

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 11-0043  
**Prime Sponsor(s):** Sen. Bacon

**Date:** March 11, 2011  
**Bill Status:** Senate Judiciary  
**Fiscal Analyst:** Harry Zeid (303-866-4753)

**TITLE:** CONCERNING ENACTMENT OF THE "COLORADO UNIFORM LIMITED COOPERATIVE ASSOCIATION ACT".

<b>Fiscal Impact Summary</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
<b>State Revenue</b>		
Cash Funds		
Department of State Cash Fund	<\$1,000	<\$1,000
<b>State Expenditures</b>		
Cash Funds		
Department of State Cash Fund	\$20,128	
<b>FTE Position Change</b>		
<b>Effective Date:</b> April 2, 2012, if no referendum petition is filed. The bill applies to conduct occurring on or after that date.		
<b>Appropriation Summary for FY 2011-2012:</b> See the State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill, as recommended by the **Colorado Commission on Uniform State Laws**, enacts the "Colorado Uniform Limited Cooperative Association Act." The act creates the option of a statutorily defined entity that combines traditional cooperative values with modern financing mechanisms by providing two distinct categories of members: patron members and investor members. A cooperative is defined as an unincorporated association of individuals or businesses that unite to meet their mutual interests by creating and using a jointly owned enterprise. The act contemplates the formation of various types of limited cooperative associations, including marketing, advertising, bargaining, processing, purchasing, real estate, and worker-owned cooperatives. A limited cooperative association under the act can be organized to pursue any lawful purpose.

**State Revenue**

The bill is expected to increase revenue by \$1,000 or less per year beginning in FY 2011-12 to the Department of State Cash Fund. It is expected that no more than 20 limited cooperative associations will be formed each year. Assuming that these businesses would not have formed but for the bill and that the filing fee with the Secretary of State for the types of documents that must be filed will be \$50, cash fund revenue of about \$1,000 per year is expected.

**State Expenditures**

The bill requires a one-time cost in the Department of State of \$20,128 in FY 2011-12. To implement the bill, the department must modify its computer filing systems to enable limited cooperative associations to register electronically with the Secretary of State. This will require computer programming services totaling 272 hours at a rate of \$74 per hour. These costs are paid from the Department of State Cash Fund which has sufficient funds from fee revenue to cover this expense. Staff time to develop the requirements for the modifications, as well as testing of the system changes can be accomplished within existing resources.

**State Appropriations**

The Department of State requires a cash funds appropriation of \$20,128 for FY 2011-12 from the Department of State Cash Fund.

**Departments Contacted**

Secretary of State

Judicial