

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 24-0796.01 Rebecca Bayetti x4348

HOUSE BILL 24-1137

HOUSE SPONSORSHIP

Mauro and Taggart, Bird, Lindstedt, Ricks

SENATE SPONSORSHIP

Winter F. and Bridges,

House Committees

Business Affairs & Labor
Appropriations

Senate Committees

State, Veterans, & Military Affairs
Appropriations

A BILL FOR AN ACT

101 **CONCERNING IMPLEMENTING THE RECOMMENDATIONS OF THE**
102 **FRAUDULENT FILINGS WORKING GROUP, AND, IN CONNECTION**
103 **THEREWITH, MAKING AN APPROPRIATION.**

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 implements the legislative recommendations of the fraudulent filings working group as identified in the working group's February 2023 report.

Section 4 of the bill implements recommendation one, which requires a registered agent who is an individual and not a business entity

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

SENATE
3rd Reading Unamended
May 8, 2024

SENATE
2nd Reading Unamended
May 7, 2024

HOUSE
3rd Reading Unamended
May 4, 2024

HOUSE
Amended 2nd Reading
May 3, 2024

to hold a valid Colorado driver's license or state identification.

Section 4 also implements recommendation 2, which requires a registered agent that is a business entity to be in good standing in the Colorado business registry.

Sections 1 and 4 implement recommendation 3, which prohibits a registered agent from using a United States or commercial post office box as the registered agent's address.

Sections 3, 5, and 6 implement recommendation 4, which authorizes the secretary of state to change an entity's status to delinquent in the business registry immediately following a finding or concession that the entity was created or registered without authorization or for fraudulent purposes.

Section 3 also implements recommendation 5, which allows a law enforcement agency to initiate a fraudulent filing complaint.

Section 7 implements recommendation 6, which allows an entity that has been delinquent for 5 years or longer to cure its delinquency only after the filing of an affidavit and photographic identification in addition to the already required statement.

Section 8 implements recommendation 7, which allows an entity that has been dissolved for 2 years or longer to be reinstated only after the filing of an affidavit and photographic identification in addition to the already required articles of reinstatement.

Section 2 implements recommendation 8, which simplifies the perjury statement affirmed by all persons when delivering a document to be filed with the secretary of state.

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

2 **SECTION 1.** In Colorado Revised Statutes, 7-90-102, **amend**
3 (56) and (62) as follows:

4 **7-90-102. Definitions.** As used in this title 7, except as otherwise
5 defined for the purpose of any section, subpart, part, or article of this title
6 7, or unless the context otherwise requires:

7 (56) (a) "Registered agent address" means the street address and,
8 if different, the mailing address of the registered agent's primary
9 residence in this state or usual place of business in this state if the
10 registered agent is an individual, or of the registered agent's usual place
11 of business in this state if the registered agent is an entity.

1 (b) FOR PURPOSES OF THIS SUBSECTION (56), "USUAL PLACE OF
2 BUSINESS" MEANS A PLACE IN THIS STATE THAT IS CUSTOMARILY OPEN
3 DURING NORMAL BUSINESS HOURS AND WHERE AN INDIVIDUAL WHO IS
4 AUTHORIZED TO PERFORM THE SERVICES OF A REGISTERED AGENT,
5 INCLUDING ACCEPTING SERVICE OF PROCESS AND OTHER NOTIFICATIONS,
6 IS COMMONLY PRESENT. "USUAL PLACE OF BUSINESS" DOES NOT INCLUDE
7 A UNITED STATES OR COMMERCIAL POST OFFICE BOX.

8 (62) "Street address" means, with respect to a physical location,
9 the street name and number, city, state, and (if not the United States)
10 country, and the postal code, if any, that is required for delivery of mail
11 to the location. If, by reason of rural location or otherwise, a street name
12 and number, city, or town does not exist, "street address" shall mean an
13 appropriate description fixing as nearly as possible the actual physical
14 location, but, for all locations in the United States, the county or parish
15 and, if any, the rural free delivery route and the United States postal code
16 shall be included. WITH RESPECT TO THE STREET ADDRESS OF A
17 REGISTERED AGENT'S USUAL PLACE OF BUSINESS, AS DEFINED IN
18 SUBSECTION (56)(b) OF THIS SECTION, "STREET ADDRESS" DOES NOT
19 INCLUDE A UNITED STATES OR COMMERCIAL POST OFFICE BOX.

20 **SECTION 2.** In Colorado Revised Statutes, **amend 7-90-301.5**
21 as follows:

22 **7-90-301.5. Act of causing document to be delivered for filing.**
23 BY causing a document to be delivered to the secretary of state for filing
24 pursuant to this part 3, ~~shall constitute the affirmation or acknowledgment~~
25 ~~of each~~ AN individual ~~causing such delivery~~ AFFIRMS, under ~~penalties~~
26 PENALTY of perjury, that:

27 (1) The document is the individual's act and deed, or that the

1 individual in good faith believes THAT the document is the act and deed
2 of the person on whose behalf the ~~individual is causing the document to~~
3 ~~be~~ IS delivered for filing; ~~taken in conformity with the requirements of~~
4 ~~this part 3, the constituent documents, and the organic statutes, and that~~

5 (2) The individual in good faith believes THAT the facts stated in
6 the document are true; and

7 (3) The document complies with the requirements of this part 3,
8 the constituent documents, and the organic statutes.

9 **SECTION 3.** In Colorado Revised Statutes, 7-90-314, **amend** (2)
10 introductory portion, (4)(f), (4)(g)(IV)(A), and (4)(g)(V)(A) as follows:

11 **7-90-314. Fraudulent filings - complaint - review - referral to**
12 **attorney general - referral to administrative law judge - marking**
13 **filing as fraudulent - deceptive trade practice - definition.**

14 (2) **Complaint.** A LAW ENFORCEMENT AGENCY OR A person ~~that is~~ named
15 in or otherwise affected by the filing of a document under this part 3 may
16 submit a complaint to the secretary of state, on a form prescribed by the
17 secretary of state, alleging that the filing was made in violation of
18 subsection (1) of this section. The complaint must include at least the
19 following information:

20 (4) **Review - attorney general - hearing and findings -**
21 **administrative law judge.** (f) (I) If the attorney general does not receive
22 a response within twenty-one days after mailing a second notice and
23 demand as described in subsection (4)(e) of this section, each allegation
24 in the notice and demand is deemed conceded by the person that did not
25 respond, and the attorney general may certify that fact to the secretary of
26 state. Upon receiving the certification, the secretary of state shall take the
27 appropriate remedial action under subsections (4)(g)(V) and (4)(g)(VI) of

1 this section based on the facts conceded to in the notice and demand.

2 (II) AS USED IN THIS SUBSECTION (4)(f), "CONCEDED NOTICE AND
3 DEMAND" MEANS A NOTICE AND DEMAND DESCRIBED IN SUBSECTION (4)(e)
4 OF THIS SECTION SENT BY THE ATTORNEY GENERAL TO WHICH THE
5 ATTORNEY GENERAL DID NOT RECEIVE A RESPONSE AND IN WHICH,
6 PURSUANT TO SUBSECTION (4)(f)(I) OF THIS SECTION, EACH ALLEGATION
7 IS DEEMED CONCEDED BY THE PERSON THAT DID NOT RESPOND.

8 (g) (IV) If the administrative law judge finds that subsection (1)
9 of this section has been violated, the administrative law judge shall make
10 an additional finding as to whether:

11 (A) An entity was created OR REGISTERED without authorization
12 or for fraudulent purposes; or

13 (V) If the administrative law judge finds that, or if a conceded
14 notice and demand sets forth that, an entity was created OR REGISTERED
15 without authorization or for fraudulent purposes, the attorney general
16 shall notify the secretary of state, who shall:

17 (A) Mark the business record with a notice that the entity is
18 unauthorized or fraudulent AND IS DECLARED DELINQUENT PURSUANT TO
19 SECTIONS 7-90-901 AND 7-90-902;

20 **SECTION 4.** In Colorado Revised Statutes, 7-90-701, **amend** (1)
21 and (2); and **add** (4) as follows:

22 **7-90-701. Registered agent - definition.** (1) Every domestic
23 entity for which a constituent filed document is on file in the records of
24 the secretary of state and every foreign entity authorized to transact
25 business or conduct activities in this state shall continuously maintain in
26 this state a registered agent that ~~shall be~~ IS:

27 (a) (I) An individual who is eighteen years of age or ~~older~~, OLDER

1 AND whose primary residence or usual place of business is in this state,
2 STATE;

3 (II) TO ESTABLISH ELIGIBILITY PURSUANT TO THIS SUBSECTION
4 (1)(a), AN INDIVIDUAL MUST EITHER:

5 (A) HOLD A CURRENT, VALID DRIVER'S LICENSE ISSUED BY THIS
6 STATE OR AN IDENTIFICATION CARD ISSUED BY THIS STATE; OR

7 (B) OTHERWISE VERIFY THE INDIVIDUAL'S RESIDENCY STATUS
8 WITH THE SECRETARY OF STATE CONSISTENT WITH THE SECRETARY OF
9 STATE'S POLICIES, WHICH MUST BE DEVELOPED BEFORE JANUARY 1, 2025,
10 IN COORDINATION WITH KEY COMMUNITY PARTNERS AND IMPACTED
11 COMMUNITIES.

12 (b) A domestic entity IN GOOD STANDING AS LISTED IN THE
13 SECRETARY OF STATE'S RECORDS AND having a usual place of business in
14 this state; or

15 (c) A foreign entity authorized to transact business or conduct
16 activities in this state that IS IN GOOD STANDING AS LISTED IN THE
17 SECRETARY OF STATE'S RECORDS AND THAT has a usual place of business
18 in this state.

19 (2) An entity IN GOOD STANDING AS LISTED IN THE SECRETARY OF
20 STATE'S RECORDS AND having a usual place of business in this state may
21 serve as its own registered agent.

22 (4) FOR PURPOSES OF THIS SECTION, "USUAL PLACE OF BUSINESS"
23 HAS THE SAME MEANING AS SET FORTH IN SECTION 7-90-102 (56)(b).

24 **SECTION 5.** In Colorado Revised Statutes, 7-90-901, **amend**
25 (1)(b), (1)(c), (2)(d), and (2)(e); and **add** (1)(d) and (2)(f) as follows:

26 **7-90-901. Grounds for delinquency.** (1) A domestic entity that
27 is a reporting entity may be declared delinquent under section 7-90-902

1 if:

2 (b) The domestic entity does not comply with part 5 of this article,
3 providing for reports from reporting entities; ~~or~~

4 (c) The domestic entity does not comply with part 7 of this article,
5 providing for registered agents and service of process; OR

6 (d) AN ADMINISTRATIVE LAW JUDGE FINDS, OR A CONCEDED
7 NOTICE AND DEMAND SETS FORTH, PURSUANT TO SECTION 7-90-314
8 (4)(g)(V), THAT THE DOMESTIC ENTITY WAS CREATED WITHOUT
9 AUTHORIZATION OR FOR FRAUDULENT PURPOSES.

10 (2) A foreign entity that is a reporting entity may be declared
11 delinquent under section 7-90-902 if:

12 (d) The foreign entity does not deliver for filing an appropriate
13 statement of change when necessary to make its statement of foreign
14 entity authority true in all respects; ~~or~~

15 (e) The secretary of state receives a duly authenticated certificate
16 from the secretary of state or other official having custody of entity
17 records in the jurisdiction under the law of which the foreign entity was
18 formed to the effect that it no longer exists as the result of a dissolution
19 or merger or otherwise; OR

20 (f) AN ADMINISTRATIVE LAW JUDGE FINDS, OR A CONCEDED
21 NOTICE AND DEMAND SETS FORTH, PURSUANT TO SECTION 7-90-314
22 (4)(g)(V), THAT THE FOREIGN ENTITY WAS REGISTERED WITHOUT
23 AUTHORIZATION OR FOR FRAUDULENT PURPOSES.

24 **SECTION 6.** In Colorado Revised Statutes, 7-90-902, **amend** (1)
25 as follows:

26 **7-90-902. Declaration of delinquency.** (1) (a) If the secretary of
27 state determines that one or more grounds exist under section 7-90-901

1 for declaring an entity delinquent and the entity does not correct each
2 ground for declaring it delinquent or demonstrate to the reasonable
3 satisfaction of the secretary of state that such ground does not exist within
4 sixty days after the secretary of state makes such determination, the entity
5 becomes delinquent following the expiration of such sixty days.

6 (b) IF THE SECRETARY OF STATE DETERMINES THAT GROUNDS
7 EXIST UNDER SECTIONS 7-90-901 (1)(d) OR (2)(f) FOR DECLARING AN
8 ENTITY DELINQUENT, THE ENTITY BECOMES DELINQUENT IMMEDIATELY
9 UPON SUCH DETERMINATION AND IS NOT SUBJECT TO THE SIXTY-DAY
10 PERIOD SET FORTH IN SUBSECTION (1)(a) OF THIS SECTION.

11 **SECTION 7.** In Colorado Revised Statutes, 7-90-904, **amend** (1)
12 as follows:

13 **7-90-904. Cure of delinquency.** (1) (a) ~~A delinquent~~ AN entity
14 THAT HAS BEEN DELINQUENT FOR FEWER THAN FIVE YEARS may cure its
15 delinquency by

16 (a) delivering to the secretary of state, for filing pursuant to part
17 3 of this ~~article~~ ARTICLE 90, a statement curing delinquency ~~stating~~ THAT
18 IS SIGNED BY AN INDIVIDUAL UNDER PENALTY OF PERJURY AND THAT
19 STATES:

20 (I) The entity's principal office address; and

21 (II) The entity's registered agent's name and address.

22 (b) (Deleted by amendment, L. 2008, p. 23, § 17, effective August
23 5, 2008.)

24 (c) AN ENTITY THAT HAS BEEN DELINQUENT FOR FIVE YEARS OR
25 LONGER MAY CURE ITS DELINQUENCY BY DELIVERING TO THE SECRETARY
26 OF STATE, FOR FILING PURSUANT TO PART 3 OF THIS ARTICLE 90, THE
27 FOLLOWING DOCUMENTS:

1 (I) A STATEMENT CURING DELINQUENCY THAT IS SIGNED BY AN
2 INDIVIDUAL UNDER PENALTY OF PERJURY AND THAT STATES:

3 (A) THE ENTITY'S PRINCIPAL OFFICE ADDRESS; AND

4 (B) THE ENTITY'S REGISTERED AGENT'S NAME AND ADDRESS;

5 (II) AN AFFIDAVIT ATTESTING THAT THE INDIVIDUAL WHO SIGNED
6 THE STATEMENT HAS THE AUTHORITY OF THE ENTITY TO SIGN FOR AND
7 ACT ON BEHALF OF THE ENTITY; AND

8 (III) A COPY OF A GOVERNMENT-ISSUED PERSONAL PHOTOGRAPHIC
9 IDENTIFICATION FOR THE INDIVIDUAL WHO SIGNED THE STATEMENT AND
10 AFFIDAVIT.

11 **SECTION 8.** In Colorado Revised Statutes, 7-90-1003, **amend**
12 (1) introductory portion; **repeal** (1)(d); and **add** (1.5) as follows:

13 **7-90-1003. Articles of reinstatement.** (1) ~~In order~~ To reinstate
14 ~~an entity~~ under this part 10 AN ENTITY THAT HAS BEEN DISSOLVED FOR
15 FEWER THAN TWO YEARS, AN INDIVIDUAL NAMED IN THE ARTICLES OF
16 RESTATEMENT SHALL DELIVER articles of reinstatement ~~shall be delivered~~
17 to the secretary of state for filing pursuant to part 3 of this ~~article~~ ARTICLE
18 90 stating:

19 (d) ~~The date of dissolution of the entity, if known;~~

20 (1.5) TO REINSTATE UNDER THIS PART 10 AN ENTITY THAT HAS
21 BEEN DISSOLVED FOR TWO YEARS OR LONGER OR FOR WHICH THE PERIOD
22 OF DISSOLUTION IS NOT KNOWN BASED ON THE RECORDS OF THE
23 SECRETARY OF STATE, AN INDIVIDUAL NAMED IN THE ARTICLES OF
24 RESTATEMENT SHALL DELIVER TO THE SECRETARY OF STATE FOR FILING
25 PURSUANT TO PART 3 OF THIS ARTICLE 90 THE FOLLOWING DOCUMENTS:

26 (a) ARTICLES OF REINSTATEMENT STATING:

27 (I) THE DOMESTIC ENTITY NAME OF THE ENTITY;

1 (II) THE DOMESTIC ENTITY NAME OF THE ENTITY FOLLOWING
2 REINSTATEMENT, WHICH ENTITY NAME SHALL COMPLY WITH SECTION
3 7-90-1004;

4 (III) THE DATE OF FORMATION OF THE ENTITY;

5 (IV) THE COLORADO STATUTE UNDER WHICH THE ENTITY EXISTED
6 IMMEDIATELY PRIOR TO ITS DISSOLUTION;

7 (V) THE DATE OF DISSOLUTION OF THE ENTITY, IF KNOWN;

8 (VI) A STATEMENT THAT ALL APPLICABLE CONDITIONS OF SECTION
9 7-90-1002 HAVE BEEN SATISFIED;

10 (VII) THE ADDRESS OF THE ENTITY'S PRINCIPAL OFFICE; AND

11 (VIII) THE NAME AND ADDRESS OF THE ENTITY'S REGISTERED
12 AGENT;

13 (b) AN AFFIDAVIT ATTESTING THAT THE INDIVIDUAL WHO
14 DELIVERED THE ARTICLES OF REINSTATEMENT HAS THE AUTHORITY OF THE
15 ENTITY TO SIGN FOR AND ACT ON BEHALF OF THE ENTITY; AND

16 (c) A COPY OF A GOVERNMENT-ISSUED PERSONAL PHOTOGRAPHIC
17 IDENTIFICATION FOR THE INDIVIDUAL WHO DELIVERED THE ARTICLES OF
18 REINSTATEMENT AND SIGNED THE AFFIDAVIT.

19 **SECTION 9. Appropriation.** (1) For the 2024-25 state fiscal
20 year, \$464,310 is appropriated to the department of state. This
21 appropriation is from the department of state cash fund created in section
22 24-21-104 (3)(b), C.R.S. To implement this act, the department may use
23 this appropriation as follows:

24 (a) \$93,580 for use by the business and licensing division for
25 personal services, which amount is based on an assumption that the
26 division will require an additional 2.0 FTE;

27 (b) \$16,000 use by the business and licensing division for

1 operating expenses;

2 (c) \$348,160 for use by the information technology division for
3 personal services; and

4 (d) \$6,570 for use by the information technology division for
5 operating expenses.

6 **SECTION 10. Act subject to petition - effective date -**

7 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
8 the expiration of the ninety-day period after final adjournment of the
9 general assembly; except that, if a referendum petition is filed pursuant
10 to section 1 (3) of article V of the state constitution against this act or an
11 item, section, or part of this act within such period, then the act, item,
12 section, or part will not take effect unless approved by the people at the
13 general election to be held in November 2024 and, in such case, will take
14 effect on the date of the official declaration of the vote thereon by the
15 governor.

16 (2) Section 4 of this act applies to registered agents on and after
17 July 1, 2025.