

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: Senate Floor

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 authorization from the State Corporation Commission (the Commission) for a foreign business entity to transact business in the Commonwealth constitutes the foreign business entity's consent to the jurisdiction of the courts of the Commonwealth for all actions against the foreign business 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 business entity, regardless of whether the foreign business entity is a party to the underlying suit. The bill requires the Commission to notify the registered agents of every foreign business entity that has a certificate of authority or similar authorization to transact business within the Commonwealth of the provisions regarding consent to jurisdiction. The bill serves to overrule the Supreme Court of Virginia's decision in *Yelp, Inc., v. Hadeed Carpet Cleaning, Inc.*, 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	(7,200)		SF
2017	(41,270)		SF

8. Fiscal Implications: The State Corporation Commission's Information Technology Division will incur minimal fiscal impact to make some minor programming changes. The State Corporation Commission's Clerk's Office will incur a moderate expense to mail a one-time notice to each active foreign business entity's registered agent of record as of July 1, 2016.

9. Specific Agency or Political Subdivisions Affected: None

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10. Technical Amendment Necessary: No

11. Other Comments: None

2/10/16 Joel H. Peck