
OLR Bill Analysis

HB 5505

AN ACT PROMOTING THE EXPEDITIOUS RESOLUTION OF COMMERCIAL CASES IN THE STATE.

SUMMARY

This bill requires the chief court administrator to establish, within available resources, a special court session known as the Connecticut Center for Commercial Claims. The center must handle certain commercial cases involving claims of more than \$500,000 that the parties agree to transfer to it.

The bill establishes procedures for the chief court administrator, or his designee, and the parties to choose a presiding judge or judge trial referee for each case. It also requires judges to adopt rules to govern the center's procedures, and the administrator or his designee to report to the Judiciary Committee by January 1, 2019, on the center's establishment.

EFFECTIVE DATE: July 1, 2018, except the reporting requirement is effective upon passage.

CONNECTICUT CENTER FOR COMMERCIAL CLAIMS

Jurisdiction

Under the bill, the center must handle civil commercial cases involving claims for money damages of more than \$500,000 with a principal claim involving the following:

1. breach of contract or fiduciary duty, fraud, misrepresentation, a business-related tort (such as unfair competition), or statutory or common law claims relating to business dealings, including (a) sales of assets or securities; (b) corporate restructuring; (c) partnership, shareholder, joint venture, and other business agreements; (d) trade secrets; (e) restrictive covenants; and (f) employment agreements, other than claims principally alleging

discrimination;

2. transactions governed by the Uniform Commercial Code or involving commercial real property;
3. shareholder derivative or commercial class actions;
4. business transactions involving dealings with financial institutions;
5. a business organization's internal affairs;
6. accountant or actuary malpractice or legal malpractice related to representation in commercial matters;
7. environmental insurance coverage;
8. commercial insurance coverage, including coverage for directors and officers, errors and omissions, or business interruptions; and
9. dissolution of corporations, partnerships, limited liability companies, limited liability partnerships, or joint ventures.

Transfer and Fees

The bill allows the parties to a commercial case described above to submit a written agreement to the chief court administrator, or his designee, to transfer the case to the center's docket. If the case is transferred, a party must pay a daily fee of \$25 per party for each day the case is pending on the center's docket, from the day the case is transferred until judgment is entered or the case is transferred back to the regular court docket. The chief court administrator, or his designee, must transfer the collected fees to the organization administering the interest on lawyers' trust accounts (IOLTA) program to fund legal services to the poor.

Selecting a Presiding Judge or Judge Trial Referee

Within three days after transferring a case to the center, the chief court administrator, or his designee, must provide the parties with a

written list of at least 30 judges or judge trial referees (judges age 70 or older who continue to serve in a limited capacity) available to preside over the case for its duration. The parties then have two weeks to give the center a written list of three judges or judge trial referees that they jointly select. The chief court administrator, or his designee, must choose one of these judges or referees to preside. If none of the three are available, the parties must have an opportunity to jointly select another mutually agreed upon judge or referee.

If the parties do not timely submit a list of names or cannot agree, the chief court administrator, or his designee, must select someone from the original list of judges and referees.

Rules

The bill requires the Supreme, Appellate, and Superior Court judges to adopt procedural rules and forms that simplify the proceedings transferred to the center and promote the speedy and efficient determination of commercial cases on the merits. The bill prohibits the rules from changing the courts' jurisdiction. The rules (1) are effective 60 days after adoption or a later date set by the judges and (2) may be modified or repealed by the judges.

The rules must do the following:

1. provide an accelerated adjudication process;
2. address pretrial proceedings, discovery, and motions;
3. include a mandatory one-day mediation session with a special master, chosen by the chief court administrator, who must be a judge, judge trial referee, or attorney with expertise in commercial cases;
4. require decisions on dispositive motions within 30 days after they are heard; and
5. ensure that cases are ready for trial within nine months after transfer to the center.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable

Yea 38 Nay 2 (04/02/2018)