

April 27, 2009
Hartford Business Journal Op-Ed

Let's Level The Playing Field

By Susan Bysiewicz

It is no secret that we are in the middle of a very difficult business climate in Connecticut. Through March of 2009 our economy has lost another 21,000 jobs.

Statistics released by my office last week show that during the first quarter of 2009, another 3,477 of our state's businesses shut their doors. This represents a 16 percent increase over shutdowns in the first quarter of 2008 and the highest such figure for the first quarter of any year since my office started releasing these numbers in 2000.

My office gets these figures and the ability to track other economic indicators such as the number of new business startups in Connecticut from the nearly 340,000 businesses that register with the Secretary of the State's office as they are required to do by state law.

In Connecticut, when businesses officially incorporate, they are also required to list an agent for service of process and give an address both for their business and for their agent.

This ensures accountability for consumers should the need arise to serve legal papers if a company delivers subpar services, shoddy work or defective products.

Out-of-state companies that operate in Connecticut face the same requirements. Those out-of-state firms that don't follow the law gain unfair competitive advantage over in-state firms that play by the rules. Companies that defraud their customers are more difficult to track down and hold accountable in court if they aren't registered with the state.

In the last two fiscal years, my office, working together with Attorney General Richard Blumenthal, has collected nearly \$3 million in fines from out-of-state businesses operating illegally in Connecticut.

This year, we are proposing to nearly double these fines as a deterrent against the lawbreakers but also to ensure better accountability for consumers and level the playing field for Connecticut businesses that do follow the law.

House Bill 6640, which would raise penalties by 82 percent, was recently approved by an overwhelming vote of the General Assembly's Judiciary Committee. I urge the full state legislature to enact this bill into law.

Connecticut businesses face a myriad of challenges to their success right now, from the high cost of health care and energy to the lack of available credit. Businesses don't need any more challenges from out-of-state firms that skirt the law.

We, as public servants, should do everything in our power to help entrepreneurs by ensuring fair competition — so everyone who works hard and has a unique product or service to offer can succeed.

Susan Bysiewicz is Connecticut's Secretary of the State.