



House of Representatives

General Assembly

File No. 568

February Session, 2018

House Bill No. 5513

House of Representatives, April 18, 2018

The Committee on Judiciary reported through REP. TONG of the 147th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING CHOICE OF LAW.

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

1 Section 1. (NEW) (*Effective October 1, 2018*) (a) Notwithstanding the
2 provisions of section 42a-1-301 of the general statutes, the parties to
3 any contract, agreement or undertaking, contingent or otherwise, in
4 consideration of, or relating to any obligation arising out of a
5 transaction with a value in the aggregate of not less than two hundred
6 fifty thousand dollars, may agree that the law of this state shall govern
7 their rights and duties in whole or in part, whether or not such
8 contract, agreement or undertaking bears a reasonable relation to this
9 state.

10 (b) Subsection (a) of this section shall not apply to any contract,
11 agreement or undertaking (1) for labor or personal services; or (2)
12 relating to any transaction for personal, family or household services.

13 (c) This section shall not be construed to limit or deny the
14 enforcement of any provision respecting choice of law in any other

15 contract, agreement or undertaking.

16 Sec. 2. (NEW) (*Effective October 1, 2018*) (a) Notwithstanding any
 17 provision of the general statutes that limits or affects the right of a
 18 person to maintain an action or proceeding, any person may maintain
 19 an action or proceeding against a foreign juridical entity, nonresident,
 20 or foreign state where the action or proceeding arises out of or relates
 21 to any contract, agreement or undertaking for which a choice of the
 22 law of this state has been made, in whole or in part, pursuant to the
 23 provisions of section 1 of this act and which (1) is a contract, agreement
 24 or undertaking, contingent or otherwise, in consideration of, or
 25 relating to any obligation arising out of a transaction with a value in
 26 the aggregate of not less than five hundred thousand dollars, and (2)
 27 contains a provision or provisions whereby such foreign juridical
 28 entity or nonresident agrees to submit to the jurisdiction of the courts
 29 of this state.

30 (b) This section shall be not be construed to affect the enforcement
 31 of any provision respecting choice of forum in any other contract,
 32 agreement or undertaking.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	New section
Sec. 2	<i>October 1, 2018</i>	New section

JUD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill makes clarifying changes to rules that govern certain contracts and does not result in a fiscal impact to the state or municipalities.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 5513*****AN ACT CONCERNING CHOICE OF LAW.*****SUMMARY**

This bill specifically allows parties to certain contracts, agreements, or undertakings to agree that Connecticut law must govern their rights and duties in whole or in part, whether or not the contract, agreement, or undertaking bears a reasonable relation to Connecticut.

Under the bill, this applies to contracts, agreements, or undertakings, contingent or otherwise, in consideration of, or relating to transactions with an aggregate value of at least \$250,000. It does not apply to contracts, agreements, or undertakings (1) for labor or personal services or (2) relating to transactions for personal, family, or household services.

The bill also gives Connecticut courts jurisdiction to determine disputes arising out of a transaction with an aggregate value of at least \$500,000 if the parties have selected Connecticut law to govern their transaction and agree to submit to Connecticut's jurisdiction.

The bill specifies that its provisions must not be construed to limit or deny the enforcement of choice of law or forum provisions in any other contract, agreement, or undertaking.

EFFECTIVE DATE: October 1, 2018

COMMITTEE ACTION

Judiciary Committee

Joint Favorable

Yea 36 Nay 3 (04/02/2018)