



General Assembly

Substitute Bill No. 5513

February Session, 2014



AN ACT CONCERNING THE MODERNIZATION OF CONNECTICUT CORPORATION LAW.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2014*) (a) There is established a
2 Commission on Connecticut's Leadership in Corporation and Business
3 Law, which shall be part of the Legislative Department.

4 (b) The commission shall consist of:

5 (1) The chairperson of the business law section of the Connecticut
6 Bar Association;

7 (2) The Commissioner of Economic and Community Development,
8 or a designee;

9 (3) The Chief Court Administrator, or a designee;

10 (4) The chairpersons of the joint standing committee of the General
11 Assembly having cognizance of matters relating to banks, or their
12 designees chosen from among the members of such committee;

13 (5) The chairpersons of the joint standing committee of the General
14 Assembly having cognizance of matters relating to the judiciary, or
15 their designees chosen from among the members of such committee;

16 (6) The chairpersons of the joint standing committee of the General

17 Assembly having cognizance of matters relating to commerce, or their
18 designees chosen from among the members of such committee;

19 (7) Six members appointed one each by the president pro tempore
20 of the Senate, the speaker of the House of Representatives, the majority
21 leader of the Senate, the majority leader of the House of
22 Representatives, the minority leader of the Senate and the minority
23 leader of the House of Representatives; and

24 (8) Two members appointed by the Governor.

25 (b) The members of the commission shall elect a chairperson of the
26 commission from among its members. The commission shall meet at
27 such times as it deems necessary.

28 (c) The commission shall:

29 (1) Develop and recommend policies to establish the state as a
30 leading and highly desirable jurisdiction in which to organize a
31 business entity and to adjudicate matters related to corporation and
32 business law;

33 (2) Develop and recommend policies to attract, encourage and
34 retain business entities that organize under Connecticut law and
35 establish their headquarters and significant business operations in
36 Connecticut;

37 (3) Examine the impact of statutory provisions and the common law
38 in this state, the state of Delaware and other states on business
39 formation and retention in this state and recommend legislation or
40 other changes to the Governor and the General Assembly to encourage
41 business entities to organize under Connecticut law, and to increase
42 and accelerate the rate and number of business entities that are
43 organized under Connecticut law, including, but not limited to:

44 (A) The impact of the Connecticut Business Corporation Act, section
45 33-600, et seq., of the general statutes;

46 (B) The impact of state business taxes, including, but not limited to,
47 the franchise tax and the corporation business tax;

48 (C) The impact of the Judicial Branch on business operations,
49 including, but not limited to, the rules of the Superior Court, statutory
50 provisions concerning civil procedure and the complex litigation
51 docket, and the composition of the Judicial Branch in general;

52 (D) The impact of the office of the Secretary of the State and the
53 state's procedures concerning business formation and filing, including,
54 but not limited to, the state's electronic and accelerated formation and
55 filing capabilities; and

56 (E) The impact of the Delaware General Corporation Law, title 8 of
57 the Delaware Code, the Delaware Court of Chancery, and other
58 statutory and administrative provisions in Delaware law on the
59 economy and economic development in the state of Delaware, and on
60 adjudication of corporate and business disputes in Connecticut courts;

61 (4) Develop and recommend policies to establish the Business
62 Organizations and Transactions Court, in accordance with section 2 of
63 this act, with exclusive jurisdiction over all matters concerning
64 business formation, shareholders, stock and securities, and business
65 transactions involving the transfer of ownership interests; and

66 (5) Develop and recommend policies to assist the Secretary of the
67 State to develop best-in-the-nation business services and support,
68 including, but not limited to, a state-of-the-art business formation and
69 filing system that enables accelerated access to business services
70 twenty-four hours a day.

71 (d) The commission shall develop and submit to the General
72 Assembly, not later than October 1, 2015, a ten-year plan of action to
73 establish Connecticut's leadership in corporation and business
74 organizations law, and to attract, encourage and retain business
75 entities that organize under Connecticut law and establish their
76 headquarters and significant business operations in Connecticut.

77 Sec. 2. (NEW) (*Effective October 1, 2014*) (a) As used in this section,
78 "corporation law case" means any case arising from a claim made
79 under title 33, 34, 35 or 36b of the general statutes and all other matters
80 concerning business formation, shareholders, stock and securities and
81 business transactions involving the transfer of ownership interests.

82 (b) The Chief Court Administrator shall establish in not less than
83 three judicial districts a docket separate from other civil matters for the
84 hearing and expedited resolution of corporation law cases, which shall
85 be known as the Business Organizations and Transactions Court.

86 (c) The Governor shall appoint, on an as-needed basis, judges to the
87 Business Organizations and Transactions Court with demonstrated
88 experience and expertise in corporate and business law in the state.

89 (d) The Chief Court Administrator shall establish policies and
90 procedures to implement the provisions of this section. Such policies
91 and procedures shall include, but not be limited to, (1) an individual
92 calendar method of case management requiring a judge appointed
93 pursuant to subsection (c) of this section to preside over all aspects of
94 the litigation, including trial, (2) the use of discovery, pleading and
95 trial procedures designed to promote efficiencies, (3) the reduction in
96 the time period between filing and disposition of the case, and (4) the
97 creation of a consistent body of corporation law.

98 (e) Not later than January 1, 2015, the administrator shall submit a
99 report on such implementation, in accordance with section 11-4a of the
100 general statutes, to the joint standing committees of the General
101 Assembly having cognizance of matters relating to the judiciary and
102 banks.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	New section
Sec. 2	<i>October 1, 2014</i>	New section

Statement of Legislative Commissioners:

In section 2(d), "identified" was changed to "appointed" and "(b)" was changed to "(c)" for clarity.

BA *Joint Favorable Subst. -LCO*