

**Act Number:** 09-038

**Bill Number:** 6643

**Senate Pages:** ~~1901~~ 1935, 1937-1938

**4**

**House Pages:** 2008-2011

**4**

**Committee:** Judiciary: 5010, 5011, 5449

**3**

**Page Total:**

**11**

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**CONNECTICUT  
GENERAL ASSEMBLY  
SENATE**

**PROCEEDINGS  
2009**

**VOL. 52  
PART 6  
1667 - 2005**

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SENATE

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Motion is to refer item to Higher Ed.

Seeing no objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. Calendar 531, PR.

Calendar 532, PR.

Calendar 533, PR.

Calendar 535, House Bill Number 6643, Mr.

President, I move to place this item on the Consent Calendar.

THE CHAIR:

Motion is to place item on consent.

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Mr. President. Calendar 536, House Bill Number 6685, likewise, I move to place this item on the Consent Calendar.

THE CHAIR:

Motion is to place item on consent.

Seeing no objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. Calendar 537, PR.

Calendar 538 is marked go.

Calendar 539, House Bill Number 6287,

Mr. President, I move to place this item on the

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for House Bill 6643; Calendar 536, Substitute for  
House Bill 6685.

Calendar page 15, Calendar Number 539, Substitute  
for House Bill 6287.

Calendar page 17, Calendar 553, Substitute for  
Senate Bill 885.

Calendar page 20, Calendar 587, Substitute for  
House Bill 6598; Calendar 588, Substitute for House  
Bill 6324.

Calendar page 21, Calendar 592, House Bill 6439.

Calendar page 27, Calendar Number 135, Senate  
Bill 842.

Calendar page 28, Calendar 140, Senate Bill 872.

Calendar page 29, Calendar 175, Substitute for  
Senate Bill 617.

Calendar page 30, Calendar 182, Senate Bill 973.

Calendar page 31, Calendar 206, Substitute for  
Senate Bill 949.

Calendar page 37, Calendar Number 368, Senate  
Bill 846.

Calendar page 38, Calendar 396, House Bill 5841.

Calendar page 42, Calendar 519, Substitute for  
Senate Bill 1092; Calendar 375, Substitute for Senate  
Bill 1021.

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items placed on the first Consent Calendar.

THE CHAIR:

Thank you. Clerk, if you could please call for a roll call vote, I will open the machine.

THE CLERK:

The Senate is now voting by roll call on the Consent Calendar, will all Senators please return to the chamber. The Senate is now voting by roll on the Consent Calendar, will all Senators please return to the chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted, please check your vote. The machine will be locked.

Mr. Clerk, please call the tally.

THE CLERK:

The motion is on adoption of Consent Calendar  
Number 1:

Total Number Voting	36
Necessary for Adoption	19
Those Voting Yea	36
Those Voting Nay	0
Those Absent/Not Voting	0

THE CHAIR:

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SENATE

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Consent Calendar Number 1 passes.

Senator Looney.

SENATOR LOONEY:

Thank you. Thank you, Mr. President. Mr. President, I would move for suspension for immediate transmittal to the House of Representatives of item on calendar page 42, Calendar 519, Senate Bill 1092, An Act Concerning the Client's Security Fund, that was included in the immediately preceding vote on the Consent Calendar.

THE CHAIR:

Motion is to suspend down to the House Calendar 519.

Without objection, so ordered, sir.

SENATOR LOONEY:

Yes, thank you, Mr. President. Mr. President, as the second order of the day, I would ask the Clerk to call the item on calendar page 22, Calendar 595, Substitute for House Bill 6648.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Turning to calendar page 22, a matter marked second order of the day, Calendar Number 595, File

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**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
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HOUSE OF REPRESENTATIVES

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April 22, 2009

Representative Merrill.

REP. MERRILL (54th):

Yes, Mr. Speaker, I would move for the immediate transmittal of the last item to the Senate.

DEPUTY SPEAKER GODFREY:

Question is on immediate transmittal of the last item to the Senate. Is there any objection? Hearing none, so ordered. The House will stand at ease.

Chamber at ease.

The House reconvened at 7:00 o'clock p.m., Deputy Speaker Godfrey in the Chair.

DEPUTY SPEAKER GODFREY:

The House will come back to order.

Mr. Clerk, will you please call Calendar 451.

THE CLERK:

On page 24, Calendar 451, substitute for House Bill Number 6643, AN ACT CONCERNING THE RESIGNATION OR ABSENCE OF AN AGENT FOR SERVICE OF PROCESS FOR CERTAIN BUSINESS ENTITIES, favorable report of the Committee on Judiciary.

DEPUTY SPEAKER GODFREY:

Distinguished Vice Chairman of the Judiciary

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HOUSE OF REPRESENTATIVES

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Committee, Representative Fox.

REP. FOX (146th):

Good afternoon, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Good afternoon, sir.

REP. FOX (146th):

I move for acceptance of the joint committee's favorable report and passage of the bill.

DEPUTY SPEAKER GODFREY:

The question is on acceptance and passage. Will you explain the bill, please sir.

REP. FOX (146th):

Thank you, Mr. Speaker. This bill comes to us through the office of the Secretary of State and it addresses those situations where an agent for service is appointed and may subsequently resign.

What this bill does is it states that the resignation of a appointed agent for service will become effective 30 days after the receipt of that notice from all business entities. It also states that they will -- this will allow for certain electronic and fax filing of documents to be done through the Secretary of State's office. In addition, with respect to foreign corporations, it states that

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the authority of those foreign corporations to conduct business in our state will not automatically be revoked for failure to appoint an agent for service for 60 days. What it does state however, is that the Secretary of State may give written notice of 20 days saying that they have to correct whatever violation or whatever infraction that they have incurred as a result of their failure to file in order -- before their business can be revoked. So I move passage of the bill.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Will you remark further on the bill? Will you remark further on this bill? If not, staff and guests please come to the well of the House. Members take their seats. The machine will be open.

THE 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.

DEPUTY SPEAKER GODFREY:

Have all the members voted? If all the members have voted, the machine will be locked. And the Clerk will take the tally. And the Clerk will announce the tally.

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THE CLERK:

House Bill 6643.

Total Number Voting 145

Necessary for Passage 73

Those voting Yea 145

Those voting Nay 0

Those absent and not voting 6

DEPUTY SPEAKER GODFREY:

The bill is passed.

Will the Clerk please call Calendar 453.

THE CLERK:

On page 25, Calendar 453, substitute for House  
Bill Number 6685, AN ACT CONCERNING THE REPORTING OF  
INMATE POPULATION DENSITY AND CORRECTIONAL FACILITY  
SPECIFIC DATA, favorable report of the Committee on  
Judiciary.

DEPUTY SPEAKER GODFREY:

The gentleman from East Haven, Representative  
Lawlor.

REP. LAWLOR (99th):

Thank you, Mr. Speaker. I move acceptance of the  
joint committee's favorable report and passage of the  
bill.

DEPUTY SPEAKER GODFREY:

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**JUDICIARY  
PART 16  
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SENATOR MCDONALD: Thank you. Anything further?  
Thanks very much.

SENATOR STILLMAN: Thank you very much. I'm off to  
Public Health. Thank you.

SENATOR MCDONALD: Good to see you advocating on  
behalf of constituents. Susan Bysiéwicz.

SECRETARY BYSIEWICZ: Good morning, Senator  
McDonald, members of the Committee. I am, for  
the record, Secretary of the State Susan  
Bysiewicz and I'm here to support and thank  
your Committee for raising three bills to  
assist in streamlining filing and, also, to  
assist in raising revenue for our state in our  
Commercial Recording Division.

HB 6643

HB 6644

House Bill 6640 increases the penalty for  
foreign corporations and other entities that  
transact business or operate in Connecticut  
without the appropriate authority to do so.  
Foreign business entities are required, under  
our state statutes, to file in our office and  
that way, if a consumer or a person in our  
state would like to file a lawsuit, we know  
where that business entity exists. The bill  
almost doubles the penalty that is currently  
in our state statutes. This penalty has not  
been raised in more than 20 years. And the  
Attorney General and I have worked together to  
go after foreign corporations that have not  
properly registered. And we have raised over  
three million dollars in fines and penalties.  
We think it would be a further deterrent for  
foreign companies to operate in our state  
without the appropriate authority. And we  
think that this bill, if passed, has the  
potential to raise an additional million  
dollars a year so that would bring in two  
million dollars of revenue to our state each

year, after this law goes into effect. And I am here today to urge its passage.

House Bill 6643 is simply a technical change to our state law. Our law requires that business entities file a name of an agent for service of process. And this bill makes the time frame for the resignation of an agent for service of process consistent to 30 days for all business entities that file with our office.

And finally, House Bill 6644 concerning business entity filings really modernizes the process for filing a business registrations and information with our office, making the use of the Internet mandatory except in hardship cases. Right now, we require that all business entities file annually with our office, and in preparation for this, we mail out, every month, filing notices to companies. And we would like to E-mail companies and have them file with us via E-mail. If we were to pass this, we would join other states that already mandate on-line filing, and those other states are Delaware, New Jersey, Florida and Missouri. Entities which file annual reports after July 1st of each calendar year pay an additional late filing fee of a hundred dollars. We think, in addition to streamlining things for our office, it would also create a greener world for us in the Secretary of the State's office and there would be a hardship exception for any businesses who don't have the capacity to file on-line. So I thank you for your attention and would be happy to entertain any questions.

SENATOR MCDONALD: Well, thank you very much. Actually just on that last point, what would the hardship exceptions be and how would they

**JOINT  
STANDING  
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Susan Bysiewicz  
SECRETARY OF THE STATE  
CONNECTICUT

**TESTIMONY OF SECRETARY OF THE STATE  
SUSAN BYSIEWICZ  
JUDICIARY COMMITTEE  
March 20, 2009**

HB 6644

Good Morning Chairman Lawlor, Chairman McDonald, and other members of the Judiciary Committee. For the record, my name is Susan Bysiewicz, and I am the Secretary of the State. Thank you for the opportunity to testify before you today regarding my support of several important issues.

**H.B. No. 6640 An Act Increasing the Penalty for Foreign Corporations and Other Entities That Transact Business or Conduct Affairs In This State Without Authority**

When a foreign business entity, such as a corporation, limited partnership, limited liability company, registered limited liability partnership or statutory trust, transacts business in the State of Connecticut, that entity is legally required to register with the Office of the Secretary of the State. By doing so, the entity preserves a record of its presence and lists the required information in the event that some action it has undertaken results in a lawsuit. Of course, every year, some entities fail to file. When that occurs, the business entity will be required both to properly file and pay a penalty. This bill raises that penalty from \$165 to \$300 per month. The penalty is assessed on a monthly basis from the month when an unregistered foreign entity first begins transacting business in Connecticut and ending with the month that the entity ultimately registers. Each intervening year will be assessed in full. The assessment is delineated as a monthly figure in order to ensure that the commencing year and the year of registration – only the ‘bookend years’ – are not assessed in full if the facts warrant. Further, it must be said, that the penalty has not been raised in roughly 20 years. As such, increasing the penalty now will encourage compliance and that will greatly aid in protecting the Connecticut consumers who do business with these foreign entities, as well as bring in much needed revenue without hurting the business community.

**H.B. No. 6643 AN ACT CONCERNING THE RESIGNATION OR ABSENCE OF AN AGENT FOR SERVICE OF PROCESS FOR CERTAIN BUSINESS ENTITIES**

One of the most basic requirements of a business entity filing is to name an agent for the service of process. The agent named serves as the recipient for any lawsuits to be served on the company. This bill simplifies Connecticut business law by making the timeframe for the resignation of an agent for service of process consistent to make the resignation effective 30 days after filing for all business entities that file with the Office of the Secretary of the State.