

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-539		8005	9	11	4
<u>Committee Pages:</u> <ul style="list-style-type: none"> • <i>General Law 413</i> • <i>General Law 415-417</i> • <i>General Law 420</i> • <i>General Law 441-443</i> • <i>General Law 446</i> • <i>Banking 263-264</i> 				<u>House Pages:</u> <ul style="list-style-type: none"> • 3176-3183 • 3365-3367 	<u>Senate Pages:</u> <ul style="list-style-type: none"> • 2775-2778

H-114

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 7
3011-3376**

Wednesday, May 19, 1971

84

ad

and passage of the bill.

MR. SPEAKER:

Will you remark.

REPRESENTATIVE GUELSKI:

Earlier in the session, we have passed a bill which was filed under 623 in regards to exempting the need or the requirement for a certificate of occupancy if the apartment house or tenement house was filled, constructed or reconstructed 15 years next preceding the state (inaudible) of occupancy were otherwise be required. This bill exempts the apartment houses or tenement houses which are owned by housing authorities and have been constructed or reconstructed by federal or state control or under state funding or federal funding. Also it includes an exemption insofar as the housing authority is concerned for the same type of a tenement that is constructed or reconstructed under federal or state program for a possibility of the tenant who has not paid his rent because of housing code violation to be able to get away from paying that rent to the owner which is the housing authority. This is an excellent bill and I move its passage.

MR. SPEAKER:

Further remarks on the bill. If not, all those in favor indicate by saying Aye. Opposed. The bill is passed.

CLERK:

Going back to calendar 965, Substitute for House Bill 8005 -
An Act Concerning the Licensing and Regulation of Consumer
Collection Agencies.

Wednesday, May 19, 1971

85

ad

MR. SPEAKER:

Representative Stevens.

REPRESENTATIVE STEVENS:

I move acceptance of the joint committee's favorable report and passage of the bill.

MR. SPEAKER:

Will you remark.

REPRESENTATIVE STEVENS:

The Clerk has an amendment.

MR. SPEAKER:

Clerk call House Amendment Schedule A.

CLERK:

Offered by MR. Prete of the 114th, MR. Sarasin of the 95th,
In line 63, after the word "such" strike out the word
"licenses" and insert the word "license".

In line 65, after the word "certified" strike out the word
"to".

In line 103, after the word "evidence" strike out the word
"on" and insert the word "at".

In line 137, after the word "any" strike out the word
"felony" and in lieu thereof insert the following: "Crime which
shows such person to be of unsuitable moral character".

REPRESENTATIVE STEVENS:

I move adoption of the amendment.

MR. SPEAKER:

Will you remark on the amendment.

Wednesday, May 19, 1971

86

ad

REPRESENTATIVE STEVENS:

The amendment is basically a technical amendment with one exception of the last portion which strikes out felony and enbroadens the power of the commissioner concerning an application to consider any crime which would show a person to be of unsuitable character to engage in the collection agency bill. I believe it is a good amendment which makes it a stronger bill and I would urge passage.

MR. SPEAKER:

Further remarks on the amendment. If not, all those in favor indicate by saying Aye. Opposed. The amendment is adopted, it is ruled technical. The gentleman from the 122nd.

REPRESENTATIVE STEVENS:

Speaking on the bill, this bill is a major consumer bill brought out by the General Law Committee which seeks to establish in Connecticut for the first time comprehensive regulation of consumer collection agencies. At the public hearings on this bill many instances were brought out where people who had been contacted by collection agencies had valid complaints, yet when they made the complaints to the proper state official, which at that time was the State Treasurer, it was found that Connecticut had basically no laws regulating the practices of collection agencies. Collection agencies, especially in a time of a slumping economy have direct contact with many people in our state who have fallen behind in their debts. Unfortunately up until this time, the State Treasurer's Office has not been able to

Wednesday, May 19, 1971

87

ad

enforce meaningful acts against collection agencies. The bill gives broad powers to the commissioner to establish by regulation practices which are not in the best interest of the consumer which presently are not prohibited in the state of Connecticut. Collection agencies deal very directly with a great many people in this state. I think they should be regulated. I commend the General Law Committee for coming out with a comprehensive bill to accomplish this. It is a good bill and I urge its passage.

MR. SPEAKER:

Further remarks on the bill as amended. Gentleman from the 113th.

REPRESENTATIVE WEBBER:

I wouldn't attempt to follow Jerry Stevens who covered the bill so well. I would only say this, that in New Haven we have had some very serious problems with fraudulent type agencies who send their men out with fake badges and with all kinds of phony documents that look like legal papers, making all kinds of threats if they don't make immediate payment. This is an excellent bill.

MR. SPEAKER:

Further remarks on the bill. Representative Ajello.

REPRESENTATIVE AJELLO:

It is my pleasure to join in supporting this bill. There is such an opportunity for abuse for the uninformed that this kind of regulation is absolutely necessary. IT is the kind of thing

Wednesday, May 19, 1971

88

that our department of consumer protection is designed to do and we should be supporting this sort of thing.

MR. SPEAKER:

Representative Clark of the 14th.

REPRESENTATIVE CLARK:

To make the record clear, I am not against the concept of any part of this bill but several of my constituents who are individuals and in the collection business indicate that it would be a hardship on them as individuals. If he would, would the proponent of the bill indicate to me what parts would you assume any of this bill would be hard on an individual independent businessman who has nothing that I know of in any files against his actions. How would this hurt him.

MR. SPEAKER:

Would the gentleman care to respond.

REPRESENTATIVE STEVENS:

To my knowledge, no parts of this bill would hurt an individual, as Representative Clark has described.

MR. SPEAKER:

Further remarks on the bill as amended. If not, all those in favor indicate by saying Aye. Opposed. The bill is passed.

CLERK:

Calendar 967, House Bill 8506 - An Act Including the State Treasurer as a Member, Ex Officio, of the Health and Educational Facilities Authority.

MR. SPEAKER:

ad

Wednesday, May 19, 1971

89

Representative Ryan.

REPRESENTATIVE RYAN:

I move acceptance of the joint committee's favorable report and passage of the bill.

MR. SPEAKER:

Will you remark.

REPRESENTATIVE RYAN:

I think the title is really indicative of the content of the bill. It particularly would allot the State Treasurer as a member ex officio of the health and educational facilities authority. I think it would allow him to coordinate better some of the different departmental affairs and probably prevent duplicate bonding and things of that nature and for those reasons I support the bill.

MR. SPEAKER:

Further remarks on the bill. If not, all those in favor indicate by saying Aye.

The Clerk indicates that he has in possession an amendment directed toward the bill sponsored by Representative Prete and Representative Sarasin. Would you gentlemen come to the well and indicate whether they still intend to offer the amendment. The House will stand at ease.

Gentleman from the 95th.

REPRESENTATIVE SARASIN:

The Clerk had an amendment. I don't know if we have all his copies. I would like to offer this amendment.

ad

Wednesday, May 19, 1971

90

ad

MR. SPEAKER:

The gentleman outline the amendment in view that the Clerk is in no position to read it.

REPRESENTATIVE SARASIN:

The amendment in line 12, deletes the brackets before and after the word "nine" and deletes the word "ten". The purpose of the amendment in this instance is consistent with the amendments that we have added to other bills where ex officio members were added to the board or commission and then the size of the commission has been increased. It has been our feeling that the size of the board or the size of the commission does not have to be increased when you add an ex officio member and this is simply in keeping with that. In line 16, the amendment adds after after the word "officio" neither of whom shall be voting members of said authority, which simply clarifies that position. I move adoption of the amendment.

MR. SPEAKER:

Further remarks on the amendment. If not, all those in favor will indicate by saying Aye. Opposed. The amendment is adopted. Now the question is on acceptance and passage amended by House Amendment Schedule A. Will you remark further.

Representative Ryan.

REPRESENTATIVE RYAN:'

I would now move passage of the bill as amended by House Amendment Schedule A. I understand that it is acceptable to both sides.

Wednesday, May 19, 1971

91

ad

MR. SPEAKER:

Further remarks on the bill as amended. If not, all those in favor indicate by saying Aye. Opposed. The bill is passed.

CLERK:

Returning to page 5, Calendar 941, House Bill 9243 - An Act Validating as Timely the Notice Given by Agnes V. Zakas and to That Extent Granting Her Permission to Prosecute to Final Effect a Suit Against the City of New Haven.

MR. SPEAKER:

Representative Mahaney filling in for Representative Ajello.

REPRESENTATIVE MAHANEY:

I move the acceptance of the joint committee's favorable report and passage of the bill.

MR. SPEAKER:

Will you remark.

REPRESENTATIVE MAHANEY:

The Clerk has an amendment.

MR. SPEAKER:

The gentleman outline the amendment.

REPRESENTATIVE MAHANEY:

The amendment merely inserts the word "allegedly" in the bill itself before the word "injuries", as I understand it. It is a good amendment and gives the city some protection in the suit itself.

MR. SPEAKER:

Further remarks on the amendment. If not, the question is on adoption of House Amendment Schedule A. All those in favor

Thursday, May 20, 1971 169.

MR. SPEAKER:

EFH

Will you remark further on the Bill as amended. If not, the question is on acceptance of the Joint Committee's favorable report and passage of the Bill as amended by House "A". All those in favor will indicate by saying "aye". Opposed. The Bill is passed.

THE CLERK:

Please refer to yesterday's Calendar. Page 7 of yesterday's Calendar. The second item of Page 7 of yesterday's Calendar, Calendar No. 965, Substitute for H.B. No. 8005, an Act concerning the licensing and regulation of consumer collection agencies. File No. 1048. Yesterday, the House adopted House Amendment Schedule "A". The Committee's favorable report was accepted, and the Bill passed as amended.

GERALD F. STEVENS:

Mr. Speaker, I was in the prevailing vote on this yesterday, and I would move reconsideration at this time, and if I might briefly explain. The purpose of reconsideration is that there was an Amendment that both sides had agreed upon that was in the Legislative Commissioner's office at the time this was brought up yesterday. It was overlooked. The purpose of reconsideration upon which I would urge a "yes" vote is to offer the Amendment and hopefully pass the Bill.

MR. SPEAKER:

The Chamber's attention is directed to yesterday's Calendar, Page 7, the second Calendar item, Calendar No. 965, Substitute for H.B. No. 8005, File No. 1048. The motion is for

Thursday, May 20, 1971 170.

reconsideration of yesterday's action. The gentleman making the motion indicates he was in the prevailing vote. The action taken yesterday was acceptance and passage as amended by House "A". Will you remark further on the motion for reconsideration.

EFH

GEORGE W. HANNON, JR.:

Mr. Speaker, having heard the gentleman's explanation as to why he is requesting it, we would support his motion for reconsideration.

MR. SPEAKER:

Will you remark further on the motion for reconsideration. If not, all those in favor will indicate by saying "aye". All those opposed. The motion carries.

GERALD F. STEVENS:

Mr. Speaker, I would move adoption of House Amendment Schedule "B" to Substitute H.B. No. 8005. The Clerk has the Amendment, and I would ask the Clerk if he would please read the Amendment.

THE CLERK:

House Amendment Schedule "B", offered by Mr. Stevens, of the 122nd: In Line 36, after word "banks," add the following words: "lenders licensed by the Banking Commission under Chapter 647 of the General Statutes,".

MR. SPEAKER:

The question's on acceptance and passage as amended by House Amendments "A". The Clerk has just read House Amendment "B".

GERALD F. STEVENS:

Mr. Speaker, the purpose of this Amendment is to exempt

Thursday, May 20, 1971 171.

from this collection agency regulation Bill lenders which are already licensed by the Banking Commission under Chapter 647 of the General Statutes. Without the Amendment, we would be imposing a double license, which was not our intent. This Amendment cures that oversight. I would urge its adoption.

MR. SPEAKER:

Question's on adoption of House "B". Will you remark further.

JAMES T. HEALEY:

Mr. Speaker, as Vice Chairman of the Banks Committee, in the absence of the Chairman of the Committee, I would say that we will be in favor of this Amendment.

MR. SPEAKER:

Will you remark further on House Amendment Schedule "B". If not, all those in favor will indicate by saying "aye". Opposed. The Amendment is adopted. The Chair rules it is technical. Will you remark on the Bill as amended.

GERALD F. STEVENS:

Mr. Speaker, I would move adoption of H.B. No. 8005 as amended by House Amendments Schedule "A" and "B". It's a good Bill as amended, and I urge its passage.

MR. SPEAKER:

Will you remark further on the Bill as amended. If not, the question's on acceptance of the Joint Committee's favorable report and passage of the Bill as amended by House Amendments Schedules "A" and "B". All those in favor will indicate by saying "aye". Opposed. The Bill is passed.

EFH

**S-81
CONNECTICUT
GENERAL ASSEMBLY**

SENATE

**PROCEEDINGS
1971**

**VOL. 14
PART 6
2436-2873**

June 3, 1971

Page 48

SENATOR ROME:

I move for reconsideration of that bill and I urge a no vote on the motion.

THE CHAIR:

Question is on reconsideration. Senator Rome personally urges no.

All those who wish reconsideration, signify by saying, "aye". Opposed, "nay". The nays have it. The bill will not be reconsidered.

THE CLERK:

CAL. NO. 932. File no. 1280. Favorable report of the joint committee on General Law. Substitute for House Bill 8005. An Act Concerning the Licensing and Regulation of Consumer Collection Agencies.

SENATOR STRADA:

Mr. President, I move for acceptance of the joint committee's favorable report and passage of the bill. I will try briefly to explain this bill. Under this legislation, the Consumer Collection Agencies, are required to become licensed by the Banking Commissioner before engaging in the activities that are enumerated in the bill. Each applicant must file a written application with the Commissioner, setting forth the following information: A certified financial statement, a fee of \$50.00 for investigation, a license fee of \$100.00. The applicant must show that he is of good moral character and financially responsible. And the license is not against the public interest. The license shall remain in effect until May 1, of the following year. Each applicant must post a \$5,000 bond for the faithful performance of his job. No person working for a collection agency may do so, if he was convicted for any felony or the violation of any section of this act. The agency is further prohibited from engaging in several practices enumerated in

June 3, 1971

Page 49

Section 8, of the bill. Whenever the Commissioner has reason to believe that any provision of the act has been violated, he shall serve upon the agency a written list of charges. He shall hold a hearing no sooner than 30 days thereafter, in which time the charges are to be heard.

The Commissioner has full subpoena power combined with access to Superior Court for a contempt citation for refusal to obey the subpoena. If the activities being investigated are found to violate the act, a desist and desist order shall issue. Failure to obey that order shall result in a fine of \$50.00 or \$500.00 if it be willful. In addition, any person who violates any provision of this act, shall be fined not more than \$500.00 or imprisoned for not more than 6 months or both.

Failure to obtain a license, shall result in not more than a \$1000.00 fine or 1 year imprisonment or both. If the agency fails to obey a desist and desist order, after 10 days notice thereof, the Commissioner may petition the Attorney General to obtain a temporary or permanent injunction against this activity. The Prosecuting Attorney for each Circuit Court, shall diligently inquire and make due complaint to the Court of all violations of this act, which comes to his knowledge by investigation or report.

Mr. President, I think many of us here or most of us are aware that the State and Federal Records are really replete with sorted case histories of the practices of some collection agencies. These practices are all the more sorted because their victims are often the poor, the ignorant and the most readily exploited of our people. This bill could be a lot tougher. It is actually a modification of a measure which would place these agencies under much stricter regulations.

We should use the next two years or a year at least, to determine whether

June 3, 1971

Page 50

the collector's faternity would read the handwriting on the wall and curb their current practices. If not, I submit a tougher regulatory bill should be enacted in 1972.

This bill places agencies under regulation by the State Banking Commission and requires them to post a bond. It mandates the Commissioner to investigate complaints and generally to keep a close watch on the operation of such agencies. It also makes clear to the agencies a list of practices in which they may not engage. Legislation should never have been required to curb these practices. I think simple ethics and a deep regard for proper business conduct should have kept some of the agencies in line.

This bill does not represent a general indictment of all agencies and I think that's very important. But, it does reflect a glaring fact of that there have been extensive abuses in this area. And it reflects the unanimous inclusion of all who have studied the field at the State must act to protect the public. I urge adoption of the bill.

SENATOR LIEBERMAN:

Mr. President, I rise to support the bill. There was times during the consideration of this bill that I wished it was just a little bit tougher, for the reasons that Senator Strada has stated. I think that it's very important that the State move into the area of licensing and regulation of collection agencies. There were times, when I wished that the bill would have applied to anyone who collects debts, not just the collection of agencies. I think some stores, larger storys particularly are guilty of uses well beyond most of the legitimate collection agencies. There were times, also, when I hoped that the bill would have spelled out the prohibited activities other than generally prohibiting unfit and unfair deceptive practices.

June 3, 1971

Page 51

But, basically, I think that the General Law Committee has made a step forward here. by creating a licensing provision and with Senator Strada I will be watching as the bill takes effect. to see how collection agencies and in the public fair under and if they re not doing well enough. if the public is not adequately protected. I think we ll be back trying to toughen this bill. next year.

THE CHAIR:

Question is on passage. will you remark further? If not, all those in favor signify by saying, "aye". Opposed, "nay". The bill is passed.

THE CLERK:

CAL. NO. 955. File No. 1133. Favorable report of the joint committee on Labor and Industrial Relations. House Bill 9245. An Act Providing Benefits for Municipal Fire and Police Department Members Who are Disabled or Die As the Result of Hypertension or Heart Disease.

SENATOR CALDWELL:

Mr. President, may that be passed temporarily.

THE CHAIR:

Passed temporarily. until the return of Senator Smith.

THE CLERK:

CAL. NO. 967. File No. 1144. Favorable report of the Joint Committee on Judiciary. Substitute House Bill 6892. An Act Concerning a Uniform Real Property Acquisition Policy.

SENATOR JACKSON:

Mr. President, I move acceptance of the joint committtee's favorable report and passage of the bill. This bill provides for payment of Attorney's fees, engineering appraisal fees. in inverse condemnation proceedings. This

**JOINT
STANDING
COMMITTEE
HEARINGS**

BANKS

1-445

**1971
Index**

water at times before this was done. They have alot of trouble, the people are terribly upset and I think they are better off because they have their own rules anyway and they run their own show like a little community. They dislike outside interruptions. As far as complaints are concerned, on rates or quality of water, we'll always hear them under what is so called 1620 in the statutes.

Chairman Blake: Are there any others wishing to speak in favor of SB 102" Hearing none, are there any who wish to oppose SB 102? Hearing none, the hearing on SB 102 is now closed. I have been advised that many people here are interested in bill number 1300 and because of that and because of a shortage of room we will now move on to SB 1300. Those in favor of 1300... No one wishes to speak in favor of SB 1300? Any wish to speak against SB 1300?

Abraham Gordon: I wish to thank the committee for hearing us out of order on behalf of some 30 or 40 people. I appear on behalf of the Conn. Assoc. of Collection Agencies. More importantly, I am here on behalf of several hundreds of people who are involved and directly earn their livelihood from the collection process in the state of Conn. and whose lives are being controlled, regulated and threatened by the proposed legislation. Perhaps to the surprise of some of you on the committee, we the members of the Conn. Collection Agencies are not opposed to being regulated. We are not opposed to being licensed, in fact a fair, reasonable licensing act would not at all be objectionable to us as long as it is fair and reasonable and did not immediately start out by accusations, accusing them of more offenses than contained in any other regulatory legislation in the state of Conn. and based upon our study of the licensing laws in other states, in any other state in the union. While I speak out against this particular bill I wish to note that there is a comparable bill pending before another committee in the legislature this year. It is bill number 8005. This bill has already been heard by the General Law Committee last week and I would assume that they will shortly be acting upon it, it might come as a surprise to you, I don't know whether you are aware of this other bill.

I would assume that before any legislative body rushes to enact any law that it would first determine the particular needs or problems that are prompting the legislation so that it will come out and meet these needs in an even handed, fair and reasonable manner. This has always been the history of our Conn. Legislature and I would assume it is the same now. To date, we have been unable to determine the basis for 1300. To our knowledge, and we are the Assoc. of Collection Agencies in this state, we have not been able to determine what problems have arisen which would have caused the introduction of such a highly regulatory, prohibitive law such as 1300 proports to be. We can only assume that some of the problems are based upon our scant knowledge of problems and we will report these to you.

First, on rare occasions we in the industry hear complaints from other debtors, people we deal with, people with whom we work, not as to our particular services but rather as to harsh and frightened letters that they may receive from out of state addresses which quite often are mailed in forms which had a semblence of officiality

to them. The legitimate collection agencies of the state of Conn. do not resort to any device or subterfuge or hide behind any far, remote addresses. Therefore, I suggest that possibly one of the objectives -----

Chairman Blake: The General Law Committee Chairman has just been contacted. He indicates that he has this bill. He intends to act on this bill. The hearing has already been held before his committee and he would appreciate a change of reference from this committee. It is my feeling and that of the Vice Chairman that this bill is not --- before this committee and therefore, unless someone particularly wants to speak on the subject we will let it go as far as that. The matter will be handled by the General Law Committee.

Atty. Gordon: It will be referred to the other committee.

Chairman Blake: We will be very glad to have you leave any literature or information you may have for our information.

Atty. Gordon: I want to thank you and the other members.

Chairman Blake: At this time we will open the hearings on SB 1. Any who wish to speak in favor of SB number 1 please come forward. Seeing none, any opposition to SB number 1?

Joseph Cooney: Mr. Chairman, my name is Joseph Cooney and I am appearing for the Conn. CATV Assoc. Be glad to have you ask some questions about CATV if you are not familiar with it. Remarks that I'll make are applicable to SB 1 and 2.

Community Antenna Television was enacted in the 1963 legislature. We went through long hearings at the PUC for 18 months. Franchises were awarded, we went through the courts. We hope that Conn. is going to have community antenna television within the next year, in operation, if not sooner. The delay is not due to the fault of the people who've been franchised. I don't want to go into that. The first real stage that they would be restricted in their advertising and the second bill which states that they could not offer inducements. Now we have a new enterprise with which the public is not familiar and it is necessary to advertise the availability of this service and when an area is being offered CATV services to offer inducements to the customers. For instance, perhaps a free installation, perhaps a months free trial. We're not dealing here with a water company or a gas company, we're dealing with something that is not an essential utility. You can get along without CATV, you can be satisfied with your TV service. If CATV is to be successful it's got to be sold initially to the people of Conn. by an advertising program and certain inducements have got to be offered initially to those people.

If you look with favor on either one of these two bills, I respectfully suggest to the committee that it should not be applicable to the CATV and then in a few years when we're in full operation if there's any for it, it can be made applicable to CATV. Now there's one other bill I'd like to mention briefly, that's 5737 which says that the people who are involved in CATV systems should offer free service to every public or private school, college, public building,

**JOINT
STANDING
COMMITTEE
HEARINGS**

**GENERAL
LAW**

**PART 2
297-629**

1971

4.

GENERAL LAW

THURSDAY

MARCH 11, 1971

REP. MORANO, cont'd.: to resolve disputes between buyers and sellers. H.B. 7756 specifically applies to motor vehicles as well as other consumer products. This would result in a lot of business for lawyers.

H.B. 7757 provides for a nine man board to adjudicate suits between the public and dealers and repairs. The idea as contained in this bill has some merit. A 9 man board is pretty big to be efficient; there can be a representative of the licensees on the board rather than an auto mechanic. A five man board would probably be better. Many licensees have considerable experience as mechanics and repair shop problems. The dealers and repairers would also like to see some effective way of impartially deciding these disputes. The present system of the motor vehicle department is as unsatisfactory to us as it is to the public. Dealers do not like to have their license to do business threatened every time there is consumer complaint and lastly, Mr. Chairman, I oppose H.B. 8155 which requires written estimate if repair work exceeds \$50.00.

If repair costs exceed estimate by ten percent, repairer must notify owner and get written consent to proceed with repairs. When a car is brought in for repairs it is often found impossible to determine cost of repairs until the difficulty is located. This would certainly slow down service and inconvenience customers if written consent had to be obtained after the car is left for service. Probably mean at least an overnight delay. Any customer today can ask for an estimate and specify that extensive repairs shall not proceed without his permission. I might add, Mr. Chairman, that many times in order to prepare an estimate, it might require dismantling of part of the vehicle which can be extremely costly to the dealer in furnishing the estimate if he were not compensated for making the estimate, if the customer decided not to repair the vehicle. Thank you.

REP. GERALD STEVENS: 122nd district, Milford. In support of H.B. 8005, concerning the licensing and regulation of collection agencies. The purpose behind this bill is to tighten up controls by the State of Connecticut, notably the Treasurer's office, over collection agencies in the State of Connecticut.

At the present time, we have very loose regulations over collection agencies. Yet I am sure, as the committee is aware, collection agencies can have a

6.

GENERAL LAW

THURSDAY

MARCH 11, 1971

REP. STEVENS, cont'd: disclosure of telephone solicitors. It's unfortunate we need legislation like this and I can't see why anyone would oppose it because all it says is that anybody that solicits by phone, shall upon request of the person he's talking to, identify himself, his employer, the address of the employer and the number of the telephone from which he is calling. It certainly seems like a reasonable request when you are called at your house but in the Milford, New Haven, Bridgeport area, we have had occasions of telephone solicitations in the past year, and upon request the person would not identify himself or their employer. That's the reason for the bill because of problems we have had in our area. Thank you.

REP. WEBBER: Thank you Representative Stevens. I would like to interupt the hearing with an announcement which I think will prove interesting to you all, at least to our committee. Our committee is preparing and developing at the moment, a comprehensive consumer protection code and the code will contain the best features of many of the more than one hundred consumer bills which have already been referred to us. It tentatively contains provisions for unit pricing, dating of foods and milk, see-through packaging, truth-in-advertising, etc. and we certainly will take no action on this code until the hearings are completed. We will continue with the hearing now and I will call the honorable Robert Berdon, treasurer of the state.

ROBERT BERDON: Treasurer of the State of Connecticut. I'm here to speak on H.B. 8005, the collection agencies and the one that Mr. Stevens just finished testifying regarding. The treasurer of the state of Connecticut gets involved with collection agencies now because pursuant to section 42-128 of the General Statutes, the present bonds of the collection agencies are deposited with the Treasurer. As the Statutes give us no power other than to accept and hold the bonds for the benefit of the people of the State of Conn., but as a result of the treasurer's name being mentioned in the Statutes, we have had numerous complaints during the course of the last couple of years pertaining to collection agencies. Now these complaints have been two-sided, they've been from debtors and creditors. Creditors complaining that they have not received remittances by the collection agencies and debtors because of certain collection practices. The complaints are numerous and they have not only flowed into the Treasury Dept. but to the Dept. of Consumer Protection. In January, I did ask my chief accountant of the Treasury who has been receiving these complaints,

7.

GENERAL LAW

THURSDAY

MARCH 11, 1971

TREAS. BERDON cont'd: to try to keep tabs of the nature of the complaints, etc. and it was just too short a period of time to draw any conclusion. But going through the files I did receive and pull out a typical letter from a debtor which I would like to read without mentioning any names of the collection agency or the person who wrote it because it does represent typical complaints of what we receive in our department.

"Dear Sir. I am writing to protest my treatment by --- in collecting from us the sum of \$107.00 owed to --. A post card was sent to my husband addressing him very informally as "Harry" and asked him to call a certain number and it was signed "Jack". It had no return address and the party refused to identify himself and only identified his company when I said I would make payment. I made the call as my husband was at work. The man to whom I spoke was very threatening and assured me that the sheriff would appear at my husband's place of business to garnish his wages and that the matter did not have to go to court first. In fact, my husband was to appear in court on January 29th. I was in tears and immediately sought legal help. I was advised that after several phone calls that my husband was not slated to appear in court; that this was a false statement, that there were no garnishee of wages without a court order. I am bringing this matter to your attention because of the implied threats, the false statement and my extreme agitation. We have had much trouble with --- and that matter will no doubt appear in court to be settled but I again wish to protest the way the collection agency treated us and the resulting conversation. Respectfully, signed by a woman."

Now this is typical of what we do have in our files and it points out to me that some regulation is necessary, of collection agencies. Right now, there is regulation in the sense that they must place a bond with the state Treasurer and there are criminal penalties. I know of no prosecutions that have taken place at least in the last couple of years, so right now, I do think that your present legislation is ineffective and that you must go to legislation that will license collection agencies because I do believe this would probably be the only practical way of controlling the situation. I am not testifying here and saying the allegations in this letter are true or correct but because of the

THURSDAY

MARCH 11, 1971

TREAS. BERDON cont'd: number of the complaints, I am sure there must be some basis to regulate these collection agencies. I appear in support generally of H.B. 8005: there are numerous changes I would recommend and my office will be very happy to prepare for the committee any work on the bill which they would desire but I would like to point out a couple of major changes which should be incorporated.

REP. WEBBER: Excuse me, sir. I don't mean to interrupt you, nor do I mean to be disrespectful and cut you off. But I do think the committee will appreciate it if you will take the bill and send it back to us with your recommended changes instead of you telling us publicly what the changes should be.

TREAS. BERDON: Fine sir, that will be done. Thank you.

REP. WEBBER: Before we continue with the legislators, permit me to call on the hierarchy of our state. I understand Commissioner Dunn is here.

COMMISSIONER BARBARA DUNN: Thank you, I appreciate your courtesy. I am Commissioner of Consumer Protection for the State of Connecticut. I would like to know first your release on the comprehensive to include dating of foods and milk. As I recall when I was here, you suggested perhaps we take a look into this.

REP. WEBBER: You will be getting a bill which is just about completed.

COMMISSIONER DUNN: H.B. 8169 - This concerns retail sales of meat. We favor this bill in principle with its purpose and we would like to withhold comment on it until the bill is drafted but with the statement of purpose, we feel this bill is fine.

H.B. 8161 - Concerning truth in advertising. The intent of this bill is unclear but there is presently on the Statutes, section 42-115a concerning untrue, mis-leading and deceptive advertising and therefore we wonder if this bill is very necessary in view of what is already on the books.

H.B. 8163 - Concerning selling patent medicines, optical merchandise and similar items. Well we do not disagree with the principle of a sliding scale of fees of patent medicines, we do oppose the bill as written. We wonder, for instance, who is to define what similar items are and if this is an ambiguous statement which would be very impractical if

11.

GENERAL LAW

THURSDAY

MARCH 11, 1971

COMM. DUNN cont'd.: species or cut and we think that should be clarified. Mr. Smith would recommend species. Mr. Eaton Smith, who is division chief of Foods and Drugs.

In section 2 on this bill we have another difficulty; this would state that the meat grinder which would have clear and unobstructed view of the consuming public. We would like to know if it is your intent to have this meat grinder refrigerated. We have bacterial growth if these grinders are not kept where there is refrigeration. Must you then have a separate grinder to be provided for customers where this is dine in front of the consumer. We're happy to have a meat grinder there but we do point out to you that it would be our recommendation that it be housed so that it would be refrigerated which might leave you with some very difficult situations in trying to provide refrigeration where a consumer could still see it being ground.

REF. NEWMAN: Do you know if a bill such as this has been enacted in another state such as the State of New York?

COMM. DUNN: I have not seen that bill, Representative Newman, we are very concerned about the growth of bacteria that would perhaps occur in a grinder which was not refrigerated.

H.B. 7756, concerning consumer warranties, Representative Papandrea's bill. We support this bill in principle as it is in the interest of the consumer. We know that this bill is based on a California law. This bill sets up a procedural basis for civil action and damages in relation to warranties. The bill addresses itself to the providing of service and repair facilities in the state and provides for civil damages to the buyer and the seller. It would appear, though, although this bill does not directly effect this department, it is definitely in the public interest and could be supported by this department.

H.B. 7764, concerning consumer protection regulations for marking of thawed frozen food served at retail. We have in the past, I understand, prepared a statement which we will leave to you for your perusal. This bill has come up before and the difficulties outlined are in here and we will leave this with you.

We would like to comment briefly on H.B. 8005, concerning licensing of collection agencies. This bill does attack, in our opinion, problems that have existed

THURSDAY

MARCH 11, 1971

MR. BILLCOTT cont'd: amendments and although this particular bill was not introduced by the Guild of Opticians, a substitute bill will be introduced if you will note in subsection A of this bill, it refers to lenses and in subsection B it refers to frames and you will notice that subsection B places it on standards established by the United States of America standards of institutes. That same language should also be added to subsection A so we will have a bill prepared. I believe we will have it by next week.

The other bill I would like to comment on is Bill #8006 and I'm speaking at this point representing Top Value Enterprises, that's the company that does the second largest amount of business in trading stamps in the State of Connecticut and of course this bill would eliminate trading stamps from being used in gasoline stations and for the reasons all of which were put on the record here about two weeks ago when we had the trading stamp hearings, I would like to make all of those comments part of my comments at this point. Thank you.

REPRESENTATIVE AUDREY BECK: I wish to support a maximum rate on charge accounts of 12% per year. This is the established maximum rate which has been applied to other interest charges, and this rate should not be higher for charge accounts.

I think we recognize that the interest rate is affected by Federal Reserve policies, and the market for funds affects long and short term notes. In each case, the interest rate is not a completely freely fluctuating rate. I think it is proper to stop the interest rate from rising beyond this point.

EDWARD F. LAPIDES: I wish to talk on bill 8005. Although we are represented by an attorney who will speak a little later, I presume, I would still like to speak as a layman. I have been in the collection business since 1936. I think I have seen it grow from something that at one time left a lot to be desired to presently an industry now collecting better than two billion dollars per year. I think that we've regulated ourselves to the point that people in our field who need correction are given correction. People who need education are given education. I think that the number of accounts that we handle have a limited number of complaints. Your bill is a very, very fine bill, there is no question about it. I think it has had a great deal of thought behind it. It is unfortunate that we have

33.

GENERAL LAW

THURSDAY

MARCH 11, 1971

MR. LAPIDES cont'd: THAT we have people in our group who need correction. Unfortunately these people are not members of our national associations which correct those who need correction. I believe that those who are receiving the right to collect accounts should be scrutinized a great deal more carefully than they have been in the past. We would like very much to get together with the committee to help form a bill that can do that. This is a good bill and we would like very much to sit in on some of the complexities of it.

REP. WEBBER: It has been the practice of this committee over the past few years, not certainly to attempt to put somebody out of business and when a bill like this, and I'm not telling you the committee is going to buy this bill, is brought to us, we are naturally very grateful for any assistance or suggestions that might come from people like yourself. But the question that enters my mind and I'm sure of the rest of the committee, if you are operating in an honest way and you're proud of your business which I know you are, since 1936, this bill would not affect you at all. We have the same thing with the home solicitation act and a few other bills, what it does literally is put the bad guys out of business and the good guys remain. If you have any suggestions to enhance this measure, we will be glad to hear them. But we'd like to hear from you not later than Tuesday so we can complete this in executive session.

ATTORNEY ABRAHAM I. GORDON: I have offices in Bridgeport and I appear here today on behalf of the Connecticut Association of Collection Agencies. The group that Mr. Lapides just spoke to you is associated with and this association and Mr. Lapides are also associated with the National Organization known as the American Collectors Association. While we appear openly in opposition to a bill, actually we don't appear in opposition to the bill. We are opposed to certain aspects of the bill which I would like to go over with the committee and perhaps with the suggestions we can arrive at a bill which I think will accomplish what you are trying to do.

REP. WEBBER: We can't re-write the bill at this point, Mr. Gordon, but again I am sure if you can get us your suggestions in writing as opposed to telling us now, we can sit down and buy your suggestions if they are at all purchasable and incorporate them in the bill, but to go through this bill now line for line and have you tell us what you think should be done, I think we

THURSDAY

MARCH 11, 1971

REP. WEBBER cont'd: would frankly be gaining nothing.

MR. GORDON: I would be more than happy to turn in an analysis, rewrite the bill, point out the distinctions between your proposed bill and our suggested changes and I will be happy to get this to you by whatever date you suggest. I will have this to you by Tuesday then. I will have my comments annotated to the proposed bill.

RICHARD ROSS: I am employed by the ---- Co. I am here to speak on behalf - I'm against Bill 8006 trading stamps. I am for the use of trading stamps within the service station business. I feel that the use of the trading stamps by the individual dealer is based upon ~~xxx~~ his judgement of the profitability of his business. I think it is a shame if you take this authority away from a man to act on his own behalf as an independent business man. Thank you.

ANDREW McPHEE: I am a service station operator and I oppose HB 8006. I oppose the part of this bill that would tend to ban trading stamps. I have been in the service station business for over 10 years; I have been with three major oil companies and I gave the three major stamps during these years. I have found out they have promoted business; I was never under any pressure by any oil company that I was with to use them or not to use them. I tried them of my own will and for the nine years out of ten, they have done very well for me. I think by banning the use of the trading stamps that you are taking away part of the right of an independent business man. This is part of free enterprise; that's the reason I went into business not to be told what to do and to tell a businessman he can or can't give an item out that he himself pays for to me is not free enterprise

DENNIS CARR: A consumer of Bridgeport, Connecticut. I would like to talk about SB 322 on behalf of the price of gasoline in Fairfield County. I think it is ridiculous that the same truck that can delivery in Bridgeport can move on to the next county and deliver the same product into New Haven County and be priced five cents less for fuel. I can't see how they can get away with that. I think its ridiculous. Thank you very much.

LOUIS J. MIKUTHA: I am first vice-president of the Conn. Gasoline Retailers Association. I am in favor of bill 322 and also bill 8006. I gave stamps out at one time back in the old days when stamps first came out, we had territories. It got so that the territories were no longer honored. I had green stamps and two blocks

THURSDAY

MARCH 11, 1971

MR. PANZA cont'd: it to meet the competition in that one block but their own dealer in the next block, doesn't get the same consideration. Why? What difference does that one block make to the other block? The only difference it makes, it makes a dealer ---. Now we have no axe to grind with oil companies. We have no axe to grind with anybody. All we're saying is this. It's about time something was done to correct this thing. Who is going to do something about it? This committee has given it before to the Legislative Council for study. We hope this time that more drastic measures will be taken so that it will go beyond that and let the House and Senate decide whether or not this bill has any justification. We are certain it has much justification. I think its about time the public was treated alike. Why should the oil companies decide which block should get the break? Connecticut isn't that big. Let the guy in Putnam and the guy in Bridgeport get the same price. Why should it come out of anybody's pocket. In this day and age when the oil companies are subsidizing certain dealers in order to meet the competition, why not give it in that tank-wagon price so that everybody is the same and everybody is alike. There should be no discrimination. If anybody has been discriminated against, in our opinion, it has been the gasoline dealer and the public as well and I think its about time that something is done to correct that injustice. We have many other samples here of things that have happened. I will leave a copy with the chairman. Here I have a complete record of what I have just said in order to save time; I realize there are a lot of other people who want to be heard. I am also leaving here the figures that I submitted the last time about unredeemed stamps, Mr. Chairman, were we got our figure of 14 percent. I want that in the record because I was told I was taking figures out of the air. We don't take figures out of no air. They are substantiated facts and this will tell you how many billions of stamps are unredeemed over so many years. This is how we feel; I hope this time that this committee will give favorable action to this bill and that maybe this time we will have good luck. And if we don't have good luck, we will be back again next year because we believe in what we are talking about.

IRWIN J. HAUSMAN: I am an attorney in Hartford, we present an agency called Power Service, Inc. and I am here to speak on HB 8005. I will make my comments very brief