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

SECTION 1. In Colorado Revised Statutes, 7-90-201.3, **amend** (1)(c) as follows:

7-90-201.3. Plan of conversion. (1) A plan of conversion must state:

(c) The terms and conditions of the conversion, including the manner and basis of changing the ~~owners'~~ OWNER'S interests of the converting entity into ~~owners'~~ OWNER'S interests or obligations of the resulting entity or into money or other property in whole or in part.

SECTION 2. In Colorado Revised Statutes, 7-90-203.1, **amend** (1) and (3) as follows:

7-90-203.1. Exchange of owner's interest. (1) One or more domestic entities may acquire all ~~owners'~~ OWNER'S interests of any other entity or all of one or more classes, series, or types, in exchange for ~~owners'~~ OWNER'S interests or other securities, obligations, rights to acquire ~~owners'~~ OWNER'S interests, or other securities, cash, property, or any combination pursuant to a plan of exchange complying with section 7-90-203.3 and approved pursuant to section 7-90-203.4.

(3) This section does not limit the power of a domestic entity to acquire the ~~owners'~~ OWNER'S interests of any other entity in a transaction other than an exchange.

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.

SECTION 3. In Colorado Revised Statutes, 7-90-203.3, **amend** (1) introductory portion, (1)(c), and (2)(a)(III) as follows:

7-90-203.3. Plan of merger - plan of exchange. (1) A plan of merger ~~shall~~ MUST state:

(c) The terms and conditions of the merger, including the manner and basis of changing the ~~owners'~~ OWNER'S interests of each merging entity into ~~owners'~~ OWNER'S interests or obligations of the surviving entity or into money or other property in whole or in part; and

(2) (a) A plan of exchange must state:

(III) The manner and basis of exchanging the ~~owners'~~ OWNER'S interests to be acquired.

SECTION 4. In Colorado Revised Statutes, 7-90-203.8, **amend** (1)(a) as follows:

7-90-203.8. Statement of owner's interest exchange. (1) After a plan of exchange is approved pursuant to section 7-90-203.4, the acquiring entity shall deliver to the secretary of state, for filing pursuant to part 3 of this article 90, a statement of owner's interest exchange stating:

(a) The entity name of each entity whose ~~owners'~~ OWNER'S interests will be acquired, and the principal office address of its principal office;

SECTION 5. In Colorado Revised Statutes, **amend** 7-90-204.3 as follows:

7-90-204.3. Effect of an exchange. When an exchange takes effect, the ~~owners'~~ OWNER'S interests of each acquired entity are exchanged as provided in the plan, and the former holders of the ~~owners'~~ OWNER'S interests are entitled only to the exchange rights provided in the statement of owner's interest exchange or to their rights under the organic statutes.

SECTION 6. In Colorado Revised Statutes, 7-90-205.5, **amend** (1)(b)(I) as follows:

7-90-205.5. Abandonment or amendment of plan of merger, plan of conversion, or plan of exchange. (1) After a plan of merger, a plan of conversion, or a plan of exchange is authorized, and at any time before the merger, conversion, or exchange takes effect:

(b) The plan of merger, plan of conversion, or plan of exchange may be amended in accordance with the procedure stated in the plan, but the plan may not be amended to change:

(I) The amount or kind of ~~owners'~~ OWNER'S interests or other securities, eligible interests, obligations, rights to acquire ~~owners'~~ OWNER'S interests, other securities or eligible interests, cash, or other property to be received under the plan by the owners of eligible interests in any party to the merger, conversion, or exchange;

SECTION 7. In Colorado Revised Statutes, **amend** 7-111-102 as follows:

7-111-102. Owner's interest exchange involving domestic corporation. A domestic corporation may be party to an exchange of ~~owners'~~ OWNER'S interests with any other entity pursuant to section 7-90-203.1.

SECTION 8. In Colorado Revised Statutes, 7-90-1002, **repeal** (3) as follows:

7-90-1002. Vote or consent required - effect of opposition. ~~(3) This section shall not apply to a domestic entity that is described in this subsection (3) and that was administratively dissolved for any reason other than the expiration of the period of duration stated in its constituent filed document until the later of January 1, 2006, or the following date, as applicable:~~

~~(a) In the case of a corporation that was administratively dissolved after July 1, 2002, the date that is three years after the date it was administratively dissolved;~~

~~(b) In the case of a nonprofit corporation that was administratively dissolved after July 1, 1999, the date that is six years after the date it was administratively dissolved;~~

~~(c) In the case of a limited liability company that was administratively dissolved after July 1, 2001, the date that is four years after the date it was administratively dissolved.~~

SECTION 9. In Colorado Revised Statutes, 7-103-106, **amend** (4)(a) as follows:

7-103-106. Ratification of defective corporate actions - definitions.

(4) Notice requirements. (a) (I) EXCEPT AS SET FORTH IN SUBSECTION (4)(a)(II) OF THIS SECTION AND unless shareholder approval is required under subsection (2)(c) of this section, prompt notice of an action taken under subsection (2) of this section shall be given to each holder of valid and putative shares, regardless of whether entitled to vote, as of:

~~(A)~~ (A) The date of the action by the board of directors; and

~~(B)~~ (B) The date of the defective corporate action ratified. ~~except that~~

(II) Notice is not required to be given to holders of valid and putative shares whose identities or addresses for notice cannot be determined from the records of the corporation.

SECTION 10. Act subject to petition - effective date. 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; 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 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 7, 2022