

*Colorado Legislative Council Staff Fiscal Note***NO FISCAL IMPACT**

**Drafting Number:** LLS 15-0309  
**Prime Sponsor(s):** Rep. Keyser

**Date:** January 15, 2015  
**Bill Status:** House Business, Affairs & Labor  
**Fiscal Analyst:** Alex Schatz (303-866-4375)

**BILL TOPIC:** SURVIVING ENTITY OWNS ATTORNEY-CLIENT PRIVILEGE

**Summary of Legislation**

This bill specifies that a corporation or other statutory business entity that merges with another business entity inherits attorney-client privilege from the other business entity. The bill also specifies that a sale of assets does not constitute a merger.

**Assessment**

The bill is assessed as having no fiscal impact. It clarifies current law and codifies current practice in Colorado. For example, current law provides that all rights and privileges of a business entity vest in a successor entity at the time of merger. Specifying that the attorney-client privilege is among the referenced rights and privileges does not substantially alter the business practices of private entities in Colorado or the relationship of state and local governments to these business entities. The bill does not require any action by a state or local agency and does not change government revenue or expenditures.

**Effective Date**

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed. The bill applies to events occurring on or after this effective date.

**State and Local Government Contacts**

Judicial  
Law  
Local Affairs

Personnel  
Office of Economic Development  
Labor and Employment

Revenue  
State  
Transportation