



Legislative
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HB 20-1013

FINAL FISCAL NOTE

Drafting Number: LLS 20-0764
Prime Sponsors: Rep. Snyder
Sen. Lee

Date: June 22, 2020
Bill Status: Signed into Law
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Bill Topic: SPECIFY PROCEDURE RATIFY DEFECTIVE CORPORATION ACTIONS

**Summary of
Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill creates a statutory procedure for corporations. It will minimally increase state workload in FY 2020-21.

**Appropriation
Summary:**

No appropriation is required.

**Fiscal Note
Status:**

The fiscal note reflects the enacted bill.

Summary of Legislation

This bill creates a statutory procedure for the ratification or validation of corporate actions that may not have been properly authorized and for shares that may not have been properly issued. This procedure is supplementary and is available only when a board of directors specifies the nature of the defective authorization. Prompt judicial review and validation of the ratification process is available when a listed person claims to be substantially and adversely affected by the ratification.

State Expenditures

The bill will minimally increase workload in the Department of State in FY 2020-21. The department will revise its informational documentation and provide training for employees within existing resources. Additionally, the department's existing filing system has the functionality to support the procedure created under the bill. The fiscal note assumes that any impact on the trial courts of the Judicial Department will be minimal because any application of this statute will likely occur in cases where a filing would be made regardless.

Effective Date

The bill was signed into law by the Governor on March 20, 2020, and takes effect September 14, 2020, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial

Law

Regulatory Agencies

Secretary of State