

Legislative History for Connecticut Act

SB 985	PA 152	1977
House - 2289		/
Senate - 1065		/
Judiciary - 792		/

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1977

VOL. 20
PART 6
2134-2538

House of Representatives

Friday, April 29, 1977

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Committed to the Commissioner of Children and Youth Services; Calendar No. 710, substitute for S.B. No. 1612, File No. 319, An Act Concerning Antique and Special Interest Fire Apparatus; Calendar No. 717, S.B. No. 985, File No. 391, An Act Concerning Corporations Which Do Business in This State Without Incorporating or Registering;

THE SPEAKER:

You have the motion of the gentleman from the 10th. Is there objection on the part of any individual member to any of the bills within the ambit of the motion of the gentleman from the 10th being passed at this time on consent calendar? Is there any such objection? Hearing no such objection, the question is on the main motion. All those in favor of the motion of the gentleman from the 10th will indicate by saying aye. Opposed? The ayes have it. The bills are PASSED.

THE CLERK:

Page 3 of the Calendar, Calendar No. 873. S.J.R. No. 105.

MR. MOYNIHAN (10th):

Mr. Speaker, I move for suspension of the rules for the immediate consideration of the honorary items on today's consent calendar, namely, Calendar No. 873, S.J.R. No. 105, Resolution Congratulating St. Peter's Elementary Basketball Team of Bridgeport; Calendar No. 874, S.J.R. No. 104, Resolution Expressing Sympathy on the Death of Thomas W. O'Meara of Newington, on January 6, 1977; Calendar No. 875, S.J.R. No. 106, Resolution Congratulating State Representative Francis J. Mahoney on His Being the 1977 Recipient of the Greater Manchester Chamber of Commerce "M" Award; and Calendar No. 894, H.J.R. No. 181, Resolution Congratulating the Saint Casimer's Society on its 75th Anniversary.

THE SPEAKER:

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CONNECTICUT
GEN. ASSEMBLY

SENATE

PROCEEDINGS

1977

VOL. 20

PART 3

855-1312

1977 - GENERAL ASSEMBLY

SENATE

WEDNESDAY

APRIL 20, 1977

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Report of the Joint Standing Committee on Judiciary, Senate Bill 985, AN ACT CONCERNING CORPORATIONS WHICH DO BUSINESS IN THIS STATE WITHOUT INCORPORATING OR REGISTERING.

THE CHAIR:

Senator Lieberman.

SENATOR LIEBERMAN:

Mr. President, I move acceptance and passage. Mr. President, this Bill would increase from \$500.00 to \$1,000.00 the penalty imposed on out of state stock corporations doing business in the State without ~~being~~ proper legal authority. If there is no objection, I would move it to the Consent Calendar.

THE CHAIR:

Without objection, ordered to Consent.

THE CLERK:

Calendar 410, File 305, Favorable Report of the Joint Standing Committee on Liquor Control, Senate Bill 1155, AN ACT CONCERNING THE INITIATION OF REVOCATION OR SUSPENSION HEARINGS BY THE LIQUOR CONTROL COMMISSION.

THE CHAIR:

Senator Miller.

SENATOR MILLER:

Mr. President, I move acceptance and passage of the Bill. Mr. President, at the present time, the Liquor Commission can initiate a suspension hearing based only on an arrest. This Bill would prohibit it unless there's a conviction. It's a good Bill and I ask that it be put on the Consent Calendar. All right?

THE CHAIR:

Any objection? Hearing none, the matter will be placed on Consent.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**JUDICIARY
PART 3
672-998**

1977

MR. CROSS (Continued): a duplication of 1579 and finally Raised Committee Bill 1541.

And, I, like the Secretary of the State, urge the favorably action by the Judiciary Committee on these proposals. If, I might take a minute, while I'm on the Stand and step aside in my role as a member of this committee and just comment as a private lawyer, I would like personally, to support the Office Bills of the Secretary of the State, these are Raised Committee Bills 1489, 1490, and 5968, which are designed to correct some problems that now exist in the Statute and improve some of the administration.

I noticed this morning that there is a Committee Bill 985, to raise the penalty from \$500.00 to \$1,000.00 on a foreign corporation's failure to qualify in the State of Connecticut. I would oppose that bill. The obligation, the legal obligation of a foreign to qualify is a fairly amorphous situation. We've attempted in the Statute to define the circumstances under which qualification may not necessarily be required. But, it's constantly a problem in the practice of law, to gauge whether a corporation which does transact some activity in the State of Connecticut, may indeed be legally obligated to qualify, as a condition to doing business.

There is a fairly stiff penalty, being \$500.00 already, which if you make a mistake, the corporation is obligated to pay, I think in view of the uncertain nature of the law on this problem and it's not just our law, it's every State in the Country and there's a raft of litigation on this subject all the time. Where coporations have stubbed their toe, where they have entered into a few casual transactions and then the issue has come before the Court, as to whether the corporation should have qualified or not. So, it's (OVERLAPPING CONVERSATION) qualify are not necessarily being bad guys, is what I'm saying. Maybe, their lawyers have made a mistake--

SENATOR DePIANO: You got to leave it the way it is--

MR. CROSS: I think it's bad enough the way it is. We've got other other sanctions too, about the right to bring a law suit in State and so forth. They can still be sued here too, you know, even though a foreign corporation does not qualify. So, a creditor in Connecticut is not put to a disadvantage. So, I think the penalty would be unwarranted is my judgment.

There is another Bill, Proposed Draft 6636 and it's also tied in with the Proposed Amendment to Section 33 - 316e of the General Statutes on allowing Committees of the Board of to conduct their affairs by Conference Telephone call, rather than by Meetings. I, personally, oppose that move and I think the only purpose of really having an Executive Committee, which generally has almost all the powers of the Board, is to function on matters which need board attention in the Interim between Board Meetings and it's very widely used for that purpose. And the suggestive, it's Executive Committee ought to, two or three members of an Executive Committee ought to be able to get together on a telephone and conduct business, which ordinarily should only be conducted by the board, strike me a little extreme and too liberal, so I'm in an embarrassing