

PA 11-241

HB6497

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**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**BANKS  
1 – 260**

**2011  
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dd/gdm/gbr BANKS COMMITTEE

March 8, 2011  
11:00 A.M.

CHAIRMEN: Senator Duff  
Representative Tong

MEMBERS PRESENT:

SENATORS: Frantz

REPRESENTATIVES: Alberts, Albis, Carter,  
Frey, Guerrera, Kupchick,  
Larson, Moukawsher,  
O'Brien, Ritter, Rovero,  
Widlitz

REP. LARSON: Good morning, ladies and gentlemen.  
We're going to call the meeting to order, and  
then briefly recess for about 20 minutes. So  
if I could have your attention, and we'll  
recess till twenty after, 11:30. Thank you.

SENATOR DUFF: Good morning. It's now 11:31. Mr.  
Spallone, would you like to come up and reread  
your testimony, please?

DEPUTY SECRETARY JAMES SPALLONE: Thank you, Mr.  
Chairman. Again, good morning, Chairman Duff,  
Chairman Tong, and members of the Banks  
Committee. I'm Deputy Secretary of the State,  
James Spallone. I'm here to testify on behalf  
of Secretary Merrill. I assume you want me to  
start over since now it's official. I'll just  
take a -- to catch up.

I'm here to testify in support of Sections 2  
through 59 of Raised Bill 6497, AN ACT CREATING  
JOBS BY ENHANCING CONNECTICUT'S CORPORATE AND  
SECURITY LAWS, and the sections I mentioned  
contain the Model -- Model Entity Transactions  
Act, which can be viewed as a junction box  
statute that permit different types of entities  
to convert and merge into one another and  
exchange interests among each other. An entity  
might enter as an LLC, for example, and emerge

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as a limited partnership.

With few exceptions, business organizations have not had the ability to do this under Connecticut law, so this bill, if adopted, would provide new flexibility for commerce to flow more realistically in a modern electronic era. It would also permit redomestication of business entities, and until now, only insurance companies could do that.

Some businesses seeking to make our state their home had to dissolve their corporation and reincorporate in Connecticut, which is both costly and time consuming when you're trying to finish a business transaction.

And there will be certain carve-outs in respect to Connecticut policy, including the fact that a nonstock corporation would -- a nonprofit would not be able to convert or merge into a stock corporation out of deference to Connecticut's charitable organization regulations.

Some states already permit conversions and redomestications that META seeks to codify in Connecticut, but only three states have adopted META in its entirety, so we would be an early state to pass this, and, therefore, may be attractive to states seeking to do business here, which is obviously important as we attempt to repair and enhance our state's economy emerging from this recession.

Now, we've worked very closely and appreciate the help of the Connecticut Bar Association and the business law section, who's kept the agency apprized of the efforts in drafting and putting this act together. And, in fact, to mention for the record, I do have with me Attorney Seth Klaskin, who's the head of our -- Director of

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our Commercial Recording Division, and he has had an opportunity to have a lot of input during the drafting of the bill.

I think it's important to note that in working with the Bar Association, we have asked that the effective date be changed to January 1, 2014, instead of October 1, 2011, and the reason -- and that we have the support of the Bar Association for this change. And this is in order to give the Secretary of the State's office the opportunity to prepare for a substantial transition in what we do.

The Secretary of the State's office performs a ministerial function accepting commercial recording documents. It's designed to be ministerial and quick in order to allow businesses to set up fast. It only takes two days to set up a business entity in Connecticut or for a foreign corporation to get permission. We want to be able to keep that going.

We're also moving toward, hopefully, full online filing of annual reports, which will eliminate a substantial backlog that reoccurs, and then move toward more online filing in the future.

So again, I want to thank the Committee for hearing this this morning, thank the Bar Association for its collaborative approach, and again, ask that we have -- that the effective date be amended.

I wanted to give some brief oral testimony on House Bill 6496, which is AN ACT ESTABLISHING THE FINANCE AND BANKING DEVELOPMENT COMMISSION AND THE CONNECTICUT FINANCE CENTER.

The bill has a section that would establish a Secretary of the State's office -- branch

office in Fairfield to help facilitate business formation and attract businesses and -- financial sector businesses, and, of course, we certainly support that outcome.

I'm not here to take a position on this because, frankly and candidly, we did miss that reference to our office. So I'd like to discuss it with Secretary Merrill, but just briefly mention that I think we have very similar goals, and that we have a bill in the Legislature now concerning the establishment of an e-business portal, and also the -- the online filing options that we've been -- that we -- that I mentioned earlier would also help facilitate business and be attractive to businesses that want to settle here.

So, thank you again for your time. If you have any questions, Attorney Klaskin and I would be happy to answer those this morning.

SENATOR DUFF: Thank you. Representative Moukawsher? (Inaudible).

REP. MOUKAWSHER: I -- I -- I noticed the -- in your submission, it -- it mentioned that the software or other changes to your, you know, automated system would -- you said would not be inexpensive, which is a good way of putting it. But it also said that you had filed with the bonding subcommittee, the finance -- a bonding request.

Would -- would you be filing a -- a request for upgrades to your software, regardless of whether we were to pass this META, or is it -- or is that to facilitate this -- this new means of converting entities?

DEPUTY SECRETARY JAMES SPALLONE: Thank you, Representative Moukawsher, for the question,

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and just to give a little bit of background, the Governor's budget document shows a cut to our operating budget of \$1.7 million in this upcoming budget, which is 16 percent of the agency's budget, which sounds like a -- an awful lot of money.

But those monies were going to be used to upgrade Legacy systems like Concord, for the business entities and, like, the Converse system for the voter registry, both of which Secretary Merrill believes need substantial improvements to bring them into the 21st century and beyond. And so, the -- the budget document also mentions a \$5 million bonding issue for technical upgrades at the Secretary of the State's office.

If we do not succeed in the bond request, which is part of the budget document as it stands now and is pending before the committee, if we don't succeed there, I think it would be very difficult to accommodate META. So I think the later effective date also plays into this, and that will sort of see where things are going. But I believe, with the upgrade, we will -- with the bonding, we will certainly be able to accommodate META and make the other changes we want to make.

I hope that was responsive to your question.

REP. MOUKAWSHER: Yes, it is. Thank you.

SENATOR DUFF: Thank you, Representative.  
Any further questions?

Representative Tong?

REP. TONG: Thank you, Mr. Chairman. Thank you, Mr. Spallone. Please bring back to Secretary Merrill our thanks for her cooperation and her

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support. You know, I've talked to her, and I've talked to you, and we're encouraged that she's working with us in the General Assembly on -- on jobs and on bills like this that are pro growth, pro business formation, pro business, and we look forward to working with you in the future on these bills and others that -- that serve that goal. Thanks.

DEPUTY SECRETARY JAMES SPALLONE: Thank you, Mr. Chairman. Likewise. We enjoy being part of the team in trying to get all this done.

SENATOR DUFF: Thank you, Representative. Any other questions or comments? Seeing none, thank you very much.

Next is Commissioner Howard Pitkin. Commissioner. Commissioner, thanks for coming today. We appreciate it. And at our initial organizing meeting, I don't think we had the opportunity to introduce you, so I want to thank you for your service to the State, and we are very, very pleased that -- I'll speak for myself -- that Governor Malloy has reappointed you as Commissioner of the Banking Department.

You've held a steady hand in a very difficult time for the banking industry, in general, and we appreciate that and thought he made a great choice by reappointing you.

COMMISSIONER HOWARD PITKIN: Thanks.

SENATOR DUFF: So I want to welcome you and thank you again for all that you've done in the past, and especially working with this committee as well. So please proceed with your testimony.

SB 1109  
SB 1110  
HB 6285  
(HB 6351)

COMMISSIONER HOWARD PITKIN: Thank you for your -- for your kind comments, and thanks to the members of the committee in total. This has





**Testimony of Mark G. Sklarz  
Business Law Section  
Connecticut Bar Association**

**In SUPPORT of HB6497  
An Act Creating Jobs by Enhancing Connecticut's Corporate and Securities Laws**

Banking Committee  
March 8, 2011

Senator Duff, Representative Tong and members of the Banking Committee.

Thank you for the opportunity to appear before the Committee to comment on Raised Bill No. 6497, An Act Creating Jobs by Enhancing Connecticut's Corporate and Securities Laws with respect to Sections 2 through 53 inclusive relating to the proposed Model Entity Transactions Act and amendments to current Connecticut statutes related thereto.

My name is Mark G. Sklarz. I am a partner with Day Pitney, LLC in New Haven and practice in the areas of business, corporate and tax law. I am a member of the Business Law and Tax Sections of the Connecticut Bar Association and have served as Chair of a Joint Subcommittee of such Sections for the purpose of developing and considering the proposed legislation to be discussed this morning.

**BACKGROUND**

Throughout the last three decades, state law has introduced several new forms of business entities, including limited liability companies, limited liability partnerships and limited liability limited partnerships as attractive methods of conducting business for the entrepreneur and small business person. In particular, the financial and tax efficiencies of the organization and operation of a limited liability company have encouraged most small businesses to adopt this form as its initial method of organization. A difficulty encountered by the new forms of entities has often occurred when restructuring becomes desirable, whether resulting from internal transition or an acquisitive transaction. In those situations, statutory authority to permit conversion to a different form of entity or allow transactions between dissimilar entities has frequently been inadequate. As a result, it often becomes necessary to engage in multiple and expensive steps for businesses to achieve desired results. While Connecticut has provided some measures to address the issues, the current statutory framework is not comprehensive and in many instances fails to provide the desired authority. This has caused businesses to resort to other state law, particularly that of

Delaware, to facilitate transactions between or among different forms of entities, increasing cost and frequently resulting in those business organizations converting to and continuing as Delaware organizations.

### REVIEW PROCESS

Due to the concerns of inefficiency, cost and frustration of business purpose in Connecticut related to mergers and other similar transactions among entities of different forms, a decision was made by both the Business Law and Tax Sections of the Connecticut Bar Association that it was imperative to adopt comprehensive legislation to permit cross entity transactions of all forms, both for Connecticut and foreign entities. To implement this project, a joint committee (the "Joint Committee") of the Business Law and Tax Sections was appointed to review, evaluate and develop a recommended approach to improve the pertinent Connecticut statutory authority.

The Joint Committee studied multiple state law provisions addressing the method of permitting transactions between and among dissimilar entities and ultimately concluded the most favorable approach was clearly to recommend adoption of the Model Entity Transactions Act ("META"). META represents a thoroughly and diligently conceived and vetted model act developed through almost ten years of collaboration of the National Conference of Commissioners on Uniform State Laws ("NCCUSL") and the American Bar Association (the "ABA"). META was created specifically to facilitate transactions between and among dissimilar entities and creates an efficient and workable comprehensive framework to address all varieties of cross-entity transactions. Importantly as well, META is a "junction box statute" which provides a stand alone provision to implement cross-entity transactions without the need to revise current Connecticut statutory authority dealing with transactions of the same form of entity. Additionally, META will continue the goal of expanding model act legislation within the business organization statutes to provide uniformity with other jurisdictions and make Connecticut increasingly attractive to cross-border transactions.

### META

As expressed above, META is referred to as a junction box statute and is based upon an act adopted by a joint collaboration of NCCUSL and the ABA. The Joint Committee of the Business Law and Tax Sections carefully reviewed META, found it be extremely thorough and concluded META should be adopted as a new chapter of the Connecticut General Statutes designated as the Connecticut Model Entity Transactions Act. It will complement the existing Connecticut statutes and permit a number of very important cross-entity transactions, many of which cannot be accomplished under existing Connecticut statutes. Specifically, META would permit the following:

1. Mergers, consolidations and interest exchange transactions among entities of different forms (i.e. corporation, general partnerships, limited liability companies, limited liability partnerships, associations and other forms of unincorporated for-profit entities). Currently, many of these transactions cannot be accomplished in Connecticut and thus require a multistep process, including cumbersome, expensive and time consuming procedures involving use of other jurisdictions, such as Delaware, to achieve the desired result. Frequently, after such transactions, the companies remain domiciled in the other jurisdictions rather than returning to Connecticut.

2. Converting from one form of entity to another. For example, META would permit the conversion of a corporation to a limited liability company by simply filing a certificate with the Secretary of the State and paying a filing fee. Again, in many cases, current Connecticut statutes do not permit this type of transaction and thus require Connecticut companies to resort to a multi-step, multi-jurisdictional process.
3. Domestication of entities to or from Connecticut. Illustratively, a corporation organized in another state could become a Connecticut corporation under META by filing a certificate with the Connecticut Secretary of the State and appropriate filing office in the other state. There currently is no Connecticut statutory authority to permit domestication.

As proposed, META would apply only to for-profit entities and would implement the above objectives as follows:

- a. Merger, consolidation and interest exchange transactions between entities of the same form will continue to be governed by the current statutes and not by META.
- b. All statutory authority regarding mergers, consolidations, interest exchanges and conversions between or among dissimilar entities will be governed solely by META.
- c. META will govern all domestications.

The Business Law and Tax Sections have concluded there should be no significant negative fiscal impact of the proposed legislation. In fact, the view is META will create a positive impact through some increased filing fees and in particular avoiding the necessity for Connecticut businesses to accomplish the desired transactions in other states and not continue as Connecticut entities. As a result, the Sections strongly believe that adoption of META will enhance the usefulness of the laws of Connecticut for pertinent cross-entity transactions and provide substantial benefits to many Connecticut businesses, particularly those of small and medium size. Further, the Sections believe the availability of META may well encourage existing businesses, which otherwise would be required to apply the laws of Delaware or other states to accomplish a desired transaction, to remain in Connecticut rather than relocating to such other jurisdictions.

It is important to mention that META relates only to the form of entity in which a business will operate and does not impact the tax consequences of a transaction.

To assist the office of the Connecticut Secretary of the State in the transition process, it has been agreed to defer the effective date of the legislation to January 1, 2013.

### CONCLUSION

Connecticut business will benefit from the clarity, efficiency and comprehensive structure of META. The current "patchwork authority" of the Connecticut statutes, while a worthy attempt to close gaps, is confusing, disorganized and not complete. META has been specifically designed to remedy these issues and will provide Connecticut with a best practices statute to assist small and medium size businesses to compete in the most favorable environment for entities of different forms.

STATE OF CONNECTICUT  
JUDICIAL BRANCHEXTERNAL AFFAIRS DIVISION

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Testimony of Deborah J. Fuller  
Banks Committee Public Hearing  
March 8, 2011

House Bill 6497, An Act Creating Jobs by Enhancing Connecticut's  
Corporate and Securities Law

Good morning. Thank you for the opportunity to submit testimony, on behalf of the Judicial Branch, on House Bill 6497, An Act Creating Jobs by Enhancing Connecticut's Corporate and Securities Law. My testimony is limited to section 1 of the bill, which the Judicial Branch opposes. It would require the Branch to establish, in one or more court locations, within available appropriations, a corporate, securities and transactional matters docket, to hear matters related to complex corporate and securities matters and business transactions. It would also require the Chief Court Administrator to assign judges with specific expertise and experience in complex corporate and securities matters to these dockets.

The Judicial Branch is not in favor of legislative mandates to establish specialized dockets and courts, since these mandates impinge on our ability to make the best use of our resources. We need to retain the ability to be flexible in determining how best to meet the demands on our courts. Legislative proposals for such specialized dockets are usually advanced by the parties who would benefit from the particular docket they are advocating for. The Branch must take a broader view and balance the needs of everyone who utilizes the courts. This is particularly important during difficult times such as the present, when the Branch and the entire state face uncertainty about the budget that will be enacted for the next biennium.

In addition to this general concern, we believe that this proposal it is unnecessary because we have already taken steps to address the particular needs of the business community. Complex corporate, transactional and security matters are currently handled by our complex litigation dockets, which were established approximately 15 years ago. Many of the cases on our complex dockets are business cases. The cases that are currently pending include the following types of claims:

- Business and partnership dissolutions;
- Business governance;
- Business torts;
- Breach of commercial and business contracts;
- Other complex contractual issues;
- Commercial foreclosure;
- CUTPA claims;
- Securities fraud ;
- Shareholder actions;
- Tortious interference with business interests; and
- Uniform Commercial Code.

Currently, cases are moved to the complex litigation docket through submission of a complex litigation application. Assigning these types of cases upon such application gives the Judicial Branch flexibility to match the assignment to the appropriate complex litigation docket location and the appropriate complex litigation docket judge, taking into account both the parties' preference for location and the individual caseload of the complex litigation docket judges in order to minimize delay and expense. A dedicated docket could take away the present flexibility in assigning complex corporate and business cases.

In conclusion, we respectfully request that the Committee not act favorably on section 1 of this proposal. Thank you for your consideration.



# CONNECTICUT BANKERS ASSOCIATION

March 8, 2011

**To: Members of the Banks Committee**

**Fr. Connecticut Bankers Association**  
**Contacts: Tom Mongellow and Fritz Conway**

**Re: House Bill 6497, An Act Creating Jobs By Enhancing Connecticut's Corporate and Securities Laws**

The CBA applauds the Committee for the goal of this bill to enhance the ability of those Corporations engaging in Financial Services to create jobs, compete and do business in Connecticut. H. B. 6497 contains different sections addressing a variety of corporate laws, from mergers of entities to creating a specialized court docket that we hope would to speed the resolution of business matters before the courts.

The CBA looks forward to working with the Committee various provisions of the bill that seek to enhance and clarify sections of existing law. It is our hope that the bill's provisions can accomplish that without impeding responsible merger and business activities throughout the state, and go as far as actually encouraging additional financial services entities to locate their businesses and resultant jobs in Connecticut.



**DENISE MERRILL**

SECRETARY OF THE STATE  
CONNECTICUT

**Committee on Banks Public Hearing**

**March 8, 2011**

**Testimony—RB 6497**

Good morning, Chairman Duff, Chairman Tong, and members of the committee. My name is James Spallone and I am the Deputy Secretary of the State.

I am here this morning to testify on behalf of Secretary of the State Merrill in support of Raised Bill 6497, “An Act Creating Jobs By Enhancing Connecticut’s Corporate And Security Laws.”

Secretary Merrill favors the provisions of this bill that codify the Model Entity Transactions Act, or META, which are the provisions ranging from Section 2 through Section 59.

The Model Entity Transactions Act can be viewed as a junction box statute that will permit different entity types to convert or merge into one another or to engage in interest exchanges among each other. An entity might enter the junction box as an LLC and emerge as a Limited Partnership, for example.

With few exceptions, entities have not had the ability to convert form under Connecticut law, so this bill will afford new flexibility to allow commerce to flow more realistically in this modern era, where flux is the norm and transformation is valued.

In addition to allowing entities to transform and to exchange interest, this act will also permit the redomestication of business entities. Until now, only insurance companies could redomesticate to Connecticut. All other businesses

seeking to make our state their home had to dissolve in their previous jurisdiction and then reform under our law, robbing them of business continuity.

While this bill will permit additional transactions to occur, it will not change the basic nature of the entity statutes. Instead, it will stand alone and the provisions of each entity act will continue in full force and effect.

Also, there are carve-outs to respect current Connecticut policy. For example, under Connecticut law a nonstock corporation may not convert or merge into a stock corporation or other profit-oriented entity type.

This bill thoughtfully exempts nonstock corporations and nonprofit organizations from the conversion and interest exchange flexibility because that would not comport with Connecticut charitable organization regulation.

Other states permit some of the conversions and redomestications that META seeks to codify in Connecticut, but there are only three states in the union to date that permit all of the potential transactions under META.

By becoming an early adopter of META through the passage of Raised Bill 6497, businesses currently organized under the laws of other jurisdictions might view Connecticut as a state that affords the flexibility for them to transact according to their market needs. That could attract new business to our state, and we all know we could use that these days.

Further, without the ability to convert entities and perform META transactions, Connecticut businesses are often forced to redomesticate to Delaware or other states in order to accomplish conversions and interest exchanges. This may be driving businesses out of Connecticut, as well.

Secretary Merrill appreciates the efforts that the Connecticut Bar Association has made, particularly through its Business Law Section, to keep the agency apprised of this bill's content and implications. In fact, the Commercial Recording Division was afforded input into some of the draft language of the bill.

As one might expect, modifying our automated systems in the Commercial Recording Division to address the many new transactions that will become possible with the passage of this bill will not be inexpensive.



However, because the Bar Association has kept our office informed about these developments, we have been able to include adequate automation development funding in a tech upgrade bonding package that has already been submitted to the Committee on Finance, Revenue and Bonding. Assuming that bonding is granted, the Commercial Recording Division will have adequate funding to accommodate the provisions of this bill.

The Secretary has only one request regarding Raised Bill #6497:

Because it will require a great deal of software programming and application development to meet the many new transactions envisioned by this bill, the Secretary has sought the cooperation of the Bar Association in changing the effective date of the META provisions in the bill to January 1, 2014 instead of the October 1, 2011 effective date currently drafted into the raised bill.

It is my understanding that the Bar Association, as the chief proponent of the bill, has agreed to this request, so I ask that the Committee kindly amend the effective date in order to give us the opportunity to prepare for this substantial transition.

Once again, I thank the Bar Association for its collaborative approach and cooperation, I thank the Committee for your attention. Secretary Merrill and I respectfully urge this bill's passage with an amended effective date of January 1, 2014.

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**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2011**

**VOL.54  
PART 24  
7913 – 8263**

Mr. Clerk, please announce the tally.

THE CLERK:

House Bill 6585 as amended by House "A."

Total number voting 144

Necessary for passage 73

Those voting yea 95

Those voting nay 49

Those absent and not voting 7.

DEPUTY SPEAKER RYAN:

The Bill as amended is passed.

Are there any announcements or points of personal privilege? Any announcements or points of personal privilege?

If not, will the Clerk please call Calendar Number 198.

THE CLERK:

On page 41, Calendar 198, Substitute for House Bill Number 6497, AN ACT CREATING JOBS BY ENHANCING CONNECTICUT'S CORPORATE AND SECURITIES LAWS, Favorable Reported, the Committee on Appropriations.

DEPUTY SPEAKER RYAN:

The distinguished Representative Tong, Chairman of the Banks Committee.

REP. TONG (147th):

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Good afternoon, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Good afternoon.

REP. TONG (147th):

I move acceptance of the Joint Committee's  
Favorable Report and passage of the bill.

DEPUTY SPEAKER RYAN:

The question is upon acceptance of the Joint  
Committee's Favorable Report and passage of the bill.  
Will you remark? Representative Tong.

REP. TONG (147th):

Yes. Thank you, Mr. Speaker. This bill is an  
important step forward for our start up businesses  
and our fledgling, new, innovative businesses here in  
Connecticut.

What it does is it adopts a national model, the  
Model Entity Transaction Act, which functions as a  
legal junction box so that companies can change their  
corporate forms more readily and more quickly and  
they don't have to spend time and money making the  
change from an LLC to a corporation or back to a  
partnership.

This is important because when our startups in  
this state, particularly those tied to UConn or those

down in my neck of the woods, they'll often begin as a sole proprietorship or they'll start as an LLC and at some point they'll welcome venture capital or other investment capital.

At that point it becomes important to consider another corporate form. So instead of slowing down that process and making it cumbersome, this eases that process by allowing these companies to file a plan of conversion or change with the Secretary of State and to allow them to make that change. Other states like Delaware do it now. And unfortunately, we're losing companies to places like Delaware because it's easier to get this done in those jurisdictions.

It also allows companies that have a Connecticut tie to merge with a foreign entity, something incorporated in another state and to create a Connecticut entity and thereby domesticate their headquarters or business operations here in Connecticut.

The Clerk has an amendment, LCO Number 7195. I ask that the Clerk please call the amendment and I be allowed to summarize.

DEPUTY SPEAKER RYAN:

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Will the Clerk please call LCO 7195, which will be designated House Amendment Schedule "A."

THE CLERK:

LCO Number 7195, House "A" offered by  
Representatives Tong and Alberts.

DEPUTY SPEAKER RYAN:

The Representative seeks leave of the Chamber to summarize the amendment. Is there objection to summarization? Is there objection? Hearing none, Representative Tong, you may proceed with summarization.

REP. TONG (147th):

Thank you, Mr. Speaker. This amendment simply changes the effective date of this change to January 1st, 2014, to give the Secretary of the State time to incorporate these changes into her operations, particularly with respect to registrations of companies. I move adoption.

DEPUTY SPEAKER RYAN:

The question before the Chamber is adoption of House Amendment Schedule "A." Will you remark further on the amendment? Representative Tong. Representative Alberts of the 50th.

REP. ALBERTS (50th):

Thank you, Mr. Speaker. As these are very complex regulation changes that we're contemplating, this time line is important. I urge passage of the amendment. Thank you.

DEPUTY SPEAKER RYAN:

Thank you, sir. Further comments on the amendment before us? Representative Sawyer of the 55th.

REP. SAWYER (55th):

Thank you. A question, through you, to the proponent of the amendment.

DEPUTY SPEAKER RYAN:

Please proceed, ma'am.

REP. SAWYER (55th):

Thank you, sir. Representative, in looking at this it's a two year -- two-and-a-half-year look ahead. And I was surprised when you said it was going to take that long for the Secretary of State office to be able to put this into place. Does that have anything to do with the expectation that she's going to be -- I shouldn't say she -- the office is going to be changing a lot of their systems over? Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

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Representative Tong.

REP. TONG (147th):

Yes, that is correct. Through you.

DEPUTY SPEAKER RYAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker. And through you, is there any way that a company could get a waiver or something similar to that to be able to do this sooner? Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Tong.

REP. TONG (147th):

Through you. I'd be happy to work with the gentlelady on legislation or sitting down with the Secretary of State to try to make that happen. But there's nothing in this bill to provide for such a waiver. Through you.

DEPUTY SPEAKER RYAN:

Representative Sawyers.

REP. SAWYER (55th):

And I thank the gentleman for his answer because as he carefully stated, we have a situation in Connecticut where we would like to be proponents of



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bringing other companies to come in and to allow them to work with these other corporations that have foreign backgrounds and have relationships with other states. So it would be great if we could do that, perhaps next year, to find some way that there is a temporary waiver until this law goes into place.

Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Thank you, Representative.

Will you remark further? Will you remark further on the amendment before us?

If not, I will try your minds. All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER RYAN:

Opposed, nay.

The ayes have it and the amendment is adopted.

Will you remark further on the bill as amended?

Will you remark further on the bill as amended?

Representative Alberts of the 50th.

REP. ALBERTS (50th):

Thank you, Mr. Speaker. If I may, one question to the proponent of the bill, now amended.

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DEPUTY SPEAKER RYAN:

Please proceed, sir.

REP. ALBERTS (50th):

Thank you, Mr. Speaker. And by the way, good morning -- good afternoon. We snuck (sic) into afternoon when I wasn't looking.

Through you, Mr. Speaker, is it correct according to the fiscal note that we have here that the estimated cost to implement this through the Secretary of State's office would be about a million dollars? Through you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Representative Tong.

REP. TONG (147th):

That is correct. Through you.

DEPUTY SPEAKER RYAN:

Representative Alberts.

REP. ALBERTS (50th):

Thank you, Mr. Speaker. And I thank the gentleman for his answer and for his work on this. We believe it's a very worthwhile initiative. As this bill made its way through the Banks Committee we heard very favorable commentary from the Connecticut

Banking Association, the Connecticut Bar Association and the Secretary of State's office.

In fact, I was very thankful for the Secretary of State's comments on this legislation and if I may, a very short quote from the Secretary of State. Her remarks on this bill now amended would be that this bill, quote, could attract new business to our state and we all know we could use that these days, unquote.

So with that in mind, I urge my colleagues to support this bill. Thank you, Mr. Speaker.

DEPUTY SPEAKER RYAN:

Will you remark further on the bill as amended?  
Will you remark further on the bill as amended?

If not, will staff and guests please come to the Well of the House. Will the Members please take your seats and 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, please.

DEPUTY SPEAKER RYAN:

Have all members voted including the people from Waterbury -- from Middletown? Have all members

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voted? Will the members please check the board to determine if the vote is properly cast. If all members have voted, the machine will be locked and the Clerk will take a tally.

Representative Schofield, for what purpose do you rise?

REP. SCHOFIELD (16th):

(Inaudible) in the affirmative.

DEPUTY SPEAKER RYAN:

I believe you said you're in the affirmative.

REP. SCHOFIELD (16th):

Yes, thank you.

DEPUTY SPEAKER RYAN:

Representative Schofield in the affirmative.

Will the Clerk please announce the tally.

THE CLERK:

House Bill 6497 as amended by House "A."

Total number voting	144
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Necessary for passage	73
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Those voting yea	144
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Those voting nay	0
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Those absent and not voting	7.
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DEPUTY SPEAKER RYAN:

The Bill as amended is passed.

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**CONNECTICUT  
GENERAL ASSEMBLY  
SENATE**

**PROCEEDINGS  
2011**

**VOL. 54  
PART 22  
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SENATOR LOONEY:

Thank you, Madam President.

Also Calendar page 23, Calendar 659, House Bill is 5489; Madam President, move to place this item on the Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

A final item on Calendar page 23, Calendar 655, House Bill 6497; Madam President, move to place the item on the Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Moving to Calendar page 24, Calendar 660, House Bill 6449; Madam President, move to place the item on the Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. Immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

Madam President, the items placed on the first Consent Calendar begin on Calendar page 10, Calendar Number 478, House Bill 6488; Calendar 480, House Bill 5256.

Calendar page 11, Calendar 513, substitute for House Bill 6557.

Calendar page 12, Calendar Number 535, substitute for House Bill 6226; Calendar 555, House Bill 6259.

Calendar page 13, Calendar 560, substitute for House Bill 5368; Calendar 567, substitute for House Bill 6157.

Calendar page 14, Calendar 574, substitute for House Bill 6410; Calendar 578, House Bill 6156.

Calendar page 15, Calendar 591, House Bill 6263; Calendar 594, substitute for House Bill 5508; Calendar 595, substitute for House Bill 62 -- 5263.

Calendar page 16, Calendar Number 606, substitute for House Bill 6581; Calendar 609, substitute for House Bill 6501.

Calendar page 17, Calendar 610, substitute for House Bill 6224; Calendar 613, substitute for House Bill 6453.

Calendar page 18, Calendar 614, substitute for House Bill 5068; Calendar 628, substitute for House Bill 5008; Calendars 633, House Bill 6489.

Calendar page 19, Calendar 635, substitute for House Bill 6351; Calendar 640, House Bills, 6559.

Calendar page 20, Calendar 642; House Bill 6595.

Calendar page 21, Calendar 645, substitute for House Bill 6267; Calendar 648, substitute for House Bill 5326; Calendar 650, substitute for House Bill 6344.

Calendar page 22, Calendar 651, substitute for House Bill 6540.

Calendar page 23, Calendar Number 655, substitute for House Bill 6497; Calendar 657, substitute for House Bill 6262; Calendar 658, House Bill 6364; Calendar 659, House Bill 5489.

Calendar page 24, Calendar 660, substitute for House Bill 6449.

Calendar page 36 -- correction -- Calendar page 33, Calendar Number 390, substitute for Senate Bill 1181.



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Calendar page 36, Calendar Number 481, House Bill  
5472.

Calendar page 37, Calendar Number 584, substitute  
for House Joint Resolution Number 34; Calendar 585,  
substitute for House Joint Resolution Number 54;  
Calendar 586, House Joint Resolution Number 65,  
Calendar 587, House Joint Resolution Number 66.

Calendar page 38, Calendar 588, House Joint  
Resolution Number 80; Calendar 589, House Joint  
Resolution Number 63; Calendar 590, House Joint  
Resolution Number 35; Calendar 620, substitute for  
House Joint Resolution Number 45.

Calendar page 39, Calendar Number 621, substitute  
for House Joint Resolution Number 47; Calendar 622,  
House Joint Resolution Number 68; Calendar 623,  
substitute for House Joint Resolution Number 69;  
Calendar 624, substitute for House Joint Resolution  
Number 73.

Calendar page 40, Calendar 625, substitute for  
House Joint Resolution Number 81; Calendar 626, House  
Joint Resolution Number 84.

Madam President, I believe that completes the  
items placed on Consent Calendar Number 1.

THE CHAIR:

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Thank you.

SENATOR LOONEY:

Thank you, Madam President.

THE CHAIR:

Mr. Clerk, please call for a roll call vote, and the machine will be open.

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 call on the Consent Calendar. Will all Senators please return to the Chamber.

THE CHAIR:

Senator Gomes?

If all members have voted; all members have voted? The machine shall be locked.

And, Mr. Clerk, will you please call the tally.

THE CLERK:

Motion is on adoption of Consent Calendar  
Number 1.

Total number voting	36
Those voting Yea	36
Those voting Nay	0

Those absent and not voting 0

THE CHAIR:

Consent Calendar passes.

The Senate will stand at ease for a moment.

(Chamber at ease.)

SENATOR LOONEY:

Madam President?

THE CHAIR:

Yes, Senator.

The Senate will come to order.

SENATOR LOONEY:

Yes. Madam President, the Clerk is in possession of Senate Agenda Number 5 for today's session.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Madam President, the Clerk is in possession of Senate Agenda Number 5, dated Wednesday, June 8, 2011.

Copies have been made available.

THE CHAIR:

Senator Looney.