



Senate

General Assembly

File No. 800

January Session, 2019

Senate Bill No. 1083

Senate, April 25, 2019

The Committee on Judiciary reported through SEN. WINFIELD of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT IMPROVING THE INTEGRITY OF THE CONNECTICUT BUSINESS REGISTRY.

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

1 Section 1. Section 33-953 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2020*):

3 (a) Each domestic corporation, except banks, trust companies,
4 insurance or surety companies, savings and loan associations and
5 public service companies, as defined in section 16-1, and each foreign
6 corporation authorized to transact business in this state, shall file an
7 annual report with the Secretary of the State as prescribed in this
8 section.

9 (b) The first annual report of a domestic corporation formed prior to
10 January 1, 2020, shall be filed not later than two years after the date on
11 which the corporation filed its certificate of incorporation. The first
12 annual report of a corporation formed on or after January 1, 2020, shall
13 be filed [within thirty days after its organization meeting] not later

14 than ninety days after the date on which such corporation filed its
15 certificate of incorporation. Subsequent annual reports of [such] a
16 domestic corporation and annual reports of each foreign corporation
17 authorized to transact business in this state shall be filed by electronic
18 transmission [at such times as may be provided by regulations
19 adopted by the Secretary of the State in accordance with chapter 54,
20 provided the Secretary of the State may require any corporation to file
21 an annual report according to reporting schedules established by the
22 Secretary so as to effect staggered filing of all such reports] on the
23 anniversary date of the filing of the first annual report. Upon request
24 of a corporation, the Secretary of the State may grant an exemption
25 from the requirement to file an annual report by electronic
26 transmission if the corporation does not have the capability to file by
27 electronic transmission or make payment in an authorized manner by
28 electronic means or if other good cause is shown.

29 (c) Each annual report shall set forth: [as of a date which complies
30 with subsection (d) of this section and which is specified in such
31 report:] (1) The name of the corporation; (2) the principal office of the
32 corporation or, in the case of a foreign corporation (A) the address of
33 the principal office of the foreign corporation in the state under the
34 laws of which it is incorporated, (B) the address of the executive offices
35 of the foreign corporation, and (C) the address of the principal office of
36 the foreign corporation in this state, if any; (3) the electronic mail
37 address, if any, of the corporation; [and] (4) the name and address of
38 the registered agent; (5) the names and respective business and
39 residence addresses of the directors and officers of the corporation,
40 except that if good cause is shown, the Secretary of the State may
41 accept business addresses in lieu of business and residence addresses
42 of the directors and officers of the corporation; and (6) such additional
43 information, including the North American Industry Classification
44 System Code, that the Secretary deems pertinent for determining the
45 principal purpose of the corporation. For the purposes of this
46 subsection, a showing of good cause shall include, but not be limited
47 to, a showing that public disclosure of the residence addresses of the
48 corporation's directors and officers may expose the personal security of

49 such directors and officers to significant risk.

50 [(d) The date specified in the annual report pursuant to subsection
51 (c) of this section shall (1) not be later than the date of filing the report,
52 and (2) not be earlier than the latest date preceding the date of filing on
53 which any change of circumstances occurred which would affect the
54 statements of fact required in the report.]

55 [(e)] (d) Each annual report shall be accompanied by the required
56 filing fee. The report shall be executed as set forth in section 33-608.
57 The Secretary of the State shall deliver to each domestic corporation at
58 its principal office or electronic mail address, as shown by [his] the
59 Secretary's records, and to each foreign corporation authorized to
60 transact business in this state at its executive offices or electronic mail
61 address, as last shown by [his] the Secretary's records, notice that the
62 annual report is due, but failure to receive such notice shall not relieve
63 a corporation of the requirement of filing the report as provided in this
64 section.

65 Sec. 2. Section 33-1243 of the general statutes is repealed and the
66 following is substituted in lieu thereof (*Effective January 1, 2020*):

67 (a) Each domestic corporation, except banks, trust companies,
68 insurance or surety companies, savings and loan associations, credit
69 unions, public service companies, as defined in section 16-1, cemetery
70 associations and incorporated church or religious corporations, and
71 each foreign corporation authorized to conduct affairs in this state, and
72 except corporations formed before January 1, 1961, which under the
73 law in effect on December 31, 1960, were not required to file an annual
74 report, shall file an annual report with the Secretary of the State as
75 prescribed in this section.

76 (b) The first annual report of a domestic corporation formed prior to
77 January 1, 2020, shall be filed not later than two years after the date on
78 which the corporation filed its certificate of incorporation. The first
79 annual report of a corporation formed on or after January 1, 2020, shall
80 be filed [within thirty days after its organization meeting] not later

81 than ninety days after the date on which such corporation filed its
82 certificate of incorporation. Subsequent annual reports of [such] a
83 domestic corporation and annual reports of each foreign corporation
84 authorized to conduct affairs in this state shall be filed by electronic
85 transmission [at such times as may be provided by regulations
86 adopted by the Secretary of the State in accordance with chapter 54,
87 provided the Secretary of the State may require any corporation to file
88 an annual report according to reporting schedules established by the
89 Secretary so as to effect staggered filing of all such reports] on the
90 anniversary date of the filing of the first annual report. Upon request
91 of a corporation, the Secretary of the State may grant an exemption
92 from the requirement to file an annual report by electronic
93 transmission if the corporation does not have the capability to file by
94 electronic transmission or make payment in an authorized manner by
95 electronic means or if other good cause is shown.

96 (c) Each annual report shall set forth: [as of a date which complies
97 with subsection (d) of this section and which is specified in such
98 report:] (1) The name of the corporation and, in the case of a foreign
99 corporation, the state under the laws of which it is incorporated; (2) the
100 principal office of the corporation or, in the case of a foreign
101 corporation (A) the address of the principal office of the foreign
102 corporation in the state under the laws of which it is incorporated, (B)
103 the address of the executive offices of the foreign corporation, and (C)
104 the address of the principal office of the foreign corporation in this
105 state, if any; (3) the electronic mail address, if any, of the corporation;
106 [and] (4) the name and address of the registered agent; (5) the names
107 and respective business and residence addresses of the directors and
108 officers of the corporation, except that if good cause is shown, the
109 Secretary of the State may accept business addresses in lieu of business
110 and residence addresses of the directors and officers of the
111 corporation; and (6) such additional information, including the North
112 American Industry Classification System Code, that the Secretary
113 deems pertinent for determining the principal purpose of the
114 corporation. For the purposes of this subsection, a showing of good
115 cause shall include, but not be limited to, a showing that public

116 disclosure of the residence addresses of the corporation's directors and
117 officers may expose the personal security of such directors and officers
118 to significant risk.

119 [(d) The date specified in the annual report pursuant to subsection
120 (c) of this section shall (1) not be later than the date of filing the report,
121 and (2) not be earlier than the latest date preceding the date of filing on
122 which any change of circumstances occurred which would affect the
123 statements of fact required in the report.]

124 [(e)] (d) Each annual report shall be accompanied by the required
125 filing fee. The report shall be executed as set forth in section 33-1004.
126 The Secretary of the State shall deliver to each domestic corporation at
127 its principal office or electronic mail address, as shown by [his] the
128 Secretary's records, and to each foreign corporation authorized to
129 conduct affairs in this state at its executive offices or electronic mail
130 address, as last shown by [his] the Secretary's records, notice that the
131 annual report is due, but failure to receive such notice shall not relieve
132 a corporation of the requirement of filing the report as provided in this
133 section.

134 Sec. 3. Subsection (a) of section 34-247k of the general statutes is
135 repealed and the following is substituted in lieu thereof (*Effective*
136 *January 1, 2020*):

137 (a) A limited liability company or a registered foreign limited
138 liability company shall deliver to the Secretary of the State by
139 electronic transmission an annual report that states:

140 (1) The name of the company;

141 (2) The street address and mailing address of its principal office;

142 (3) The name, business address and residence address of at least one
143 member or manager, except that, if good cause is shown, the Secretary
144 of the State may accept a business address in lieu of business and
145 residence addresses of such manager or member. For purposes of this
146 [section] subdivision, a showing of good cause shall include, but not be

147 limited to, a showing that public disclosure of the residence address of
148 the manager or member of the limited liability company may expose
149 the personal security of such manager or member to significant risk;

150 (4) The name and address of the registered agent;

151 ~~[(4)]~~ (5) An electronic mail address where the Secretary of the State
152 can communicate with the company or its filing agent, if the company
153 or its filing agent maintains an electronic mail address; [and]

154 ~~[(5)]~~ (6) In the case of a foreign limited liability company, any
155 alternate name adopted under section 34-275e, its governing
156 jurisdiction and if the law of the governing jurisdiction requires the
157 company to maintain an office in that jurisdiction, the street and
158 mailing addresses of the required office; [.] and

159 (7) Such additional information, including the North American
160 Industry Classification System Code, that the Secretary deems
161 pertinent for determining the principal purpose of the limited liability
162 company.

163 Sec. 4. Subsection (b) of section 34-13e of the general statutes is
164 repealed and the following is substituted in lieu thereof (*Effective*
165 *January 1, 2020*):

166 (b) Each annual report shall set forth: (1) The name of the limited
167 partnership; (2) the address of the office of the limited partnership
168 required to be maintained by section 34-13b; [and] (3) the electronic
169 mail address, if any, of the limited partnership; (4) if applicable, the
170 name and address of the statutory agent; and (5) such additional
171 information, including the North American Industry Classification
172 System Code, that the Secretary deems pertinent for determining the
173 principal purpose of the limited partnership.

174 Sec. 5. Section 34-420 of the general statutes is repealed and the
175 following is substituted in lieu thereof (*Effective January 1, 2020*):

176 (a) Each registered limited liability partnership shall file an annual

177 report by electronic transmission with the Secretary of the State, which
178 report shall be due upon the anniversary of the filing of a certificate of
179 limited liability partnership pursuant to section 34-419. Upon request
180 of a registered limited liability partnership, the Secretary of the State
181 may grant an exemption from the requirement to file an annual report
182 by electronic transmission if the registered limited liability partnership
183 does not have the capability to file by electronic transmission or make
184 payment in an authorized manner by electronic means or if other good
185 cause is shown.

186 [(b) Such reporting requirement shall commence on or after January
187 1, 1997, and continue annually thereafter.]

188 [(c)] (b) Each annual report shall set forth: (1) The name of the
189 registered limited liability partnership; (2) the registered limited
190 liability partnership's current principal office address; [and] (3) the
191 electronic mail address, if any, of the registered limited liability
192 partnership; (4) the name and address of the registered agent; and (5)
193 such additional information, including the North American Industry
194 Classification System Code, that the Secretary deems pertinent for
195 determining the principal purpose of the limited liability partnership.

196 [(d)] (c) Each annual report shall be executed in accordance with
197 section 34-410 and be accompanied by the filing fee established in
198 section 34-413. The Secretary of the State shall deliver to each
199 registered limited liability partnership at its principal office or
200 electronic mail address, as shown on [his] the Secretary's records,
201 notice that the annual report is due, but failure to receive such notice
202 shall not relieve a registered limited liability partnership of the
203 requirement of filing the report as provided in this section.

204 Sec. 6. Section 34-431 of the general statutes is repealed and the
205 following is substituted in lieu thereof (*Effective January 1, 2020*):

206 (a) A foreign registered limited liability partnership authorized to
207 transact business in this state shall file an annual report by electronic
208 transmission with the office of the Secretary of the State which report

209 shall be due upon the anniversary of such foreign registered limited
210 liability partnership's certificate of authority pursuant to section 34-
211 429. Upon request of a foreign registered limited liability partnership,
212 the Secretary of the State may grant an exemption from the
213 requirement to file an annual report by electronic transmission if the
214 foreign registered limited liability partnership does not have the
215 capability to file by electronic transmission or make payment in an
216 authorized manner by electronic means or if other good cause is
217 shown.

218 [(b) Such reporting requirement shall commence on and after
219 January 1, 1997, and continue annually thereafter.]

220 [(c)] (b) Each annual report shall set forth: (1) The name of the
221 foreign registered limited liability partnership and, if different, the
222 name under which such foreign registered limited liability partnership
223 transacts business in this state; (2) the address of the office required to
224 be maintained in the state or other jurisdiction of the foreign registered
225 limited liability partnership's organization by the laws of that state or
226 jurisdiction or, if not so required, the address of its principal office;
227 [and] (3) the electronic mail address, if any, of the foreign registered
228 limited liability partnership; (4) the name and address of the statutory
229 agent; and (5) such additional information, including the North
230 American Industry Classification System Code, that the Secretary
231 deems pertinent for determining the principal purpose of the foreign
232 registered limited liability partnership.

233 [(d)] (c) Each annual report shall be executed in accordance with
234 section 34-410, and be accompanied by the filing fee established in
235 section 34-413. The Secretary of the State shall deliver to each foreign
236 registered limited liability partnership at its principal office or
237 electronic mail address, as shown on [his] the Secretary's records,
238 notice that the annual report is due, but failure to receive such notice
239 shall not relieve a foreign registered limited liability partnership of the
240 requirement of filing the report as provided in this section.

241 Sec. 7. Subsection (b) of section 34-267g of the general statutes is

242 repealed and the following is substituted in lieu thereof (*Effective*
243 *January 1, 2020*):

244 (b) Whenever it comes to the attention of the Secretary of the State
245 that a limited liability company is more than one year in default of
246 filing its annual report as required by section 34-247k, as amended by
247 this act, the Secretary of the State may notify such limited liability
248 company by [registered or certified] first class mail addressed to such
249 limited liability company at its principal office as last shown on [his]
250 the Secretary's records that, under the provisions of this section, the
251 limited liability company's rights and powers are prima facie forfeited.
252 Unless the limited liability company, within three months of the
253 mailing of such notice, files such annual report, the Secretary of the
254 State shall prepare and file in [his] the Secretary's office a certificate of
255 dissolution by forfeiture stating that the delinquent limited liability
256 company has been dissolved by forfeiture by reason of its default.

257 Sec. 8. Subsection (b) of section 33-890 of the general statutes is
258 repealed and the following is substituted in lieu thereof (*Effective*
259 *January 1, 2020*):

260 (b) Whenever any corporation is more than one year in default of
261 filing its annual report as required by section 33-953, as amended by
262 this act, the Secretary of the State may notify such corporation by
263 [registered or certified] first class mail addressed to such corporation at
264 its principal office as last shown on [his] the Secretary's records that
265 under the provisions of this section the corporation is to be
266 administratively dissolved. Unless the corporation, within three
267 months of the mailing of such notice, files such annual report, the
268 Secretary of the State shall prepare and file in [his] the Secretary's
269 office a certificate of administrative dissolution stating that the
270 delinquent corporation has been administratively dissolved by reason
271 of its default.

272 Sec. 9. Subsection (b) of section 33-1181 of the general statutes is
273 repealed and the following is substituted in lieu thereof (*Effective*
274 *January 1, 2020*):

275 (b) Whenever any corporation is more than two years in default of
276 filing its annual report as required by section 33-1243, as amended by
277 this act, the Secretary of the State may notify such corporation by
278 [registered or certified] first class mail addressed to such corporation at
279 its principal office as last shown on [his] the Secretary's records that
280 under the provisions of this section the corporation is to be
281 administratively dissolved. Unless the corporation, within three
282 months of the mailing of such notice, files such annual report, the
283 Secretary of the State shall prepare and file in [his] the Secretary's
284 office a certificate of administrative dissolution stating that the
285 delinquent corporation has been administratively dissolved by reason
286 of its default.

287 Sec. 10. Subsection (b) of section 34-32b of the general statutes is
288 repealed and the following is substituted in lieu thereof (*Effective*
289 *January 1, 2020*):

290 (b) Whenever any limited partnership is more than one year in
291 default of filing its annual report as required by section 34-13e, as
292 amended by this act, the Secretary of the State may notify such limited
293 partnership by [registered or certified] first class mail addressed to
294 such limited partnership at its address as last shown on [his] the
295 Secretary's records that under the provisions of this section the limited
296 partnership's rights and powers are prima facie forfeited. Unless the
297 limited partnership, within three months of the mailing of such notice,
298 files such annual report, the Secretary of the State shall prepare and file
299 in [his] the Secretary's office a certificate of cancellation by forfeiture
300 stating that the delinquent limited partnership's certificate has been
301 cancelled by forfeiture by reason of its default.

302 Sec. 11. Subsection (b) of section 34-422 of the general statutes is
303 repealed and the following is substituted in lieu thereof (*Effective*
304 *January 1, 2020*):

305 (b) Whenever any registered limited liability partnership is more
306 than one year in default of filing its annual report, the Secretary of the
307 State may notify such registered limited liability partnership by

308 [registered or certified] first class mail addressed to such registered
309 limited liability partnership at its principal office as last shown in the
310 records of said Secretary that under the provisions of this section the
311 registered limited liability partnership's status as a registered limited
312 liability partnership is to be revoked by reason of its default. Unless,
313 within three months after the mailing of such notice, the registered
314 limited liability partnership files a report made out and verified in all
315 respects as the annual report of such registered limited liability
316 partnership, the Secretary of the State shall prepare and file in the
317 office of said Secretary a certificate of revocation by forfeiture stating
318 that the status of the registered limited liability partnership as a
319 registered limited liability partnership has been revoked by reason of
320 its default. The status of a registered limited liability partnership,
321 including the liability of partners for debts, obligations and liabilities
322 of or chargeable to the partnership, is retained until expressly revoked
323 by the Secretary of the State. Revocation of the status of a registered
324 limited liability partnership shall not affect the status of [said] such
325 partnership or the liability of the partners thereof with regard to
326 events, acts or omissions occurring prior to the date of revocation.

327 Sec. 12. Subsection (b) of section 34-433 of the general statutes is
328 repealed and the following is substituted in lieu thereof (*Effective*
329 *January 1, 2020*):

330 (b) (1) Upon the happening of the events set out in subdivision (1) of
331 subsection (a) of this section, the Secretary of the State may revoke the
332 certificate of authority of such foreign registered limited liability
333 partnership to transact business in this state. (2) Upon determining to
334 revoke the certificate of authority of a foreign registered limited
335 liability partnership the Secretary of the State shall give not less than
336 thirty days' written notice to the foreign registered limited liability
337 partnership that said Secretary intends to revoke the certificate of
338 authority of such foreign registered limited liability partnership for
339 one of said causes, specifying the same. Such notice shall be given by
340 [registered or certified] first class mail addressed to the foreign
341 registered limited liability partnership at its address as last shown on

342 the records of the Secretary of the State. If, before expiration of the time
343 set forth in the notice, the foreign registered limited liability
344 partnership establishes to the satisfaction of the Secretary of the State
345 that the stated cause for the revocation of its certificate of authority did
346 not exist at the time the notice was mailed or, if it did exist at [said]
347 such time, has been cured, the Secretary of the State shall take no
348 further action. Otherwise, on the expiration of the time stated in the
349 notice, said Secretary shall revoke the certificate of authority of such
350 foreign registered limited liability partnership to transact business in
351 this state.

352 Sec. 13. Subsection (a) of section 35-1 of the general statutes is
353 repealed and the following is substituted in lieu thereof (*Effective July*
354 *1, 2019*):

355 (a) No person, except as provided in this subsection, shall conduct
356 or transact business in this state, under any assumed name, or under
357 any designation, name or style, corporate or otherwise, other than the
358 real name or names of the person or persons conducting or transacting
359 such business, unless there has been filed, in the office of the town
360 clerk in the town in which such business is or is to be conducted or
361 transacted, a certificate stating the name under which such business is
362 or is to be conducted or transacted and the full name and post-office
363 address of each person conducting or transacting such business or, in
364 the case of a corporation or limited liability company using such an
365 assumed name, its [full name and principal post-office address]
366 business name, business identification number and principal office
367 address as reflected on the records of the Secretary of the State. Such
368 certificate shall be executed by all of such persons or, in the case of a
369 corporation or limited liability company, by an authorized officer
370 thereof, and acknowledged before an authority qualified to administer
371 oaths. Each town clerk shall keep an alphabetical index of the names of
372 all persons filing such certificates and of all names or styles assumed as
373 provided in this subsection and, for the indexing and filing of each
374 such certificate, shall receive the statutory filing fee for documents
375 established in section 7-34a, to be paid by the person filing such

376 certificate. The Secretary of the State shall create an electronic system
377 to collect from each town clerk the trade name index information
378 required by this section. A town clerk shall be deemed to have
379 complied with the index information requirement set forth in this
380 subsection, if the Secretary determines that the index information
381 provided by such town clerk contains all active trade name records on
382 file with such clerk. A copy of any such certificate, certified by the
383 town clerk in whose office the same has been filed, shall be
384 presumptive evidence, in all courts in this state, of the facts contained
385 in such certificate. The provisions of this subsection shall not prevent
386 the lawful use of a partnership name or designation if such partnership
387 name or designation includes the true surname of at least one of the
388 persons composing such partnership. This subsection shall not apply
389 to: (1) Any limited partnership, as defined in section 34-9, provided
390 such limited partnership (A) has (i) filed a certificate as provided for in
391 section 34-10, or (ii) registered with the Secretary of the State as
392 provided in section 34-38g, and (B) conducts or transacts business
393 under the name stated in the certificate or registered with the Secretary
394 of the State, or (2) any limited liability company, as defined in section
395 34-243a, provided such limited liability company (A) has (i) filed
396 articles or a certificate of organization as provided for in sections 34-
397 243i and 34-247, or (ii) registered with the Secretary of the State as
398 provided in sections 34-243m, 34-275a and 34-275b, and (B) conducts
399 or transacts business under the name stated in the articles of
400 organization or registered with the Secretary of the State. Any person
401 conducting or transacting business in violation of the provisions of this
402 subsection shall be fined not more than five hundred dollars or
403 imprisoned not more than one year. Failure to comply with the
404 provisions of this subsection shall be deemed to be an unfair or
405 deceptive trade practice under subsection (a) of section 42-110b.

406 Sec. 14. Subsection (e) of section 52-57 of the general statutes is
407 repealed and the following is substituted in lieu thereof (*Effective July*
408 *1, 2019*):

409 (e) In actions against a voluntary association, service of process may

410 be made upon the presiding officer, secretary or treasurer. If all of such
411 officers are not residents of the state and the voluntary association is
412 doing business, acting or carrying out its operations or its functions
413 within the state, the voluntary association shall be deemed to have
414 appointed the Secretary of the State as its attorney and to have agreed
415 that any process in any civil action brought against it may be served
416 upon the Secretary of the State and that the process shall have the
417 same validity as if served personally upon the presiding officer,
418 secretary or treasurer of the voluntary association. The process shall be
419 served by any officer to whom the process is directed upon the
420 Secretary of the State by leaving with, or at the office of, the Secretary
421 of the State, at least twelve days before the return day of the process, a
422 true and attested copy thereof, and by sending to the defendant at its
423 last-known address by registered or certified mail, postage prepaid, a
424 like true and attested copy with an endorsement thereon of the service
425 upon the Secretary of the State. The officer serving the process upon
426 the Secretary of the State shall leave with the Secretary of the State, at
427 the time of service, a fee of [twenty-five] fifty dollars, which fee shall
428 be taxed in favor of the plaintiff in [his] the plaintiff's costs if [he] the
429 plaintiff prevails in the action. The Secretary of the State shall keep a
430 record of each such process and the day and hour of service.

431 Sec. 15. Subsection (c) of section 52-59b of the general statutes is
432 repealed and the following is substituted in lieu thereof (*Effective July*
433 *1, 2019*):

434 (c) Any nonresident individual, foreign partnership or foreign
435 voluntary association, or the executor or administrator of such
436 nonresident individual, foreign partnership or foreign voluntary
437 association, over whom a court may exercise personal jurisdiction, as
438 provided in subsection (a) of this section, shall be deemed to have
439 appointed the Secretary of the State as its attorney and to have agreed
440 that any process in any civil action brought against the nonresident
441 individual, foreign partnership or foreign voluntary association, or the
442 executor or administrator of such nonresident individual, foreign
443 partnership or foreign voluntary association, may be served upon the

444 Secretary of the State and shall have the same validity as if served
445 upon the nonresident individual, foreign partnership or foreign
446 voluntary association personally. The process shall be served by the
447 officer to whom the same is directed upon the Secretary of the State by
448 leaving with or at the office of the Secretary of the State, at least twelve
449 days before the return day of such process, a true and attested copy
450 thereof, and by sending to the defendant at the defendant's last-known
451 address, by registered or certified mail, postage prepaid, return receipt
452 requested, a like true and attested copy with an endorsement thereon
453 of the service upon the Secretary of the State. The officer serving such
454 process upon the Secretary of the State shall leave with the Secretary of
455 the State, at the time of service, a fee of [twenty-five] fifty dollars,
456 which fee shall be taxed in favor of the plaintiff in the plaintiff's costs if
457 the plaintiff prevails in any such action. The Secretary of the State shall
458 keep a record of each such process and the day and hour of service.

459 Sec. 16. Section 33-911 of the general statutes is repealed and the
460 following is substituted in lieu thereof (*Effective January 1, 2020*):

461 Formation of a specially chartered corporation shall, following
462 enactment of its special charter act, be completed in all respects in the
463 same manner as formation of a corporation organized under sections
464 33-600 to 33-998, inclusive, except that: (1) The incorporators shall be
465 such as are named in such act, if any; (2) no certificate of incorporation
466 shall be filed but in lieu thereof a copy of the special act shall be filed
467 as provided in the case of a certificate of incorporation; and (3) the
468 [thirty-day] ninety-day period referred to in subsection (b) of section
469 33-953, as amended by this act, as dating from the filing of the
470 certificate of incorporation shall commence with the date of enactment
471 of the special act.

472 Sec. 17. Section 33-1201 of the general statutes is repealed and the
473 following is substituted in lieu thereof (*Effective January 1, 2020*):

474 Formation of a specially chartered corporation shall, following
475 enactment of its special charter act, be completed in all respects in the
476 same manner as formation of a corporation organized under sections

477 33-1000 to 33-1290, inclusive, except that: (1) The incorporators shall be
 478 such as are named in such act, if any; (2) no certificate of incorporation
 479 shall be filed but in lieu thereof a copy of the special act shall be filed
 480 as provided in the case of a certificate of incorporation; and (3) the
 481 [thirty-day] ninety-day period referred to in subsection (b) of section
 482 33-1243, as amended by this act, as dating from the filing of the
 483 certificate of incorporation shall commence with the date of enactment
 484 of the special act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2020</i>	33-953
Sec. 2	<i>January 1, 2020</i>	33-1243
Sec. 3	<i>January 1, 2020</i>	34-247k(a)
Sec. 4	<i>January 1, 2020</i>	34-13e(b)
Sec. 5	<i>January 1, 2020</i>	34-420
Sec. 6	<i>January 1, 2020</i>	34-431
Sec. 7	<i>January 1, 2020</i>	34-267g(b)
Sec. 8	<i>January 1, 2020</i>	33-890(b)
Sec. 9	<i>January 1, 2020</i>	33-1181(b)
Sec. 10	<i>January 1, 2020</i>	34-32b(b)
Sec. 11	<i>January 1, 2020</i>	34-422(b)
Sec. 12	<i>January 1, 2020</i>	34-433(b)
Sec. 13	<i>July 1, 2019</i>	35-1(a)
Sec. 14	<i>July 1, 2019</i>	52-57(e)
Sec. 15	<i>July 1, 2019</i>	52-59b(c)
Sec. 16	<i>January 1, 2020</i>	33-911
Sec. 17	<i>January 1, 2020</i>	33-1201

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:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Secretary of the State	GF - Savings	Up to 270,000	Up to 540,000
Secretary of the State	GF - Cost	85,000	None
Secretary of the State	GF - Revenue Gain	Up to 75,000	Up to 75,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes to laws that govern certain business entities operating in the state.

The bill allows the Secretary of the State (SOS) to send default notices to certain business entities by regular mail instead of registered or certified mail. Currently, SOS sends such notices via certified mail at a cost of approximately \$6.50 per piece. The cost of sending such notices via regular mail is approximately \$1.10 per piece. When the provisions of the bill go into effect, it is anticipated there will be approximately 225,000 notifications that need to be mailed. It is anticipated SOS can mail up to 100,000 notices in a full year, resulting in savings of up to \$270,000 in FY 20 (partial year) and \$540,000 in FY 21 (full year). It will take two to three fiscal years to mail all 225,000 notices.

The bill requires SOS to establish a trade name registry and collect trade name index information from town clerks. SOS will need to hire a consultant at a one-time cost of \$85,000 in FY 20 in order to develop

such system and modify the CONCORD system to allow for the registration of trade names.

The bill also increases, from \$25 to \$50, the fee that an officer must remit to SOS when such officer serves process on the secretary on behalf of certain nonresident businesses against whom a civil action is being brought. SOS receives up to approximately 3,000 of such services a year. Increasing the fee by \$25 will result in a revenue gain of up to \$75,000.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of default notices mailed and the number of fees received.

OLR Bill Analysis**SB 1083*****AN ACT IMPROVING THE INTEGRITY OF THE CONNECTICUT BUSINESS REGISTRY.*****SUMMARY**

This bill makes various changes to laws that govern certain business entities operating in the state. The bill primarily makes changes related to information that these entities must provide the secretary of the state that is used in the Connecticut Business Registry she maintains.

Specifically, the bill:

1. establishes new filing deadlines by which certain corporations must file their annual reports;
2. expands the information certain business entities must provide on each annual report to include, among other things, their North American Industry Classification System Code;
3. allows the secretary of the state to send default notices to specified business entities by regular mail instead of by registered or certified mail;
4. requires corporations or limited liability companies (LLCs) using a trade name to file the business name, identification number, and principal office address with the town clerk;
5. requires the secretary of the state to establish a trade name registry and collect trade name index information from town clerks; and
6. increases, from \$25 to \$50, the fee that an officer must leave with

the secretary of the state when he or she serves process on the secretary on behalf of certain nonresident businesses against whom a civil action is being brought.

The bill also makes minor, technical, and conforming changes.

EFFECTIVE DATE: January 1, 2020, except the sections on trade names (§ 13) and service of process upon the secretary of the state (§§ 14 & 15) are effective July 1, 2019.

§§ 1 & 2 — CORPORATIONS' ANNUAL REPORT DEADLINE

Under current law, stock and nonstock domestic corporations, excluding banks, trust companies, insurance or surety companies, savings and loan associations, and public service companies, must file their first annual report within 30 days after their organizational meeting. The bill instead requires stock and nonstock corporations formed before January 1, 2020, to file their report within two years after filing their certificate of incorporation and, after that date, to file the annual report within 90 days after filing their certificates of incorporation.

The bill also requires domestic corporations and foreign corporations authorized to transact business in the state to file subsequent annual reports electronically on the first anniversary date of the filing of the first annual report. Under current law, such entities are required to file the reports electronically at times provided in regulations the secretary of the state adopts.

§§ 1-6 — BUSINESS ENTITIES' ANNUAL REPORT CONTENT

The bill expands the information certain business entities must provide on each annual report by requiring them to include (1) the name and address of their registered or statutory agent (as applicable); (2) the entity's North American Industry Classification System Code; and (3) any additional information the secretary of state deems pertinent for determining the entities' principal purpose. Under existing law, such entities must report other information, such as the entity's name, office address, and email address.

The bill applies to certain Connecticut and foreign corporations (stock and nonstock) and LLCs, limited partnerships (LPs), limited liability partnerships (LLPs), and foreign LLPs. It does not apply to banks, trust companies, insurance or surety companies, savings and loan associations, and public service companies, that are exempt from the annual report filing requirements under existing law.

§§ 7-12 — “IN DEFAULT” ENTITIES

By law, the secretary of the state may administratively dissolve business entities that are in default for failure to file their annual report (i.e., in default entities). Under current law, she may begin such proceedings by mailing a notice of default to the entity by registered or certified mail. The bill instead allows her to do so by regular, first class mail.

The bill applies to Connecticut LLCs, Connecticut stock and nonstock corporations, Connecticut LLPs, and foreign LLPs.

§ 13 — TRADE NAMES (SOLE PROPRIETORSHIPS)

Filing Trade Names with the Town Clerk

The law generally prohibits anyone from conducting or transacting business in the state under an assumed name unless they filed, with the town clerk in the town in which the business is or will be conducted or transacted, a certificate stating the business' trade name.

Under current law, a corporation or LLC using a trade name must file its full name and principal post-office address. The bill instead requires the corporation or LLC to file the business name, business identification number, and principal office address as reflected on the records of the secretary of the state.

Trade Name Registry

The bill requires the secretary of the state to create an electronic system to collect from each town clerk the trade name index information required by law (described above). The bill deems a town clerk compliant with the index information requirement if the

secretary determines that the index information provided contains all active trade name records on file with such clerk.

§§ 14 & 15 — SERVICE OF PROCESS UPON THE SECRETARY OF STATE

By law, certain persons or entities doing business in the state are deemed to have appointed the secretary of the state as their agent for service of process in any civil action brought against such person or entity.

The bill increases, from \$25 to \$50, the fee that the officer serving such process must leave with the secretary of the state, at the time of service. (By law, this fee is taxed in favor of the plaintiff in his or her costs if the plaintiff prevails in the civil action.)

Under the bill, the fee increase applies to service of process in actions against a (1) nonresident individual, foreign partnership, or foreign voluntary association, or their executor or administrator over whom a court may exercise personal jurisdiction, and (2) voluntary association that does business, acts, or carries out its operations or its functions within the state but its presiding officer, secretary, or treasurer are not state residents.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable

Yea 38 Nay 0 (04/08/2019)