



DENISE W. MERRILL

SECRETARY OF THE STATE
CONNECTICUT

TESTIMONY OF SECRETARY OF THE STATE DENISE MERRILL ON HOUSE BILL 5466, "AN ACT CONCERNING SOCIAL ENTERPRISE BUSINESSES"

COMMERCE COMMITTEE

MARCH 15, 2011

Senator LeBeau, Representative Berger and members of the Commerce Committee, good morning. For the record, I am Denise Merrill, Secretary of the State of Connecticut. Thank you for the opportunity to testify.

Today I am testifying on House Bill 5466, "An Act Concerning Social Enterprise Businesses."

I would like to take a moment to commend Representative Haddad, my successor in the House of Representatives, for introducing this bill and the concept of social enterprise businesses. Our office has been contacted by proponents of social enterprise businesses over the past year, and I believe this is a promising concept. It could provide a meaningful alternative for those who wish to promote a social benefit while making a profit within our free enterprise system.

My substantive testimony today is limited to the role of the secretary of the state as the chief business registrar. I would like the committee to know that the Commercial Recording Division of the Office of the Secretary of the State, provided a social enterprise or similar bill is drafted appropriately, could adjust its systems to accommodate the filings for social enterprise businesses. We do not anticipate, at least at the outset, that there would be a large number of filings. Additionally, thanks to bonding approved last year, we are in the midst of making significant upgrades to our electronic commercial recording system known as CONCORD. We are also preparing to implement the Model Entity Transactions Act (META). Therefore, since the system is being reviewed and improved as we speak, it is a good time to add additional functions like the filings anticipated in this bill.

I would ask that the effective date of any bill give us a six month or so window to accommodate the required changes.

Finally, I would like you to know that my legal staff from the Commercial Recording Division is available to help work out the details with you and legislative counsel as the drafting process continues.

Thank you.