

CHAPTER 242

CORPORATIONS AND ASSOCIATIONS

HOUSE BILL 16-1329

BY REPRESENTATIVE(S) Lee, Arndt, Conti, Garnett, Kagan, Kraft-Tharp, Lontine, Nordberg, Pabon, Priola, Rosenthal, Sias, Williams, Wist;
also SENATOR(S) Scheffel and Heath.

AN ACT

CONCERNING LAWS GOVERNING LIMITED LIABILITY COMPANIES CODIFIED IN ARTICLE 80 OF 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, 7-80-102, **amend** (4) as follows:

7-80-102. Definitions. As used in this article, unless the context otherwise requires:

(4) "Contribution" means anything of value that a person contributes to a limited liability company ~~as a prerequisite to becoming~~ **BECOME** a member in the limited liability company or in the capacity of a member in the limited liability company, including cash, property, or services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services.

SECTION 2. In Colorado Revised Statutes, 7-80-107, **add** (3) as follows:

7-80-107. Application of corporation case law to set aside limited liability.

(3) ~~A LIMITED LIABILITY COMPANY'S STATUS FOR FEDERAL TAX PURPOSES DOES NOT AFFECT ITS STATUS AS A DISTINCT ENTITY ORGANIZED AND EXISTING UNDER THIS ARTICLE.~~

SECTION 3. In Colorado Revised Statutes, 7-80-108, **add** (5) as follows:

7-80-108. Effect of operating agreement - nonwaivable provisions - statute of frauds. (5) **AN OPERATING AGREEMENT IS NOT SUBJECT TO ANY STATUTE OF FRAUDS, INCLUDING SECTION 38-10-112, C.R.S., REGARDING VOID AGREEMENTS,**

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

BUT NOT INCLUDING ANY REQUIREMENT UNDER THIS ARTICLE THAT A PARTICULAR ACTION OR PROVISION BE REFLECTED IN A WRITING.

SECTION 4. In Colorado Revised Statutes, 7-80-404, **add** (6) as follows:

7-80-404. Duties of members and managers. (6) A MEMBER IS NOT ENTITLED TO REMUNERATION FOR SERVICES PERFORMED FOR THE LIMITED LIABILITY COMPANY EXCEPT FOR REASONABLE COMPENSATION FOR SERVICES RENDERED IN WINDING UP THE BUSINESS OF THE LIMITED LIABILITY COMPANY.

SECTION 5. Act subject to petition - effective date - applicability. (1) 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 (August 10, 2016, if adjournment sine die is on May 11, 2016); 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 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to conduct occurring on or after the applicable effective date of this act.

Approved: June 6, 2016