First Regular Session Seventy-second General Assembly STATE OF COLORADO

REVISED

This Version Includes All Amendments Adopted on Second Reading in the Second House

LLS NO. 19-0783.02 Jerry Barry x4341

HOUSE BILL 19-1324

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A BILL FOR AN ACT

101 CONCERNING MOTIONS TO DISMISS CERTAIN CIVIL ACTIONS 102 INVOLVING CONSTITUTIONAL RIGHTS.

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 establishes an expedited process for a court to follow in a civil action in which a defendant files a motion to dismiss based upon the fact that the defendant was exercising the defendant's constitutional right to petition the government or of free speech. The bill also authorizes an interlocutory appeal of the granting or certain denials of the motion to dismiss.

SENATE Id Reading Unamended May 2, 2019

> HOUSE 3rd Reading Unamended April 27, 2019

HOUSE nd Reading Unamended April 23, 2019

1	Be it enacted by the General Assembly of the State of Colorado:
2	SECTION 1. In Colorado Revised Statutes, add part 11 to article
3	20 of title 13 as follows:
4	PART 11
5	ACTIONS INVOLVING THE EXERCISE OF
6	CERTAIN CONSTITUTIONAL RIGHTS
7	13-20-1101. Action involving exercise of constitutional rights
8	- motion to dismiss - appeal - legislative declaration - definitions.
9	(1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS IN THE
10	PUBLIC INTEREST TO ENCOURAGE CONTINUED PARTICIPATION IN MATTERS
11	OF PUBLIC SIGNIFICANCE AND THAT THIS PARTICIPATION SHOULD NOT BE
12	CHILLED THROUGH ABUSE OF THE JUDICIAL PROCESS.
13	(b) THE GENERAL ASSEMBLY FINDS THAT THE PURPOSE OF THIS
14	PART 11 IS TO ENCOURAGE AND SAFEGUARD THE CONSTITUTIONAL RIGHTS
15	OF PERSONS TO PETITION, SPEAK FREELY, ASSOCIATE FREELY, AND
16	OTHERWISE PARTICIPATE IN GOVERNMENT TO THE MAXIMUM EXTENT
17	PERMITTED BY LAW AND, AT THE SAME TIME, TO PROTECT THE RIGHTS OF
18	PERSONS TO FILE MERITORIOUS LAWSUITS FOR DEMONSTRABLE INJURY.
19	(2) As used in this section, unless the context otherwise
20	REQUIRES:
21	(a) "ACT IN FURTHERANCE OF A PERSON'S RIGHT OF PETITION OR
22	FREE SPEECH UNDER THE UNITED STATES CONSTITUTION OR THE STATE
23	CONSTITUTION IN CONNECTION WITH A PUBLIC ISSUE" INCLUDES:
24	(I) ANY WRITTEN OR ORAL STATEMENT OR WRITING MADE BEFORE
25	A LEGISLATIVE, EXECUTIVE, OR JUDICIAL PROCEEDING OR ANY OTHER
26	OFFICIAL PROCEEDING AUTHORIZED BY LAW;

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1	(II) ANY WRITTEN OR ORAL STATEMENT OR WRITING MADE IN
2	CONNECTION WITH AN ISSUE UNDER CONSIDERATION OR REVIEW BY A
3	LEGISLATIVE, EXECUTIVE, OR JUDICIAL BODY OR ANY OTHER OFFICIAL
4	PROCEEDING AUTHORIZED BY LAW;
5	(III) ANY WRITTEN OR ORAL STATEMENT OR WRITING MADE IN A
6	PLACE OPEN TO THE PUBLIC OR A PUBLIC FORUM IN CONNECTION WITH AN
7	ISSUE OF PUBLIC INTEREST; OR
8	(IV) ANY OTHER CONDUCT OR COMMUNICATION IN FURTHERANCE
9	OF THE EXERCISE OF THE CONSTITUTIONAL RIGHT OF PETITION OR THE
10	CONSTITUTIONAL RIGHT OF FREE SPEECH IN CONNECTION WITH A PUBLIC
11	ISSUE OR AN ISSUE OF PUBLIC INTEREST.
12	(b) "COMPLAINT" INCLUDES A CROSS-COMPLAINT OR A PETITION.
13	(c) "Defendant" includes a cross-defendant or a
14	RESPONDENT.
15	$(d) \ "P {\it Laintiff"} \ includes \ across-complainant \ or \ petitioner.$
16	(3) (a) A CAUSE OF ACTION AGAINST A PERSON ARISING FROM ANY
17	ACT OF THAT PERSON IN FURTHERANCE OF THE PERSON'S RIGHT OF
18	PETITION OR FREE SPEECH UNDER THE UNITED STATES CONSTITUTION OR
19	THE STATE CONSTITUTION IN CONNECTION WITH A PUBLIC ISSUE IS SUBJECT
20	TO A SPECIAL MOTION TO DISMISS UNLESS THE COURT DETERMINES THAT
21	THE PLAINTIFF HAS ESTABLISHED THAT THERE IS A REASONABLE
22	LIKELIHOOD THAT THE PLAINTIFF WILL PREVAIL ON THE CLAIM.
23	(b) IN MAKING ITS DETERMINATION, THE COURT SHALL CONSIDER
24	THE PLEADINGS AND SUPPORTING AND OPPOSING AFFIDAVITS STATING THE
25	FACTS UPON WHICH THE LIABILITY OR DEFENSE IS BASED.
26	(c) If the court determines that the plaintiff has
27	ESTABLISHED A REASONABLE LIKELIHOOD THAT THE PLAINTIFF WILL

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PREVAIL ON THE CLAIM, NEITHER THAT DETERMINATION NOR THE FACT OF THAT DETERMINATION IS ADMISSIBLE IN EVIDENCE AT ANY LATER STAGE OF THE CASE OR IN ANY SUBSEQUENT PROCEEDING, AND NO BURDEN OF PROOF OR DEGREE OF PROOF OTHERWISE APPLICABLE IS AFFECTED BY THAT DETERMINATION IN ANY LATER STAGE OF THE CASE OR IN ANY SUBSEQUENT PROCEEDING.

- (4) (a) EXCEPT AS PROVIDED IN SUBSECTION (4)(b) OF THIS SECTION, IN ANY ACTION SUBJECT TO SUBSECTION (3) OF THIS SECTION, A PREVAILING DEFENDANT ON A SPECIAL MOTION TO DISMISS IS ENTITLED TO RECOVER THE DEFENDANT'S ATTORNEY FEES AND COSTS. IF THE COURT FINDS THAT A SPECIAL MOTION TO DISMISS IS FRIVOLOUS OR IS SOLELY INTENDED TO CAUSE UNNECESSARY DELAY, PURSUANT TO PART 1 OF ARTICLE 17 OF THIS TITLE 13, THE COURT SHALL AWARD COSTS AND REASONABLE ATTORNEY FEES TO A PLAINTIFF PREVAILING ON THE MOTION.
- (b) A DEFENDANT WHO PREVAILS ON A SPECIAL MOTION TO DISMISS IN AN ACTION SUBJECT TO SUBSECTION (4)(a) OF THIS SECTION IS NOT ENTITLED TO ATTORNEY FEES AND COSTS IF THAT CAUSE OF ACTION IS BROUGHT PURSUANT TO PART 4 OF ARTICLE 6 OF TITLE 24 OR THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24; EXCEPT THAT NOTHING IN THIS SUBSECTION (4)(b) PREVENTS A PREVAILING DEFENDANT FROM RECOVERING ATTORNEY FEES AND COSTS PURSUANT TO SECTION 24-6-402 (9)(b) OR 24-72-204.
- (5) THE SPECIAL MOTION MUST BE FILED WITHIN SIXTY-THREE DAYS AFTER THE SERVICE OF THE COMPLAINT OR, IN THE COURT'S DISCRETION, AT ANY LATER TIME UPON TERMS IT DEEMS PROPER. THE MOTION MUST BE SCHEDULED FOR A HEARING NOT MORE THAN TWENTY-EIGHT DAYS AFTER THE SERVICE OF THE MOTION UNLESS THE

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1	DOCKET CONDITIONS OF THE COURT REQUIRE A LATER HEARING.
2	(6) ALL DISCOVERY PROCEEDINGS IN THE ACTION ARE STAYED
3	UPON THE FILING OF A NOTICE OF MOTION MADE PURSUANT TO THIS
4	SECTION. THE STAY OF DISCOVERY REMAINS IN EFFECT UNTIL NOTICE OF
5	ENTRY OF THE ORDER RULING ON THE MOTION. THE COURT, ON NOTICED
6	MOTION AND FOR GOOD CAUSE SHOWN, MAY ORDER THAT SPECIFIED
7	DISCOVERY BE CONDUCTED NOTWITHSTANDING THIS SUBSECTION (6).
8	(7) EXCEPT AS PROVIDED IN SUBSECTION (9) OF THIS SECTION, AN
9	ORDER GRANTING OR DENYING A SPECIAL MOTION TO DISMISS IS
10	APPEALABLE TO THE COLORADO COURT OF APPEALS PURSUANT TO
11	SECTION 13-4-102.2.
12	(8) (a) This section does not apply to:
13	(I) AN ACTION BROUGHT BY OR ON BEHALF OF THE STATE OR ANY
14	SUBDIVISION OF THE STATE ENFORCING A LAW OR RULE OR SEEKING TO
15	PROTECT AGAINST AN IMMINENT THREAT TO HEALTH OR PUBLIC SAFETY;
16	(II) ANY ACTION BROUGHT SOLELY IN THE PUBLIC INTEREST OR ON
17	BEHALF OF THE GENERAL PUBLIC IF ALL OF THE FOLLOWING CONDITIONS
18	EXIST:
19	(A) THE PLAINTIFF DOES NOT SEEK ANY RELIEF GREATER THAN OR
20	DIFFERENT FROM THE RELIEF SOUGHT FOR THE GENERAL PUBLIC OR A
21	CLASS OF WHICH THE PLAINTIFF IS A MEMBER. A CLAIM FOR ATTORNEY
22	FEES, COSTS, OR PENALTIES DOES NOT CONSTITUTE GREATER OR DIFFERENT
23	RELIEF FOR PURPOSES OF THIS SUBSECTION (8)(a)(II)(A).
24	(B) THE ACTION, IF SUCCESSFUL, WOULD ENFORCE AN IMPORTANT
25	RIGHT AFFECTING THE PUBLIC INTEREST AND WOULD CONFER A
26	SIGNIFICANT BENEFIT, WHETHER PECUNIARY OR NONPECUNIARY, ON THE
27	GENERAL PUBLIC OR A LARGE CLASS OF PERSONS; AND

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1	(C) PRIVATE ENFORCEMENT IS NECESSARY AND PLACES A
2	DISPROPORTIONATE FINANCIAL BURDEN ON THE PLAINTIFF IN RELATION TO
3	THE PLAINTIFF'S STAKE IN THE MATTER; OR
4	(III) ANY CAUSE OF ACTION BROUGHT AGAINST A PERSON
5	PRIMARILY ENGAGED IN THE BUSINESS OF SELLING OR LEASING GOODS OR
6	SERVICES, INCLUDING BUT NOT LIMITED TO INSURANCE, SECURITIES, OR
7	FINANCIAL INSTRUMENTS, ARISING FROM ANY STATEMENT OR CONDUCT BY
8	THAT PERSON IF BOTH OF THE FOLLOWING CONDITIONS EXIST:
9	(A) THE STATEMENT OR CONDUCT CONSISTS OF REPRESENTATIONS
10	OF FACT ABOUT THAT PERSON'S OR A BUSINESS COMPETITOR'S BUSINESS
11	OPERATIONS, GOODS, OR SERVICES THAT ARE MADE FOR THE PURPOSE OF
12	OBTAINING APPROVAL FOR, PROMOTING, OR SECURING SALES OR LEASES
13	OF, OR COMMERCIAL TRANSACTIONS IN, THE PERSON'S GOODS OR
14	SERVICES, OR THE STATEMENT OR CONDUCT WAS MADE IN THE COURSE OF
15	DELIVERING THE PERSON'S GOODS OR SERVICES; AND
16	(B) THE INTENDED AUDIENCE IS AN ACTUAL OR POTENTIAL BUYER
17	OR CUSTOMER, OR A PERSON LIKELY TO REPEAT THE STATEMENT TO, OR
18	OTHERWISE INFLUENCE, AN ACTUAL OR POTENTIAL BUYER OR CUSTOMER,
19	OR THE STATEMENT OR CONDUCT AROSE OUT OF OR WITHIN THE CONTEXT
20	OF A REGULATORY APPROVAL PROCESS, PROCEEDING, OR INVESTIGATION,
21	EXCEPT WHEN THE STATEMENT OR CONDUCT WAS MADE BY A TELEPHONE
22	CORPORATION IN THE COURSE OF A PROCEEDING BEFORE THE PUBLIC
23	UTILITIES COMMISSION AND IS THE SUBJECT OF A LAWSUIT BROUGHT BY A
24	COMPETITOR, NOTWITHSTANDING THAT THE CONDUCT OR STATEMENT
25	CONCERNS AN IMPORTANT PUBLIC ISSUE.
26	(b) Subsections (8)(a)(II) and (8)(a)(III) of this section do
27	NOT APPLY TO ANY OF THE FOLLOWING:

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1	(I) ANY PUBLISHER, EDITOR, REPORTER, OR OTHER PERSON
2	CONNECTED WITH OR EMPLOYED BY A NEWSPAPER, MAGAZINE, OR OTHER
3	PERIODICAL PUBLICATION, OR BY A PRESS ASSOCIATION OR WIRE SERVICE,
4	OR ANY PERSON WHO HAS BEEN SO CONNECTED OR EMPLOYED; OR A RADIO
5	OR TELEVISION NEWS REPORTER OR OTHER PERSON CONNECTED WITH OR
6	EMPLOYED BY A RADIO OR TELEVISION STATION, OR ANY PERSON WHO HAS
7	BEEN SO CONNECTED OR EMPLOYED; OR ANY PERSON ENGAGED IN THE
8	DISSEMINATION OF IDEAS OR EXPRESSION IN ANY BOOK OR ACADEMIC
9	JOURNAL WHILE ENGAGED IN THE GATHERING, RECEIVING, OR PROCESSING
10	OF INFORMATION FOR COMMUNICATION TO THE PUBLIC; OR
11	(II) ANY ACTION AGAINST ANY PERSON OR ENTITY BASED UPON
12	THE CREATION, DISSEMINATION, EXHIBITION, ADVERTISEMENT, OR OTHER
13	SIMILAR PROMOTION OF ANY DRAMATIC, LITERARY, MUSICAL, POLITICAL,
14	OR ARTISTIC WORK, INCLUDING BUT NOT LIMITED TO A MOTION PICTURE,
15	TELEVISION PROGRAM, OR AN ARTICLE PUBLISHED IN A NEWSPAPER OR
16	MAGAZINE OF GENERAL CIRCULATION.
17	(9) IF ANY TRIAL COURT DENIES A SPECIAL MOTION TO DISMISS ON
18	THE GROUNDS THAT THE ACTION OR CAUSE OF ACTION IS EXEMPT
19	PURSUANT TO SUBSECTION (8) OF THIS SECTION, THE APPEAL PROVISIONS
20	IN SUBSECTION (7) OF THIS SECTION DO NOT APPLY.
21	SECTION 2. In Colorado Revised Statutes, add 13-4-102.2 as
22	follows:
23	13-4-102.2. Interlocutory appeals of motions to dismiss actions
24	involving constitutional rights. The court of appeals has initial
25	JURISDICTION OVER APPEALS FROM MOTIONS TO DISMISS ACTIONS
26	INVOLVING CONSTITUTIONAL RIGHTS PURSUANT TO SECTION 13-20-1101.
27	SECTION 3. Effective date - applicability. This act takes effect

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- July 1, 2019, and applies to actions filed on or after said date.
- 2 **SECTION 4. Safety clause.** The general assembly hereby finds,
- determines, and declares that this act is necessary for the immediate
- 4 preservation of the public peace, health, and safety.

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