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SECRETARY OF THE STATE
CONNECTICUT

In Support of Raised HB 5259

AAC the Adoption of the Connecticut Uniform Limited Liability Company Act ("CULLCA")

Thank you for the opportunity to submit testimony about HB 5259: AAC the Adoption of the Connecticut Uniform Limited Liability Company Act, or "CULLCA." My office was given the opportunity to have input into its development and I offer testimony in support of the legislation.

It is important to remember that modifying business entities in statute also requires adjustments in our online systems and CONCORD, our business database. We estimate that implementation of this legislation will cost roughly \$60,000 to adjust those systems.

The present CT LLC Act was enacted in 1993 and has remained in largely unchanged form since then. Meanwhile the law surrounding LLC's and the rights and obligations of LLC members has advanced to a great degree, rendering our law somewhat antiquated. The proposed act was adapted to suit Connecticut's needs from the 2013 Revised Uniform LLC Act that was drafted by the Uniform Law Commissioners.

The most important aspects of the new law are that it adds provisions that clarify the rights and obligations of the members and managers of LLC's while adopting a more user friendly format and language that is accessible to entrepreneurs.

And, like the present LLC Act, the new Act will operate as a set of default rules for LLC's that form without the aid of counsel and without a written Operating Agreement. At the same time, adoption of this Uniform Act will enable our courts to benefit from the experience of courts in other uniform jurisdictions.

I offer the assistance of my agency in answering any questions you may have. Thank you.