

(Reprint of File No. 71)

House Bill No. 5278
As Amended by House
Amendment Schedule "A"

Approved by the Legislative Commissioner
March 27, 1998

AN ACT CONCERNING THE CONNECTICUT BUSINESS
OPPORTUNITY INVESTMENT ACT.

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

1 Section 36b-68 of the general statutes, as
2 amended by section 13 of public act 97-22, is
3 repealed and the following is substituted in lieu
4 thereof:

5 (a) The commissioner may issue a stop order
6 denying effectiveness to, or suspending or
7 revoking the effectiveness of, any business
8 opportunity registration if he finds: (1) That
9 such order is in the public interest; (2) that
10 such order is necessary for the protection of
11 purchaser-investors or prospective
12 purchaser-investors; (3) that the registration of
13 the business opportunity is incomplete in any
14 material respect BUT IS NOT ABANDONED PURSUANT TO
15 SUBSECTION (e) OF THIS SECTION or contains any
16 statement which was, in the light of the
17 circumstances under which it was made, false or
18 misleading with respect to any material fact; or
19 (4) that any provision of sections 36b-60 to
20 36b-80, inclusive, as amended by [this act] PUBLIC
21 ACT 97-22, or any regulation, order or condition

22 lawfully adopted, issued or imposed under said
23 sections has been wilfully violated by any person.

24 (b) The commissioner may by order summarily
25 postpone or suspend the effectiveness of the
26 registration of a business opportunity pending
27 final determination of any proceeding under this
28 section. Upon the entry of such order, said
29 commissioner shall promptly notify the registrant
30 or applicant of the business opportunity that it
31 has been entered and of the reasons for such entry
32 and that within fifteen days after receipt by said
33 commissioner of a written request the matter will
34 be set down for a hearing. If no hearing is
35 requested and none is ordered by the commissioner,
36 such order will remain in effect until modified or
37 vacated by said commissioner. If a hearing is
38 requested, said commissioner may modify or vacate
39 such order or extend it until final determination.

40 (c) No stop order may be entered under this
41 section except as provided in subsection (b) of
42 this section without: (1) Appropriate prior notice
43 to the applicant or registrant of a business
44 opportunity; (2) opportunity for a hearing; and
45 (3) the issuance of written findings of fact and
46 conclusions of law by the commissioner.

47 (d) The commissioner may vacate or modify a
48 stop order if he finds that the conditions which
49 prompted its entry have changed or that it is
50 otherwise in the public interest to do so.

51 (e) NOTWITHSTANDING THE PROVISIONS OF THIS
52 SECTION, THE COMMISSIONER MAY DEEM AN APPLICATION
53 FOR REGISTRATION OF ANY BUSINESS OPPORTUNITY TO BE
54 ABANDONED IF THE APPLICANT FAILS TO RESPOND TO ANY
55 REQUEST FOR INFORMATION REQUIRED UNDER SECTIONS
56 36b-60 TO 36b-80, INCLUSIVE, AS AMENDED, OR ANY
57 REGULATIONS ADOPTED PURSUANT TO SAID SECTIONS. THE
58 COMMISSIONER SHALL NOTIFY THE APPLICANT IN WRITING
59 THAT IF SUCH INFORMATION IS NOT SUBMITTED WITHIN
60 SIXTY DAYS OF SUCH WRITTEN NOTIFICATION, THE
61 APPLICATION SHALL BE DEEMED ABANDONED. ANY
62 REGISTRATION FEE PAID PRIOR TO THE DATE AN
63 APPLICATION IS DEEMED ABANDONED PURSUANT TO THIS
64 SUBSECTION SHALL NOT BE REFUNDED. ABANDONMENT OF
65 AN APPLICATION PURSUANT TO THIS SUBSECTION SHALL
66 NOT PRECLUDE THE APPLICANT FROM SUBMITTING A NEW
67 APPLICATION FOR REGISTRATION UNDER THIS CHAPTER.
68 THE HEARING REQUIREMENT IN SUBSECTION (c) OF THIS

69 SECTION SHALL NOT APPLY TO ABANDONMENT PURSUANT TO
70 THIS SUBSECTION.

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF 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 HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER HB 5278

STATE IMPACT	Potential Decrease	Minimal (Banking Fund),	Workload see explanation below
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MUNICIPAL IMPACT	None
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STATE AGENCY(S)	Department of Banking
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EXPLANATION OF ESTIMATES:

There is a potential minimal workload decrease for the Department of Banking as a result of the passage of this bill as amended. The commissioner could deem applications abandoned when requested information is not supplied to the Department of Banking. It will not be necessary for Banking Examiners to review these applications further.

House "A" is technical in nature and has no fiscal impact.

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OLR AMENDED BILL ANALYSIS

HB 5278 (as amended by House "A")*

AN ACT CONCERNING THE CONNECTICUT BUSINESS OPPORTUNITY INVESTMENT ACT

SUMMARY: This bill streamlines the Banking Department's procedure for dealing with abandoned applications for business opportunity registration. It allows the banking commissioner to consider such an application abandoned without a hearing if the applicant does not

respond to a request for required information. It requires the commissioner first to give the applicant written notice that if he does not comply within 60 days, the application is deemed abandoned. The bill specifies that the registration fee cannot be refunded, but the abandonment does not preclude submission of a new application later on.

Under current law, in order to dispose of an abandoned application, the banking commissioner must issue a stop order denying effectiveness, give appropriate notice, provide an opportunity for a hearing, and issue written findings of fact and conclusions of law.

*House Amendment "A" makes a technical change.

EFFECTIVE DATE: October 1, 1998

COMMITTEE ACTION

Banks Committee

Joint Favorable Report
Yea 18 Nay 0