Bill No.: HB-7127  
Title: AN ACT CONCERNING THE ADOPTION OF THE UNIFORM PROTECTED SERIES ACT  
Vote Date: 4/8/2019  
Vote Action: Joint Favorable  
PH Date: 2/22/2019  
File No.:  

Disclaimer: The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.

SPONSORS OF BILL:  
Judiciary Committee  

REASONS FOR BILL:  
This bill adopts the Uniform Protected Series Act, which enables the creation of a “Series LLC.” A “Series LLC” is a legal business entity that distributes equity over a series of tranches. Each tranche of equity has its own assets and operations, and only the members who own a particular tranche share in the profit and loss distributions and value of equity from that particular tranche.

RESPONSE FROM ADMINISTRATION/AGENCY (SUPPORT):  
Secretary of the State, Denise Merrill:  
A “series LLC” includes a master or umbrella LLC and other LLCs (“protected series LLCs”), which are separated from each other for liability purposes (it has been compared to a corporation with subsidiaries). This bill has come up in the last two legislative sessions and has not been passed. Two years ago it received a fiscal note of between $375,000 and $650,000, and last year received a fiscal note of $500,000. The cost to implement this bill this year would be similar. Additionally, it would require at least an additional year to implement.

RESPONSE FROM PUBLIC (SUPPORT):  
Connecticut Bar Association, Business Law Section, John H. Lawrence Jr.:  
The Uniform Protected Series Act was approved by the Uniform Laws Commission in 2017. Series limited liability companies have become an important tool for certain investment firms and other businesses to streamline activities within a single entity, while allowing differing economic interests in each separate business activity and isolating the associated liability. Some of the specific benefits are: It clarifies a new business entity concept, requires transparency, promotes good recordkeeping, complements Connecticut’s existing uniform limited liability company act.

Reported by: Robert J. Anderson    April 12, 2019