



**Susan Bysiewicz**  
Secretary of the State  
Connecticut

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## **BYSIEWICZ: WITH GOVERNOR'S SIGNATURE, HIGHER PENALTIES FOR ILLEGAL BUSINESS PRACTICES NOW LAW**

FINE ON COMPANIES OPERATING IN CONNECTICUT WITHOUT BEING  
REGISTERED WITH SECRETARY OF THE STATE'S OFFICE HAS JUST GONE UP BY  
82%, DETERRENT AGAINST FRAUD BY OUT OF STATE COMPANIES  
TOUGHENED, PLAYING FIELD FOR CT BUSINESSES IS MORE LEVEL

**Hartford:** Secretary of the State Susan Bysiewicz today praised the Governor for signing into law House Bill No. 6640 which increases the penalty on out-of-state companies operating illegally in Connecticut by 82%. Specifically, the bill increases the monthly fine for any foreign corporation doing business in Connecticut without registering with the Secretary of the State's Office to \$300/month. Until now the monthly fine was \$165/month. The bill was passed overwhelmingly in the House and unanimously in the Connecticut State Senate.

"This is exactly the kind of no-nonsense law we need as our state grapples with its current fiscal crisis," said Secretary Bysiewicz. "It sends a clear message to those out-of-state companies that think they can maintain a competitive advantage by ignoring our state's registration laws – follow the rules, or risk stiff penalties. It also sends a clear message to our in-state companies that we will support them during these tough times. In the past, the state has collected nearly \$3 million in fines from out-of-state companies who fail to register their business. This penalty increase is expected to result in the generation of nearly \$1,000,000 in additional revenue for taxpayers every year."

Under state law, corporations, limited liability partnerships, non-stock corporations, stock corporations, and statutory trusts doing business in Connecticut are required to register with the Secretary of the State's Office and pay the statutorily established fee before they can transact business here. There are approximately 47,416 of these foreign entities that have registered with the Secretary of the State's Office. The requirement to obtain

authority to do business exists to protect domestic organizations from unfair competition and place domestic and foreign organizations on an equal footing. The law also protects consumers with a grievance against an out-of-state business, by specifying where and what manner the company can be served with legal papers.

“As our state’s chief business registrar, ensuring fair competition for Connecticut businesses is one of my top priorities,” said Secretary Bysiewicz. “Out of state firms who don’t register with my office are operating illegally and have an unfair competitive advantage over Connecticut-based companies who play by the rules. This law will improve accountability for Connecticut consumers and gives us a stronger deterrent to level the playing field for in-state businesses who are struggling to succeed in a difficult economy. I commend the General Assembly for overwhelmingly passing the bill and thank Governor Rell for signing it into law.”

Secretary Bysiewicz’s office, working with Attorney General Richard Blumenthal, collected more than \$1.7 million during fiscal year 2007 and another \$1.045 million during FY 2008 in fines from out-of-state companies operating illegally in Connecticut. Bysiewicz estimates that with the new law on the books compliance will increase, and it could boost state revenue collections by as much as an additional \$1,000,000 in the form of fines paid by companies who violate the law.