

HB 8167

PA 46.6

1977^v

Senate: P. 3017-3018

(2p)

House: P. 3163-3169

(7p)

Judiciary: P. 1382-1386; 1390;
1404-1405

(8p)

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SENATE

PROCEEDINGS
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JOINT
STANDING
COMMITTEE
HEARINGS

JUDICIARY
PART 4
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The bill further provides that whenever an arrested person whose bond has been forfeited is returned to the jurisdiction of the court within one year of the date the bond was ordered forfeited, the surety on such bond shall be entitled to a rebate of that portion of the forfeited amount as may be fixed by the court or as may be established by a schedule adopted by rule of the judges of the court.

I think that it's a good bill and that it will assist in perhaps apprehending people who have skipped and not appeared in court pursuant to the conditions of the bond.

If there's not objection I move it be placed on the Consent Calendar.

THE CHAIR:

Hearing none, so ordered.

The Chair will take the liberty at this time to introduce the honorable mayor of Bridgeport, Mayor Mandanici, who is present here, and honoring us with his presence.

Will the Senate please accord him our usual welcome. (applause)

THE CLERK:

Calendar 957, File 847, has been now marked PR.

Going to the top of Page 9.

Calendar 959, Files 825, 1057. Favorable Report of the Joint Standing Committee on Judiciary. Substitute for House Bill 8167. AN ACT CONCERNING MODERNIZATION OF CONNECTICUT'S EXEMPTION STATUTE. As amended by House Amendment Schedule "A".

SENATOR DePIANO:

Mr. President, I move for passage of the bill as amended by House Amendment Schedule "A".

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THE CHAIR:

Proceed. Is there an amendment?

SENATOR DePIANO:

There is an amendment.

THE CLERK:

The Clerk has Senate Amendment Schedule "A". Excuse me. There is no amendment.

THE CHAIR:

Senator DePiano.

SENATOR DePIANO:

I move for passage of the bill as amended, Mr. President.

THE CHAIR:

Will you remark?

SENATOR DePIANO:

I believe that we've had this bill before. It's self explanatory. And if there is no objection I move it be placed on the Consent Calendar.

THE CHAIR:

If there is no objection, so ordered.

THE CLERK:

Calendar 966. File 859. Favorable Report of the Joint Standing Committee on Judiciary. Substitute for House Bill 6129. AN ACT CONCERNING LANDLORD AND TENANTS.

SENATOR DePIANO:

Mr. President, I move for acceptance of the Committee's Favorable Joint Report and passage of the bill.

THE CHAIR:

Will you remark?

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MR. SPEAKER:

You've heard the motion that all items placed on consent be passed retaining their place on the Calendar. Any objections to the motion? So ordered.

THE CLERK:

Calendar 928, substitute for H.B. No. 8167, file 825, An Act Concerning Modernization of Connecticut's Exemption Statute, Favorable Report of the Committee on Judiciary.

MR. SPEAKER:

Representative from the 148th.

MR. ABATE (148th):

Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

MR. SPEAKER:

The question's on acceptance of the Joint Committee's Favorable Report and passage of the bill and would you remark sir?

MR. ABATE (148th):

Yes, Mr. Speaker, the Clerk has an amendment, L.C.O. 8507 would the Clerk please call and may I be allowed summarization?

MR. SPEAKER:

The Clerk please call L.C.O. 8507 designated as House Amendment Schedule A.

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(rec.15)

THE CLERK:

House Amendment Schedule A, L.C.O. 8507, offered by
Representative Abate of the 148th district.

MR. SPEAKER:

Is there any objection to the Gentleman from the 148th
to summarize this amendment? No objection, please proceed sir.

MR. ABATE (148th):

Thank you, Mr. Speaker. The amendment clarifies that
social security and veterans benefits are fully exempted. They
are exempted in any event under Federal law. It exempt wedding
and engagement rings. It eliminates the exemption for cash and it
clarifies the cap on the exemption for pension benefits as equal
to the amount of wages which would be exempted from attachment.
The corpus of the trust of course is already exempted under
Connecticut General Statute 38-162 and under the provisions of
the pension reform act. I move adoption of the amendment, Mr.
Speaker.

MR. SPEAKER:

The question's on adoption of House Amendment Schedule A?
Would you remark further? Representative John Matthews.

MR. MATTHEWS (143rd):

Mr. Speaker, through you, a question to Mr. Abate.

MR. SPEAKER:

Please proceed sir.

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MR. MATTHEWS (143rd):

Through you, Mr. Abate, I acknowledge the amendment as being a worthy one. I would like to ask however how does one define or know when a wedding or engagement ring may be?

MR. SPEAKER:

Representative Abate.

MR. ABATE (148th):

Mr. Speaker, through you, it would be a matter of proof Mr. Speaker, if the ring were exempted the burden would be on the exemptioner or if the ring were executed, there would be a burden on the individual who is the subject of the execution to show that in fact it was a wedding or engagement ring, it would be within the discretion of the judge to make final decision.

MR. MATTHEWS (143rd):

I don't know what to say in response to that sir. I think that's very appropriate but I still think that there's an awful lot of individuals who might find a way of circumventing that situation. I would think that we just eliminate any thing related to that type of ornament and be that as it may be out of the bill completely.

MR. SPEAKER:

Would you remark further on House Amendment Schedule A? If not, all those in favor signify by saying aye. Opposed? House A is adopted. Would you remark further on the bill as amended by

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House Amendment Schedule A? The Chair rules House A technical.
Representative Abate.

MR. ABATE (148th):

Mr. Speaker, this bill modernizes Connecticut's exemption statute by changing it to reflect the kinds of property that exists in modern society. There are two major purposes to an exemption statute. One is to make certain that a debtor can not be so stripped of property that he is left with absolutely nothing. For example, Connecticut is always exempted from attachment of debtors necessary clothing and household goods. The other is to prevent a debtor from being deprived from his capacity to work. If this happens, he becomes unable to pay his other creditors and he then files bankruptcy which means that none of his creditors are in fact paid. Connecticut's exemption statute dates to at least 1711 and it has not been significantly changed since 1879. The goods that it exempts from attachment were the basic property of the farm society of the 1800's. Thus for example it exempts 200 pounds of wheat flour, ten bushels of Indian corn, ten bushels of rye but it does not exempt bread. It exempts five bushels of potatoes and five bushels of turnips but it does not exempt even \$100 worth of food. It exempts one cow not to exceed \$150 in value and ten sheep worth up to \$15 a piece. It exempts an oyster boat but not a car. This bill modernizes the statute by relating it to present day property. This bill has been the subject of extensive discussion between representatives of creditors and debtors

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and it is substantially the same as the compromise bill presented to my committee by representatives of the commercial and consumer law sections of the bar association. The bill exempts necessary clothing and household goods, necessary tools of the trade, a burial plot, an equity and a car up to \$1500. The bill provides some degree of protection for debtors. At the same time it does not unduly interfere with the creditors right to collect a judgment owed to him. It represents a fair and reasonable balance. I move passage of the bill, Mr. Speaker.

MR. SPEAKER:

Will you remark further on the bill as amended by House Amendment Schedule A? Representative Frankel?

MR. FRANKEL (121st):

(Mr. Speaker, I couldn't agree more with Mr. Abate that this bill requires modification but I'm not certain that we should modify it as much as we have as presented by file number 85. Let me point out one area that I feel is of particular concern and this has to do with motor vehicles. If an individual has loaned money to another individual and that individual fails to pay it, one can normally go to court and get a judgement. The problem then is what to do with that judgement. Well the practice is to turn it over to a sheriff so that he can execute against goods or property so long as they are not exempt. This law would exempt a

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motor vehicle to the value of \$1500. What we'd be saying in effect is that although a man owes a debt of \$100 or \$1000 he would be entitled to keep an automobile even though it was worth \$1500. I think it goes too far in that respect. I'd like to point out to you that it says more than just \$1500, it says the balance after you take into consideration loans. You could easily have a \$5000, brand new automobile with a \$3500 debt and find that it's exempt. I agree with the concept of modifying the bill but I think this particular provision is much too liberal. I could see of saying a car of smaller value but I think we've gone too far here.

MR. SPEAKER:

Are we prepared to vote? Will members take their seats, staff and guests please come to the well of the House, the machine will be opened. Have all the members voted and is your vote properly recorded? If so, the machine will be closed and the Clerk will take the tally. The Clerk will please announce the tally.

THE CLERK:

Total number voting	140
Necessary for Passage	71
Those voting Yea	123
Those voting Nay	17
Those absent and not voting	11

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MR. SPEAKER:

The bill as amended by House Amendment Schedule A is passed.

THE CLERK:

Cal. 930, substitute for H.B. No. 5855, file 827, An Act Concerning Town Referenda on Racing and Fronton Facilities; Favorable Report of the Committee on General Law.

MR. SPEAKER:

Gentleman from the 121st.

MR. FRANKEL (121st):

Mr. Speaker, I move acceptance of the Committee's Favorable Report and passage of the bill.

MR. SPEAKER:

The question is on acceptance of the Committee's Favorable Report and passage of the bill and would you remark?

MR. FRANKEL (121st):

Mr. Speaker, the Clerk has an amendment, L.C.O. 7683, will the Clerk please read the amendment?

MR. SPEAKER:

The Clerk has L.C.O. 7683, House Amendment Schedule A, Clerk please call and read.

THE CLERK:

House Amendment Schedule A, L.C.O. 7683, offered by Representative Colucci of the 71st district, in line 48, delete

the advisory council, which was appointed by the legislature to make recommendations for the implementation of the one-tier court system, is now involved and will be involved in establishing rules or recommending rules for the new unified court. So, all I'm saying to you is lawyers are aware of the need for more attention being dedicated to - applying to the rule making power and I think there will be an improvement in that in the future. Thank you very much.

REP. ABATE: Thank you very much, Mr. Dixon. Fred Conard.

F. CONARD. Mr. Chairman. Members of the committee. I'm Frederick Conard, Jr. of the law firm of Shipman and Goodwin. We are service counsel for the savings banks association of Connecticut. We're here today in opposition to Raised Committee Bill No. 8167--AN ACT CONCERNING THE MODERNIZATION OF THE CONNECTICUT EXEMPTION STATUTE. The association's position on this statute in general is that we certainly do not object to bringing this statute and its purposes into the twentieth century. However, we believe that the purpose of this statute, in general, was to prevent debtors from being left destitute and to assure that they are left with some basis for rehabilitation. This statute, we feel, provides more of a fur-lined stretcher for the boxer who's been knocked out. In fact, goes so far as to perhaps take away, while purporting to provide means for rehabilitation, it, in fact, takes away the most--or probably would take away the most important tool of rehabilitation and that is the ability of the debtor to obtain credit. As we read the statute as proposed, it will make it exceedingly difficult for creditors to collect indebtedness and consequently will reduce the availability of credit to the populace. In respect to the particular provisions with which we are concerned, I call the committees attention to the fact that the definition of the word "necessary" in the statute seems to go beyond, at least, the philosophical concept of necessity which existed in the old statute. It talks, not only of present needs, but of anticipated future needs and the question of whether a need under this statute would be interpreted to be something that we would hope people could have or something that was absolutely necessary, certainly is not clear. The section defining exemption has a couple of problems with it, as we see them. One is that in the original statute we were dealing only with warrants attachments or executions. I note that this statute refers to not only forms of process but any court order for the purpose of debt collection. It would seem, therefore, to sweep in a broader area of debt collection than existed in the previous statute and particularly it deals - it exempts from the exemption, if you will, purchase money security interest. That's fine, however, this leaves out a whole area of security interest in the way of chattel mortgages or where property is pledged for loans and distinguishes between the purchase money interest and the non-purchase money interest. It doesn't seem that that makes too much sense to us. Now, Section 2A dealing with household furniture, apparel and bedding is taken somewhat--follows somewhat the old statute however it adds the word appliances and this is one of the areas where we feel the whole philosophy in the new statute begins

Belt #8

to exceed the purpose of any exemption statute. It would seem to perhaps, encompass valuable items of entertainment equipment which would not be essential to rehabilitation but might be argued to be needs. If this kind of language is to be included, certainly specific dollar limitation should be added. Same is true about section 2B which deals now with any motor vehicle, farm animals, instruments, books and machines necessary, as they say, for the debtors occupation. The value limitation would certainly be needed here or otherwise several hundreds of thousands of dollars of machinery could be exempted under the proposed statute. In section 3A--the value limitation on an automobile is increased to \$2,500 but the next sentence, then, really makes that increase over and above any security or liened value of the automobile, so that this means that the exemption section could substantially - could exempt in effect, property substantially in excess of \$2,500 worth of value in an automobile and we feel again that this would be an excessive value to be exempted. Section 3B--completely exempts, without limitation on value, wedding and engagement rings which, of course, in certain circumstances, we know could be almost sources of investment in their value, they could be extremely valuable properties even up as far as into the hundreds of thousands of dollars and we question whether some limitation should not be included. Section 3C--we feel has a potential ambiguity in it. As it reads it exempts personal property other than that listed above. That's generally all personal property which may include cash and receivables to the value of a hundred thousand dollars. Now, it's not clear as written, excuse me, one thousand dollars--it's not clear as written whether the one thousand applies to everything, to the cash and receivables or just to the receivables and certainly, I wouldn't think it would be the intention of the legislature to exempt all personal property which would be the case if the limitation applies only to cash and receivables. Again, we still feel that even in this area there should be a dollar limitation somewhat less than this because of the fact that it exempts too much total of these items. Now the 3F--and G deal with substantial sums of money. They exempt, completely, any award under a crime reparations act or any proceeds payable on the death of an insured. Literally, this would exempt hundred thousand dollar life insurance policies, two hundred thousand dollar life insurance policies. The proceeds of those policies payable to a person who later becomes a debtor are exempted from execution and we feel that this is unintended by the writers of the act and should be reconsidered. Lastly and most importantly, we feel section 4 should be deleted altogether. Section 4 greatly changes the purpose of the statute by proposing to carry an existing exemption through whatever property is acquired in the future or whatever investment the value of the originally exempt property is put into through the life of the debtor. This means that if a debtor obtained a hundred thousand dollar life insurance policy, they could invest the hundred thousand dollars in real estate or in anything, and trace that money as it grew in value over the following years and have themselves a substantial estate which no creditor could possibly anticipate was exempt from

execution and have this estate until execution was attempted and then the creditor would come in and say 'aha I bought this piece of land with a thousand dollar life insurance policy my grandma gave me 20 years ago. I'm sorry, but that can't be taken from my debts'. Obviously, this is a complete perversion, we think, of the original purpose of the exemption statute and--not only for the credit institutions which we represent but for the persons in the state who wish to obtain credit we think that this bill goes way too far. Thank you. I'll be glad to answer any questions.

REP. ABATE: Thank you very much. Any questions of Mr. Conard? Thank you, sir. Joseph Donohue. Joseph Donohue. Joanne Faulkner.

J. FAULKNER: My name is Joanne Faulkner, I'm a practicing attorney in New Haven, Connecticut. I'm here as a representative of the Connecticut Bar Association--Consumer Law Section. I want to make it clear that I'm not speaking for the bar association. I am speaking only for the Consumer Law Section. The bill you have before you was drafted by the Consumer Law Section and raised by this committee at the Consumer Law Sections request. The Consumer Law Section is made up of attorneys interested in Consumer Law which - I'm sorry 8167 - made up of attorneys who are interested in Consumer Law which it would include truth in lending, fair credit billing, fair credit reporting. Its a - the minority of the members of that section represent consumers, the majority represent creditors including banks, and this - our section - unanimously endorsed this bill. Modernization is definitely necessary. The last time the exemption statute was touched was about a hundred years ago, so that the statute has been the same for a hundred years while our economy has greatly changed. The purpose of an exemption statute is to provide certain property or assets to a debtor, to provide him with a minimum of - for economic survival. For instance, in this day and age a car is a necessity for transportation and to get to work. There is no exemption in the statute, presently, for a car and a person who has to lose his car because of his debts, also loses his job, has to go on unemployment, has to go on welfare. I want to read to you what our exemptions are now so that you'll realize how antiquated and inappropriate the statute is. Among the things that it exempts are uniforms or musical instruments owned by any member of the militia for military purposes, a library not exceeding five hundred dollars in value, a cow not exceeding one hundred and fifty dollars in value, any number of sheep not exceeding ten nor exceeding one hundred and fifty dollars in value, two swine and poultry not exceeding twenty-five dollars in value. If you have a spouse or family you have exempt two tons of coal, two hundred pounds of wheat flour, two cords of wood, two tons of hay and five bushels of potatoes and turnips, ten bushels each of indian corn and rye or the flour manufactured therefrom, a boat owned by a person and used by him or her in the business of taking oysters or clams or shad and a sewing machine being the property of anyone person using it or having a family. So you can see the majority of items which are exempt are meaningless. The effect of modernizing our statute would be to decrease, resort to bankruptcy. Right now I have a number of clients who have to

go into bankruptcy in order to have any kind of a future at all. If they were left with the minimum of goods or property, for instance, a car of reasonable value, they would not have to go into bankruptcy. They could wait until their financial situation improved and pay off their debts. The modernization would increase the debtors ability to retain his job. It would increase his ability to keep his family together and it would increase his ability to pay his debts. It is noted that several studies have shown that where there are generous exemptions, the resort to bankruptcy is substantially lower than where there are very few exemptions. I think Connecticut is well known as the state which has the most backward exemption laws. There are some states which have substantially greater exemption laws, for instance, I think California exempts a forty thousand house and a thousand dollars in credit union, a thousand dollars in savings and loan, and a certain amount of other assets, for instance, automobiles. So this statute doesn't go any where near some of the more modern states like California and Texas. The need for modernization has been recognized for many years. There was an article in the 1973 Connecticut law review in which the authors note the desperate need to modernize the exemptions statute. Judge Seidman, who is one of our bankruptcy judges in Connecticut, wrote that he has been urging the legislature for years to modernize the exemption statute. I have with me a recent decision by Judge Trevasan, who is the other judge, in which he notes that quote the Connecticut exemption statute is archaic and for decades the legislature has ignored modernization of it--end quote. As I said before, the text that you have before you was unanimously approved by the Consumer Law Section of the bar. It is based on two other statutes--one is Uniform Exemptions Act which was adopted by the Uniform Commissioners in August 1976. This is the Uniform Exemptions Act. It is lengthy and detailed and it also has some commentary with it. The consumer law section felt that that was just too much at this time, so what we have done is taken the heart of it and put it into this legislation. There is also a proposed Uniform Exemption Act by a federal bankruptcy commission. What is happening on the federal level is that there is a proposed reform act for bankruptcy. This would impose on the states uniform exemptions so that if we don't adopt this in Connecticut, we're going to have it imposed on us at the federal level in the near future. I want to also comment that the commercial law in bankruptcy section of the bar association has endorsed the concept of a general exemption bill. There are few differences my section, the Consumer section and the commercial law section as to what should be in this bill, but none of them are serious differences and I'm sure that if necessary we can get together and compromise on them. Now I don't want to go into the details of the bill--I think many of the objections that Mr. Conard raised can be very well discussed either with him or with this committee. Most of the sections to which he objects are sections that are in the uniform bill and the reasoning appears in there. I would be glad to meet with the committee if he feels that some of the - needs redrafting or help you in any way with it. I wanted to comment briefly on the class action bill also - -

REP. ABATE: Just before you get into that, might I suggest that you bring to the section a report of the testimony as well as you can recall it that Mr. Conard gave today and at least discuss some of the issues which I think

merit discussion.

J. FAULKNER: We have discussed all those issues in the section.

REP. ABATE: Okay, so they've all -- you've anticipated all of those objections?

J. FAULKNER: Right.

REP. ABATE: And even in anticipating them you've still decided to come forward Belt #9 with this particular draft?

J. FAULKNER: That's right.

REP. ABATE: That's fine. That's really all I was interested in.

J. FAULKNER: That does'nt mean we are adamantly opposed to making changes. This is what we thought was the best but we recognize that there are other people that may have different points of view. The important thing is to bring Connecticut into the twentieth century in this regard.

REP. ABATE: Yeah, I don't think--I think that anyone who would object to this bill wouldn't object to that notion. I think that the objections are a bit more refined than that.

REP. BERMAN: I completely agree with -inaudible -- but we all agree that modernization is being necessary. I think if you also dealt with this point to the effect -inaudible - (*speaking away from microphone*)

J. FAULKNER: Yes, there have been numerous studies of - well, I don't know, can't say numerous studies, but there have been studies that have shown that there is no difference in the availability of credit with a high exemption statute. As I said in California, they have very high exemptions, substantially higher, and it is also the state in the union which has the highest rate of consumer credit so I think that is not a realistic possibility.

REP. BERMAN: Does your committee have anything *in writing on this,* *Also in dealing with* *your section 4, does* *it change in concept -*

J. FAULKNER: No, I don't think we do other than the text of the bill. On the class action bill, No. 998, I just wanted to comment that I don't believe it's necessary we have a class action section in 42-110 of the statutes. 998. We already have a class action bill in 42-110 of the statutes and the judiciary adopted practice book rules for class actions. I think, in 1975. The class action bill that's proposed here suffers from the same defect as the uniform exemption act in that it's very detailed, very rigid in contrast to the federal class action act which is very simple. The objection I particularly have is to section 7F, which seems to be an absolute bar to a class action by a consumer or a poor person. It makes the plaintiff bear all the expenses of notice in connection with a class action. Ordinarily

Belt #10 marriage and how the hospital is supposed to go out and find out whether the parents consented to the marriage would be beyond me. In any event, if there is a problem in the general field of emancipation, any bill that comes out should be rewritten. And lastly speaking quite independently and not as counsel to the hospital association but as a past president of the bar of Connecticut, I would just like to indicate that my strong feeling is that the time has come when Connecticut should take steps toward the merit selection of the judiciary of this state and clearly, as an individual and the past president of the bar, I strongly endorse 136. I think it's high time that we took this step.

REP. ABATE: Thank you very much, Mr. Tilson. Any questions? Raphael Podolski?

R. PODOLSKI: I want to speak to you about four bills. I'll try and be brief. The first on is 8167 AN ACT CONCERNING MODERNIZATION OF CONNECTICUTS EXEMPTION STATUTE. I left in the mailbox of each committee member a copy of written testimony and also a memo that had been prepared for me by a student that describes the history of Connecticut's Exemption Statute. The statute is - I think other speakers may have pointed out to you - is rather flagrantly out of date, in that it doesn't deal with the kinds of exemptions that are most needed for the purposes of an exemption statute and the kind of exemptions that are most important are first of all, an exemption which recognizes the capacity of a debtor to be able to earn a living and in real terms that means some mechanism for preserving some means of transportation and that means something in the way of a car. The second thing that is, I think, badly missing is the statute, because it was written for farm families, worked on the assumption that what you needed were certain kinds of goods, pieces of property, so that you could maintain your minimum standard. For example, flour, or a cow. They didn't realize that today you got to go out and buy the milk. To say that you can have a cow so that you won't starve doesn't solve the problem and what it means is you have to have some provision for some small amount of cash that a person can have to meet things like the next month's rent or some kind of a basic minimum. The committee - if the committee feels and I hope it does feel that there's a need for a substantial change in the statute there seems to me there's much in Bill 8167 that could be written a number of different ways. For example, the dollar value of the exemption of an automobile does not have to be \$2500 as proposed. It could be \$1500. The cash exemption doesn't have to be \$1000, it could be \$750. Things that are here without a cap on them could be capped. Jewelry up to a certain value, books up to a certain value. There's a lot of playing around that could be done, but if the committee feels that it would be interested in sending a bill to the floor, I hope very much that it will approach the bill seriously and use some of the committee resources to see it would have the draft it would like and the chairman certainly knows I'd be perfectly willing to help in that process. I do think it's an important bill and one that to the extent that there may be some problems, the committee shouldn't just kill the bill but it should try and see if it could devise a version that would deal with those problems. The second bill on which I want to speak is 6160--AN ACT CONCERNING RENT RECEIPTS. I notice that this is a

47A-22, the security deposits interest provision, which I'm afraid I missed the boat on when it was in committee because it makes things even more difficult and more complicated for housing authorities. I thank you for your time.

SEN. GUIDERA: Thank you, Chuck. I have nobody else on the list. Would anybody else like to speak?

D. BISER: Senator, my name is David Biser. I was on the list and got detained upstairs. I'm here representing the Connecticut Bankers Association. There is one bill that I'd like to testify on and that's Raised Committee Bill 8167--AN ACT CONCERNING MODERNIZATION OF CONNECTICUT'S EXEMPTION STATUTE. For the most part the commercial banks of the state support a modernization of this statute which as I recall, probably dates back to the 1700's in its existing form. There are, however, two sections that give us a great deal of concern and those are sections 2B -- three sections, 2B, 3A and 4. Let me start with 2B. That would exempt tools, books, instrument, motor vehicles, in the plural, farm animals and machines which are necessary to the exemptioner in the course of his or her occupation or profession. And if you look back at the word 'necessary' which is defined in 1A, it's indicated it means 'reasonable required to meet the present and anticipated needs of the exemptioner'. I could foresee an exemptioner therefore saying that no, you can't - I am a judgment debtor, oh court, but you can't reach my machines because they're necessary to carry on my business. Machines are not secured but they have a value of a half a million dollars or again the fleet of motor vehicles, a dozen trucks or a dozen cars with a value of a half a million dollars would be not reachable by a creditor so long as they're not secured. I think that would be unconscionable to basically allow an individual who owes debt, who is a judgment debtor to have motor vehicles or machines which cannot be reached. Turning our attention now to 3A--we find on a lesser scale, an exemption of one motor vehicle to the value of \$2,500. We will take exception to that. Our position would be that as long as we're talking about a judgment debtor, it may be reasonable to allow him to have reasonable means of transportation but not necessarily to the value of \$2,500. I think it would suffice, in equity, in fairness to have a motor vehicle of the value of say \$500, it may be a used car which would satisfy the needs of the debtor, at the same time allow assets to be reached by creditors in a judgment. Third, on section 4--there is a bad feature in this bill in that it provides that money or other property which is exempt under the act remains exempt after its receipt by the exemptioner while it's in his possession. As I see it, if you read that section 4 in connection with the section 2A, the motor vehicle and machinery section, if an exemptioner has any sort of exemption for machines, whether it's three machines or thirty machines or two cars or fifty cars and then sells those cars and puts those proceeds in a bank and is about to engage in another business, the judgment creditor cannot reach those assets because they were at one time exempt by virtue of having a form of whether its tools, books, instruments or motor vehicles. We would submit that once they leave the protected form, they ought no longer be exempt. So, in conclusion we would say that although we support the concept of modernizing Connecticut's exemption statute, we have serious

problems with some of the specific exemptions which are in it. Thank you.

SEN. GUIDERA: Seems to me this bill is - the language of this bill is extremely loose.

D. BISER: That it is.

SEN. GUIDERA: Is this a typographical mistake in section 4B of the bill?

D. BISER: By application of the principle of first in first out, last in first out?

SEN. GUIDERA: Should be last in last out, shouldn't it?

D. BISER: Should be. It should be, you're right.

SEN. GUIDERA: Or any other reasonable basis - inaudible. I don't know who drew this bill -

D. BISER: I don't know either.

SEN. GUIDERA: But it leaves something to be desired in it's present form. Okay, you're not crazy about the bill is what you're saying.

D. BISER: Not crazy about the bill.

SEN. GUIDERA: Neither am I.

D. BISER: Thank you very much.

SEN. GUIDERA: Is there anyone else who wishes to speak?

SB998 C. McCRISKY: Senator, I'm sorry I omitted saying just a couple of points on the uniform class actions bill which we don't have a copy of it out here on the table but we've taken a look at it in our office. I think there's a great many problems with it. I think that it's something might very well merit an interim study of the committee to allow people to take a better look at it over a longer period of time and to refine their thinking.

SEN. GUIDERA: There are problems we've always had on this committee, Chuck, is that we don't have anybody here who is really an expert on class actions. We had hoped that when Senator Santaniello got on the committee, he would provide us with that expertise but we don't have anybody who really knows. Allen Nayer is about the only guy I know that knows anything about class actions.

C. McCRISKY: Well, I had one of the attorneys in our office whose done considerable work in class actions in federal courts, take a look at it and they thought the bill raised a number of problems, was too finely annotated and in fact, you had a consumer representative earlier -

SEN. GUIDERA: What's the bill number?