

## Legislative History for Connecticut Act

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**Act Number:** PA 04-240  
**Bill Number:** 5625  
**Senate Pages:** 3608, 3609-3611 4  
**House Pages:** 3256-3276 21  
**Committee:** Judiciary: 2479, 2480-2481, 2563-2564 5

**Page Total:**

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Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate  
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S-502

CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
2004

VOL. 47  
PART 12  
3433-3707

pat  
Senate

213

003608

May 5, 2004

SEN. LOONEY:

Yes, Madam President. Thank you. Also, on the Calendar, Madam President, on Calendar Page 6, Calendar 537, H.B. 5476, that item had been marked passed temporarily. If that might be marked Consent and placed on the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Yes, thank you, Madam President. Madam President, I wanted to review with the, we have a, ready for a vote on another Consent Calendar. Just wanted to verify the items that are on that Consent Calendar. If I may list those and have the Clerk verify them, we would have, from the Calendar, Calendar Page 5, Calendar 523. HB 5625

Calendar Page 5, Calendar 527.

Calendar Page 12, Madam President, would move to the Consent Calendar if not previously done so. Calendar Page 12, Calendar 520. HB 5410

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Thank you, Madam President And from Senate, from Agenda No. 4, S.B. 101 and from Senate Agenda No. 5, the Conference Committee Report on S.B. 63.

pat

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003609

Senate

May 5, 2004

THE CHAIR:

Mr. Clerk do those numbers.

THE CLERK:

Madam President, there is one clarification and that is in reference to Calendar Page 5, Calendar 523, I did not have that on Consent. Was that placed on Consent previously?

SEN. LOONEY:

Yes, Madam President, would move Calendar Page 5, Calendar 523 to the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Thank you, Madam President. The Clerk may please call the Consent Calendar.

THE CHAIR:

Mr. Clerk, would you announce a roll call vote on the Consent Calendar before I open the machine.

THE CLERK:

The Senate is voting by roll call on the Consent Calendar. Will all Senators please return to the Chamber.

The Senate is voting by roll call on the Consent Calendar. Will all Senators please return to the Chamber.

pat

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003610

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Those items previously placed on Consent Calendar No. 4 include, beginning on Senate Agenda No. 4, Substitute for S.B. 101.

Senate Agenda No. 5, the Committee on Conference in Reference to S.B. 63.

Calendar Page 5, Calendar 523, Substitute for H.B. 5625.

Calendar 527, H.B. 5488.

Calendar Page 6, Calendar 537, H.B. 5476 and Calendar Page 12, Calendar 520, Substitute for H.B. 5410.

Madam President, that completes those items previously placed on the Fourth Consent Calendar.

THE CHAIR:

Thank you, Sir. Would you once again announce a roll call vote. The machine is opened.

THE CLERK:

The Senate is voting by roll call on the Consent Calendar. Will all Senators please return to the Chamber.

The Senate is voting by roll call on the Consent Calendar. Will all Senators please return to the Chamber.

THE CHAIR:

Have all members voted? Please check the machine

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003611

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to make sure your vote is properly recorded. If all members have voted, the machine will be locked. The Clerk please announce the tally.

THE CLERK:

Motion is on adoption of Consent Calendar No. 4.

Total number voting 35; necessary for adoption, 18. Those voting "yea", 35; those voting "nay", 0. Those absent and not voting, 1.

THE CHAIR:

The Consent Calendar is adopted.

SEN. LOONEY:

Madam President.

THE CHAIR:

Senator Looney.

SEN. LOONEY:

Yes, thank you, Madam President. I move for immediate transmittal to the House of Representatives of any items on the most recently voted Consent Calendar requiring additional House action.

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Madam President. Madam President, the Clerk has in his possession Senate Agenda No. 6.

THE CLERK:

H-919

CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
2004

VOL. 47  
PART 11  
3240-3542

House of Representatives

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Have all the members voted? Have all the members voted? Would the members please check the board and make sure your vote is accurately recorded.

If all the members have voted, the machine will be locked. The Clerk will take a tally.

The Clerk will please announce the tally.

CLERK:

H.B. 5643 as amended by House "A":

Total Number Voting	146
Necessary for Passage	74
Those Voting Yea	146
Those Voting Nay	0
Those Absent and Not Voting	5

SPEAKER LYONS:

The bill as amended passes.

Would the Clerk please call Calendar 342?

CLERK:

On page 7, Calendar 342, substitute for H.B. 5625,  
AN ACT CONCERNING REGISTERED AGENTS AND ANNUAL REPORTS  
OF STOCK AND NON-STOCK CORPORATIONS, THE NAMES OF  
BUSINESS ENTITIES REQUIRED TO FILE WITH THE SECRETARY OF  
THE STATE, THE FILING OF AIRCRAFT AND VESSEL LIENS, THE  
FILING OF CERTAIN NOTICES AND REPORTS BY LIMITED  
LIABILITY COMPANIES AND JURISDICTION OVER FOREIGN  
VOLUNTARY ASSOCIATIONS. Favorable report of the

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Committee on Judiciary.

SPEAKER LYONS:

Representative Chris Stone. You have the floor sir.

REP. STONE: (9<sup>th</sup>)

Thank you Madam Speaker. With that title of the bill, I'm not sure there's much I need to do. But --

SPEAKER LYONS:

You're probably right.

REP. STONE: (9<sup>th</sup>)

But I move acceptance of the Joint Committee's favorable report and passage of the bill.

SPEAKER LYONS:

Question before the Chamber is on acceptance and passage. Will you remark?

REP. STONE: (9<sup>th</sup>)

Yes. Thank you Madam Speaker. The bill before us is a very technical bill. It provides for several changes to the manner in which corporations and other associations are treated in the State of Connecticut.

First and foremost, it provides for additional limitations on the use of corporate names by other entities and it places restrictions on the ability to use similar or substantially similar corporate names. And again, the idea is that if we have -- we have

several types of business organizations in the State of Connecticut and just because it's a different organization doesn't mean necessarily that another entity should be able to use a similar or substantially similar name as another entity.

Secondly, it expands the list of those entities or business organizations that can be used as registered agents for service, both with foreign and domestic entities. Presently the law provides a rather lengthy list of entities that can be considered statutory as agent for service that must be appointed and designated with the Secretary of State's office. This bill expands that into other organizations which we also recognize here in the State of Connecticut.

And that applies not only to domestic corporations or domestic business organizations but also to foreign corporations and foreign business organizations as well.

The bill also provides for new timing for the filing of reports. Rather than biennial reports that are presently required, the bill provides for the filing of annual reports.

It also provides for notice of changes in managers or member managers of limited liability companies to be filed with the Secretary of State. If it's within -- if the change is within 30 days of when that entity would

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file a biennial report, no such filing is required so long as it's contained in that annual report.

The bill also provides for acceptance by the Secretary of State of not only -- of just the business address under circumstances -- under certain circumstances and for good cause of members of an LLC as opposed to -- or a manager of an LLC as opposed to the present practice which is requiring both the business and the residential address of that company.

And then finally the bill provides for the exercise of personal jurisdiction over entities such as foreign voluntary associations. Presently the law provides a whole host of business organizations over which the State can exercise personal jurisdiction. This expands that list by one by adding foreign voluntary associations to that list as well which -- those are entities that are recognized as existing in other states but which do business or transact business here in the State of Connecticut.

Madam Speaker, I move adoption.

SPEAKER LYONS:

Thank you sir. Question before the Chamber is on passage. Will you remark? Will you remark on the legislation that is before us? Representative Farr.

REP. FARR (19<sup>th</sup>)

Thank you Mrs. Speaker. Through you -- Madam Speaker. Excuse me. Through you to Representative Stone.

The last provision on the jurisdiction of -- over foreign voluntary associations. In terms of effective dates, is this -- will this language affect voluntary -- claims against voluntary associations for actions that took place prior to the effective date of this bill?

SPEAKER LYONS:

Representative Stone.

REP. STONE: (9<sup>th</sup>)

Thank you Madam Speaker. Through you, not as presently written. But there is an amendment which I plan to call amongst the series of amendments which will request that the Chamber amend this bill so that that section would be effective upon passage.

REP. FARR (19<sup>th</sup>)

I'll wait for that amendment. Thank you.

SPEAKER LYONS:

Thank you sir. Will you remark further on the legislation before us? Representative Winkler.

REP. WINKLER: (41<sup>st</sup>)

Thank you Madam Speaker. The Clerk has an amendment, LCO 3806. Will the Clerk please call and I be allowed to summarize?

SPEAKER LYONS:

The Clerk has in its possession LCO -- would the Clerk please call LCO 3806?

CLERK:

LCO 3806, House "A", offered by Representative Winkler, et.al.

SPEAKER LYONS:

Representative Winkler, I think you're going to summarize. Please proceed.

REP. WINKLER: (41<sup>st</sup>)

Thank you Madam Speaker. What this amendment does, it makes changes to the charter of the Independent Order of Art Fellows in Groton. And I move adoption.

SPEAKER LYONS:

The question before the Chamber is on adoption. Will you remark?

REP. WINKLER: (41<sup>st</sup>)

Yes. Thank you Madam Speaker. The charter for this facility was established back in 1893 for members and their families to use the facility at which time was classified as an asylum, an infirmary, a hospital and a home for the aged.

Over the years, the changes have been made and serves as an assisted living facility, a skilled nursing home and has a daycare facility on the property. And I

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would urge the Chamber's support. Thank you.

SPEAKER LYONS:

Thank you madam. Will you remark further on the amendment before us? Representative Moukawsher.

REP. MOUKAWSHER: (40<sup>th</sup>)

Thank you Madam Speaker. I rise in support of the amendment. The amendment is to simply update a charter of the Art Fellows Facility which has been in existence since 1893.

They provide excellent care and they have begun providing daycare. They expect to expand into assisted living arrangements for people and they want their charter to reflect the mission that they will have now and in the future.

So I urge adoption of this amendment.

SPEAKER LYONS:

Will you remark further on the amendment that is before us? Representative Stone.

REP. STONE: (9<sup>th</sup>)

Yes. Thank you Madam Speaker. This is a friendly amendment. I urge my colleagues to support it. Thank you.

SPEAKER LYONS:

Thank you sir. Will you remark further? If not, let me try your minds. All those in favor please

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signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER LYONS:

Those opposed, nay. The ayes have it. The amendment's adopted.

Will you remark further? Will you remark further on the legislation before us? Representative Stone.

REP. STONE: (9<sup>th</sup>)

Yes Madam Speaker. Thank you. The Clerk has LCO 3160. I ask that he call and I be allowed to summarize.

SPEAKER LYONS:

The Clerk has in his possession LCO 3160. Would the Clerk please call? The gentleman has asked leave to summarize.

CLERK:

LCO 3160, House "B", offered by Representative Lawlor.

SPEAKER LYONS:

Representative Stone.

REP. STONE: (9<sup>th</sup>)

Thank you Madam Speaker. This amendment simply changes the effective date of Section 25. That was the Section that dealt with service of process on foreign voluntary organizations or associations to being

effective upon passage. And I move adoption.

SPEAKER LYONS:

The question before the Chamber is on adoption.  
Will you remark? Representative Farr.

REP. FARR: (19<sup>th</sup>)

Thank you Madam Speaker. I think Representative Stone was going to explain the need for the amendment. Through you to Representative Stone, could Representative Stone explain why we're doing this.

SPEAKER LYONS:

Representative Stone.

REP. STONE: (9<sup>th</sup>)

Yes. Thank you Madam Speaker. And I thank the good Representative from West Hartford. I guess that was a yield, but I won't care to clarify it any more.

The amendment before us as I indicated changes the effective date to that Section 25 talking about -- which refers to foreign voluntary associations. We presently have in our statute a whole host of organizations, business organizations and entities, whether they be corporations, LLC's, LLP's, etcetera, in which we exercise personal jurisdiction under certain circumstances.

As some have seen fit to or are interpreting that particular section, that would apply to voluntary

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associations, not only domestic but also foreign. This amendment and the change in the effective date would merely clarify what is considered to be existing law that these foreign voluntary associations doing business in this State, transacting business in this State, under certain circumstances would also in those circumstances be appointing the Secretary of State as their agent for service and that personal jurisdiction could be exercised over those entities.

This is really a clarification on existing law. And because it's a clarification on existing law, rather than have an effective date sometime out in the future as a clarification it was felt, and I happen to agree, that the effective date should be upon passage.

Through you Madam Speaker.

SPEAKER LYONS:

Senator Farr.

REP. FARR: (19<sup>th</sup>)

Yes. Again, through you Madam Speaker to Representative Stone. Does this affect any current litigation in the State of Connecticut? And would it have an effect upon any litigation?

Through you to Representative Stone.

SPEAKER LYONS:

Representative Stone.

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REP. STONE: (9<sup>th</sup>)

Thank you Madam Speaker. I suppose -- and I don't mean to hedge on the answer. I may affect litigation that is pending if the court determines that in fact what we're doing here is clarifying already existing law. But that would be up to the court to make that determination.

So to the extent that there might be a litigation pending and perhaps a challenge to the jurisdiction of one party to obtain personal service or personal jurisdiction over another that involves a foreign voluntary association and to the extent that the court agrees that while it may be unclear but that the present statute with this clarification would cover those entities, it could affect or would affect -- based upon that interpretation would affect existing litigation under those circumstances.

Through you Madam Speaker.

SPEAKER LYONS:

Representative Farr.

REP. FARR: (19<sup>th</sup>)

Thank you Madam Speaker. Through you to Representative Stone. To your knowledge, are there any cases pending at the present time that this legislation potentially could affect?

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SPEAKER LYONS:

Representative Stone.

REP. STONE: (9<sup>th</sup>)

Well, if I might through you Madam Speaker. I mean one case that comes to mind would be the challenge by the State of Connecticut and the University of Connecticut of the -- and I don't know the specifics of the case. Only what I read in the sports page. But of the -- against the Atlantic Coast Conference and the departure of -- and I hope I get the schools right, Miami and Virginia Tech I believe were the two -- and Boston College -- excuse me -- to the ACC.

Through you Madam Speaker.

SPEAKER LYONS:

Representative Farr.

REP. FARR: (19<sup>th</sup>)

Am I accurate then to characterize this amendment as something that was viewed as potentially helping the State on litigation -- this litigation? Through you Madam Speaker to Representative Stone.

SPEAKER LYONS:

Representative Stone.

REP. STONE: (9<sup>th</sup>)

Thank you Madam Speaker. I don't think it helps the State in terms of the merits of the litigation. It

may or may not help the State depending upon whether the court in fact determines that this is a clarification of existing law and allowing us to go forward -- or allowing the State of Connecticut to go forward with that litigation.

Through you Madam Speaker.

SPEAKER LYONS:

Representative Farr.

REP. FARR: (19<sup>th</sup>)

Through you to Representative Stone. I had difficulty with the Section 25 when I first saw it because the Law Revision Commission had some proposals before it dealing with voluntary associations. And to my knowledge we never reported -- never made any recommendations on legislation. And I'm not aware of any definition of foreign -- of voluntary associations as such in the statute.

And I, for purposes of legislative intent, can you define exactly what a voluntary association would be that would be subject to this statute? Through you Madam Speaker to Representative Stone.

SPEAKER LYONS:

Representative Stone.

REP. STONE: (9<sup>th</sup>)

Thank you Madam Speaker. And I suppose to start

with a definition -- and I won't go through the list. But certainly it may be easier to define what -- or at least to start with what voluntary associations are not.

Obviously they're not corporations. They're not limited liability partnerships or limited liability companies registered with the State.

So now to define what they are, and they're used -- this term is used to -- throughout our statutes. But I don't think there's an actual definition within our statutes, so I'll offer the following. That it's a group of two or more individuals or corporations or other business entities that voluntarily group together with a common purpose that don't fit into any of those other categories of recognized business organizations or entities.

Through you Madam Speaker.

SPEAKER LYONS:

Representative Farr.

REP. FARR: (19<sup>th</sup>)

Thank you. Representative Stone, to ask you specifically the Italian Caucus of Legislators, would that be a voluntary association subject to -- and if we had -- somebody wanted to sue a caucus in another state, would this be granting them the court's jurisdiction over it?

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SPEAKER LYONS:

Representative Stone.

REP. STONE: (9<sup>th</sup>)

Well -- and through you Madam Speaker. Assuming that the members of that caucus were somehow, you know, a legally recognized entity whether it be individuals or a corporation, an LLC, a non-stock or for stock corporation. And that they -- it's not just defining the entity but also provided there's a certain level of activity within that other state or that foreign -- or what would be the domestic -- the in-state rather than the -- where they're organized or where they form their voluntary association, that foreign state. Then I suppose they would be considered -- under that hypothetical would be considered a voluntary association.

Through you Madam Speaker.

SPEAKER LYONS:

Representative Farr.

REP. STONE: (9<sup>th</sup>)

Yes. Thank you. I don't want to prolong the debate. I'll just indicate I have a grave -- a great deal of concerns about Section 25 in the statutes -- in the bill rather, in that it creates a jurisdiction of the court over foreign voluntary associations.

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The Law Revision Commission looked at the issue of whether or not voluntary associations ought to be somehow some legally recognized entity and there could be some registration of them and some limit on exposure to members of those -- of that association.

To my knowledge, there is no such recognition in Connecticut. You can have a formal organization. You can have an LLC. You can have a partnership. But a voluntary association is a very undefined term. And what concerns me about what's happening in Section 25 is I believe what we're doing is we're creating -- giving the court jurisdiction over foreign voluntary associations that they probably wouldn't have over domestic voluntary associations.

And if they don't have it over a domestic voluntary association because it's not really a defined entity, then it appears to me we're going this in order to give the court jurisdiction over associations in other states when we don't give that same recognition to those entities in the State of Connecticut.

And it appears to me with the amendment, we're specifically doing that to try to strengthen the Attorney General's hand in one lawsuit. And I guess I'm concerned about -- and I understand the argument that this isn't a change of the law, it's simply language

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which clarifies the law. But I'm always concerned when we clarify the law in the middle of a lawsuit. I don't have any idea of the status of that lawsuit.

But I think for all of those reasons I'm going to oppose the amendment. Thank you.

DEPUTY SPEAKER HYSLOP:

Representative Stone.

REP. STONE: (9<sup>th</sup>)

Just briefly Mr. Speaker. I would just note that Connecticut General Statutes 52-57 does provide for a service of process on voluntary associations located within the State of Connecticut. So there is a parallel to domestic entities as well.

And thank you Mr. Speaker.

DEPUTY SPEAKER HYSLOP:

Will you remark for the House bill? Remark further for the House bill? If not, we'll try your minds.

All those in favor signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER HYSLOP:

Those opposed.

REPRESENTATIVES:

Nay.

DEPUTY SPEAKER HYSLOP:

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House bill is adopted. Remarks on the bill as amended? Remarks on the bill as amended?

Representative Orange.

REP. ORANGE: (48<sup>th</sup>)

Thank you Mr. Speaker. Good afternoon sir.

DEPUTY SPEAKER HYSLOP:

Good afternoon madam.

REP. ORANGE: (48<sup>th</sup>)

The Clerk is in possession of LCO 4260. May he call and read and I be allowed to summarize?

DEPUTY SPEAKER HYSLOP:

Clerk, please call LCO 4260. It will be designated as House "C". And the Representative has asked leave to summarize.

CLERK:

LCO 4260, House "C", offered by Representative Orange and Senator Daly.

DEPUTY SPEAKER HYSLOP:

Representative Orange.

REP. ORANGE: (48<sup>th</sup>)

Thank you Mr. Speaker. Mr. Speaker, this amendment will update language establishing the Bacon Academy located in Colchester, Connecticut. The original founding documents that date back to 1803 sir.

The amendment will bring the operation of this

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entity into the 21<sup>st</sup> century. And basically what the amendment does is it's permitting the trustees and proprietors of Bacon Academy to elect trustees without involving the Connecticut legislature. It will permit the organization to be governed by the by-laws adopted by the Board of Trustees, and will update and clarify the purposes of the organization.

I move adoption, Mr. Speaker.

DEPUTY SPEAKER HYSLOP:

Question is on adoption of House "C". Will you remark on House "C"? Will you remark on House "C"? If not, we'll try your minds. All those in favor signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER HYSLOP:

Those opposed. The ayes have it. House "C" is adopted.

Remark further on the bill as amended?

Representative Stillman.

REP. STILLMAN: (38<sup>th</sup>)

Thank you Mr. Speaker. The Clerk has an amendment, LCO 3778. Would he call it and I be allowed to summarize?

DEPUTY SPEAKER HYSLOP:

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Clerk, please call LCO 3778 designated House "D".  
And the Representative has asked leave to summarize.

CLERK:

LCO 3778, House "D", offered by Representative  
Stillman.

DEPUTY SPEAKER HYSLOP:

Representative Stillman.

REP. STILLMAN: (38<sup>th</sup>)

Thank you Mr. Speaker. This amendment clarifies  
law that we actually passed last year referring to  
charitable organizations. It closes a loophole and I  
move adoption.

DEPUTY SPEAKER HYSLOP:

Questions on adoption of House "D"? Will you  
remark further? Will you remark on House "D"?

If not, we'll try your minds. All those in favor  
signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER HYSLOP:

Those opposed? The ayes have it. House "D" is  
adopted. Remarks further on the bill as amended?

Remarks further on the bill as amended?

If not, staff and guests to the Well of the House.  
The machine will be opened.

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CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is voting by roll call. Members to the Chamber please.

DEPUTY SPEAKER HYSLOP:

Have all members voted? If all members have voted, please check the machine and make sure your vote is properly recorded.

The machine will be locked. The Clerk will take a tally.

The Clerk will announce the tally.

CLERK:

H.B. 5625 is amended by House Schedules "A", "B", "C" and "D":

Total Number Voting	148
Necessary for Passage	75
Those Voting Yea	148
Those Voting Nay	0
Those Absent and Not Voting	3

DEPUTY SPEAKER HYSLOP:

The bill as amended passes. Clerk, please call Calendar 107.

CLERK:

On page 20, Calendar 107, substitute for H.B. 5410, AN ACT CONCERNING THE CONNECTICUT STUDENT LOAN

JOINT  
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HEARINGS

JUDICIARY  
PART 8  
2421-2800

2004

this thing works.

And you know, we're the youth and we need to be protected because we're the future and it's very clearly working in those towns that have it and the kids are smart. I've heard in the school, we can't drink at our house, but we drive five minutes down the road and we can have a drinking party there and they can't do anything about it.

And that's just no good because then you get the dangers of drinking and then you've also got the kids driving even farther if they do drink and drive.

So, I mean it's something that's worked clearly without any hitches, without any problems in thirty-one communities and I think that's great testament to what a great piece of legislation this is and I think that it needs to go on.

SEN. MCDONALD: Thank you very much. Are there any questions? Thanks for your testimony.

COLIN HALLORHAN: Thank you.

SEN. MCDONALD: Next is Tom Klee followed by Tonia Loconte

TOM KLEE: Senator McDonald, Representative Lawlor, and members of the Judiciary Committee, thank you for the opportunity to testify today on S.B. 556, AN ACT CONCERNING BUSINESS ORGANIZATION MERGERS AND DISSOLUTION OF CERTAIN NONSTOCK CORPORATIONS.

HB 5625

I am speaking to you today on behalf of the Connecticut Bar Association and its business law section. The Bar Association supports this legislation which makes four technical amendments to our corporation and other entities statutes here in Connecticut. Each of these sections was addressed last year in Public Act 03-18, which made major changes to all of these statutes. And we want to suggest that there be adopted four changes to clarify and improve these.

The first is to clarify that one or more domestic

corporations may merge with one or more domestic or foreign corporations so that our statute conforms to the latest version of the Model Business Corporation Act on which our corporation statute is modeled.

Number two, to specify certain provisions to be set forth in a certificate of dissolution in the case of a non-stock corporation without members or with no members who are entitled to vote. This provision was in the statute before 03-18 and we just want to clarify that.

Number three, that one or more domestic limited partnerships may merge with one or more domestic or foreign limited partnerships. This again restores a provision we had.

And finally, that one or more limited liability companies may merge or consolidate with one or more domestic or foreign limited liability companies. This is all part of the process to keep our corporate and other entity statutes modern and current and to provide the maximum flexibility for these enterprises in the State of Connecticut.

I just want to very briefly say I have submitted written testimony on H.B. 5625 which is the Secretary of the State's bill that covers a number of items and in that written testimony I've stated we support two main provisions of that bill which is set forth in a number of sections.

One is to eliminate all references to biannual reports, which haven't been required for a long -- for several years. And also to provide that an agent for service of process for the various forms of entity can be other various forms of entities. In other words, that a limited liability company can be the agent for a corporation.

And I won't spend more time on that other than to say we support the efforts of the Secretary of the State to keep the statute modern in that way.

Thank you for the opportunity of speaking with you and I'd be pleased to answer any questions.

SEN. MCDONALD: Thank you. Representative Farr.

REP. FARR: Just one quick question. Were there any concerns with H.B. 5625? For some reason, you only testified on behalf of parts of it and the previous speaker did the same thing. Was there anything that you had any concerns with?

TOM KLEE: Well, part of that is through our organization we haven't had the opportunity to vet it with our organizations. So, the parts that I addressed are those that our organization has considered and the others just hasn't had that opportunity.

REP. FARR: Okay. I guess I could ask you personally if you had any concerns, but you're not --

TOM KLEE: Not particularly that I would see on a personal basis.

REP. FARR: Okay, thank you.

SEN. MCDONALD: Anything further? Thank you very much.

TOM KLEE: Thank you.

SEN. MCDONALD: Tonia Loconte, followed by Jermaine Liesegary. Good afternoon.

TONIA LOCONTE: Good afternoon. I'm Tonia Loconte. I'm here representing the Project 100 Hartford GLBT Community Center and the Twenty Club, a transgender peer support group. On behalf of these organizations and the Connecticut Hate Crimes Network, I'd like to voice my strong support for raised H.B. 5657, AN ACT CONCERNING HATE CRIMES and commend its efforts to add the categories of disability and gender identity or expression to the existing law.

As someone whose trod the path of gender reassignment, I am here to attest that there is a need to explicitly protect people from being targeted from intimidation or injury based upon their actual or perceived gender identity or expression.



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Written Testimony of Thomas A. Klee, Vice Chairman,  
Business Law Section of the Connecticut Bar Association  
Concerning

**House Bill No. 5625, An Act Concerning Registered Agents and Annual Reports of Stock and Nonstock Corporations, the Names of Business Entities Required to File with the Secretary of the State, the Filing of Aircraft and Vessel Liens and the Filing of Certain Notices and Reports by Limited Liability Companies**

Submitted to the Judiciary Committee

March 15, 2004

Senator McDonald, Representative Lawlor and members of the Judiciary Committee, thank you for the opportunity to submit written remarks to the committee to comment on House Bill No. 5625, An Act Concerning Registered Agents and Annual Reports of Stock and Nonstock Corporations, the Names of Business Entities Required to File with the Secretary of the State, the Filing of Aircraft and Vessel Liens and the Filing of Certain Notices and Reports by Limited Liability Companies.

My name is Thomas Klee. I am vice chairman and legislative liaison of the Business Law Section of the Connecticut Bar Association. I am an attorney in private practice in Bloomfield and Hartford where I focus on representing business organizations and corporate directors and officers. The CBA, on behalf of its Business Law Section, which consists of attorneys who concentrate on business and corporate law, supports House Bill 5625.

**On behalf of the CBA and the Business Law Section, I respectfully request that the Judiciary Committee favorably report House Bill 5625, An Act Concerning Registered Agents and Annual Reports of Stock and Nonstock Corporations, the Names of Business Entities Required to File with the Secretary of the State, the Filing of Aircraft and Vessel Liens and the Filing of Certain Notices and Reports by Limited Liability Companies**

House Bill 5625 would make numerous, mostly technical amendments to sections of the General Statutes governing business organizations. The CBA supports those provisions of the Bill that make changes in two principal areas:

- **Reports.** Several sections of the bill delete references to biennial reports to be filed by corporations. Corporations have been required for several years to file annual reports, so these changes are for the purpose of deleting obsolete references to biennial reports.
- **Agent for service.** Numerous sections of the bill provide that various forms of business entities (corporations, limited liability partnerships, limited liability companies and business trusts), both domestic and foreign, may act as agent for service for all other such entities. Currently, the provisions of the statutes are inconsistent in this regard. We believe that the statutes should not distinguish regarding which type of entity may act as agent for service for other entities, as long as the applicable statutory requirements, such as that the appointment be in writing, are met. In fact, we believe that the added flexibility provided by these amendments will make it more efficient for all types of entities to meet their statutory obligations.

While the CBA and the Business Law Section appreciate the efforts of the Secretary of the State in presenting proposed legislation that was drafted in other sections of House Bill 5625, my written remarks are limited to those sections of the bill pertaining to biennial reports and various business entities acting as agent for service.

Thank you again for the opportunity to submit written remarks to the committee to comment on House Bill 5625.