

State Corporation Commission 2016 Fiscal Impact Statement

1. **Bill Number:** SB172

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Surovell

3. **Committee:** Courts of Justice

4. **Title:** Foreign entities; consent to jurisdiction and service of summons for witness or subpoena duces tecum.

5. **Summary:** Foreign entities; consent to jurisdiction and service of summons for witness or subpoena duces tecum. Provides that registration by a foreign entity with the State Corporation Commission (the Commission) to transact business in the Commonwealth constitutes the foreign entity's consent to the jurisdiction of the courts of the Commonwealth for all actions against the foreign entity. The bill further provides that a court may enforce a summons for witness or a subpoena duces tecum against the registered agent of such foreign entity, regardless of whether the foreign entity is a party to the underlying suit. The bill requires the Commission to notify the registered agents of all foreign entities that have certificates of authority to transact business within the Commonwealth of the provisions regarding consent to jurisdiction prior to the deadline for payment of the foreign entity's annual registration fee. The bill serves to overrule the Supreme Court of Virginia's decision in *iYelp, Inc., v. Hadeed Carpet Cleaning, Inc./i*, 770 S.E.2d 440 (2015).

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** See Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2016	(4,500)		SF
2017	(36,770)		SF
2018			
2019			
2020			
2021			
2022			

8. **Fiscal Implications:** The State Corporation Commission's Information Technology Division will incur minimal fiscal impact to some minor programming expenses. The State Corporation Commission's Clerk's Office will incur a moderate expense in a one-time notice

to each active foreign entity's registered agent as of record on July 1, 2016. There will be additional costs if the Commission must notify registered agents on a continuing basis.

9. Specific Agency or Political Subdivisions Affected: None

10. Technical Amendment Necessary: No

11. Other Comments: None

1/14/16 Joel Peck