

OFFICE OF FISCAL ANALYSIS

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SB-1083

AN ACT IMPROVING THE INTEGRITY OF THE CONNECTICUT
BUSINESS REGISTRY.

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

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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.