

Legislative History for Connecticut Act

SB 187	PA 313	1978
Senate: 778-80		
	2977-79	(6p.)
House: 2374-78		(5p.)
Banks: 87		
	149	
	198	(3p.)
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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1978

VOL. 21
PART 2
431-847

Tuesday, April 4, 1978

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The machine is closed and locked.

Total Voting, 33.
Necessary for Passage 17.
Voting Yea 33.
Voting Nay 0.

THE LEGISLATION IS ADOPTED.

THE CLERK:

Turning to page eitht of the Calendar, the middle item on the page, Cal. 244, File 112. Favorable report of the joint standing Committee on Insurance and REal Estate. Sub. for S.B. 289. AN ACT CONCERNING HEALTH CARE INSTITUTIONS WHICH PROVIDE PALLIATIVE AND SUPPORTIVE CARE FOR THE TERMINALLY ILL.

THE PRESIDENT:

Senator Flynn.

SENATOR FLYNN: (17th)

Mr. President, may that be passed temporarily?

THE PRESIDENT:

Passed temporarily.

THE CLERK:

Continuing on page ten of the Calendar, Cal. 285, File 163. Favorable report of the joint standing Committee on Banks. Sub. for S.B. 187. AN ACT AMENDING THE RETAIL INSTALMENT SALES FINANCING ACT.

THE PRESIDENT:

Senator Dinielli.

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SENATOR DINIELLI: (31st)

Yes, Mr. President. I move for acceptance of the joint committee's favorable report and passage of the bill.

THE PRESIDENT:

The Chair recognizes Senator Madden.

SENATOR MADDEN: (14th)

Thank you, Mr. President. As with the previous items, I would like to be excused under conflict of interest rules. And for while we are at it, for this one and Cal. 314 as well.

THE PRESIDENT:

The record will be so noted. Senator Dinielli, DO you care to remark?

SENATOR DINIELLI:

Yes. Mr. President, there is an amendment on this also.

THE CLERK:

The Clerk has Senate Amendment Schedule A, Sub. S.B. 187, LCO 1699 offered by Senator Dinielli, copies are on the desks.

SENATOR DINIELLI:

Mr. President, I move adoption of the amendment. I would like to explain it and say that it is merely technical in nature. It corrects a defect in the original draft of the bill.

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THE PRESIDENT:

This is a technical amendment change. All in favor of Senate Amendment Schedule A, please say Aye. Opposed Nay. The Ayes have it. THE AMENDMENT IS ADOPTED.

SENATOR DINIELLI:

Mr. President, this bill would extend coverage of the retail installment sales financing act to out-of-state creditors and it is the main purpose of the bill and I ask that we have a roll call on it in the absence of Senator Madden.

THE CLERK:

An immediate roll call in the Senate. Would all senators please take their seats. An immediate roll call has been ordered in the Senate. Would all senators please take their seats.

THE PRESIDENT:

The machine is open. Please cast your vote. The machine is closed and locked.

Total Voting 33
Necessary for Passage. 17
There are 33 Yeas
There are 0 Nays

THE BILL, AS AMENDED, IS PASSED.

THE CLERK:

Continuing on page ten of the Calendar. Cal. 287, File 168. Favorable report of the joint standing Committee on Education, Sub. for S.B. 338. AN ACT CONCERNING THE

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GEN. ASSEMBLY
SENATE

PROCEEDINGS
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THE PRESIDENT:

The question is on the adoption House A. All in favor say Aye. Opposed. The Ayes have it. HOUSE AMENDMENT A IS ADOPTED.

SENATOR BECK:

I move the bill, as amended by House A, be placed on the Consent Calendar.

THE PRESIDENT:

Without objection, it is ordered to Consent.

THE CLERK:

Page eleven of the Calendar, top item, Cal. 285, Files 163 and 700. Favorable report of the joint standing Committee on Banks. Substitute for Senate Bill 187. AN ACT AMENDING THE RETAIL INSTALMENT SALES FINANCING ACT, as amended by Senate Amendment Schedule A and House Amendment Schedule A

THE PRESIDENT:

Senator Dinielli.

SENATOR DINIELLI: (31st)

Mr. President, I move acceptance and passage of the bill and adoption of House Amendment Schedule A.

THE PRESIDENT:

Tell us about the amendment, Senator.

SENATOR DINIELLI:

Yes. The original bill changed the scope of the retail instalment sales financing act which included all equipment used for business purposes costing twenty-five thousand dollars

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or less. The committee changed that to read motor vehicles used for business purposes costing eight thousand or less and the House in their wisdom changed the motor vehicle to read all equipment again but the eight thousand figure is still included as requested by the banks committee. So I move that the measure be adopted.

THE PRESIDENT:

The question is on the adoption of House A. All in favor say Aye. Opposed Nay. The Ayes have it. AMENDMENT
A IS ADOPTED.

SENATOR DINIELLI:

I ask that this matter be placed on the Consent Calendar.

THE PRESIDENT:

Without objection, it is ordered to Consent. I'm sorry. Senator Madden had disqualified himself under Rule 15 on Cal. 285 and we will have to recall it please.

SENATOR DINIELLI:

Mr. President, I was under the impression that since it was retail instalment, it was not necessary. Your diversity, speaking to Senator Madden, amazes me.

THE PRESIDENT:

All right. We will roll call it. Announce an immediate roll call.

THE CLERK:

An immediate roll call in the Senate. Would all senators

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be seated. A roll call in the Senate. Would all senators please take their seats.

THE PRESIDENT:

We have a Rule 15 roll call. Top of page eleven, Cal. 285. I have opened the machine. Please cast your vote. The machine is closed and locked.

Total Voting	33
Necessary for Passage	17
Voting Yea	33
Voting Nay	0

THE BILL IS PASSED.

THE CLERK:

Continuing on page eleven, Cal. 394, File 290. Favorable report of the joint standing Committee on Regulated Activities and Energy. Senate Bill 565. AN ACT CONCERNING THE DISALLOWANCE OF RECOUPMENT OF THE CONNECTICUT GROSS EARNINGS TAX UNDER FOSSIL FUEL OR PURCHASED GAS ADJUSTMENT CLAUSES, as amended by House Amendment Schedule A.

THE PRESIDENT:

Senator O'Leary.

SENATOR O'LEARY: (7th)

Mr. President, I move for the rejection of House Amendment Schedule A.

THE PRESIDENT:

Question is on rejection. Senator DeNardis.

SENATOR DENARDIS: (34th)

Mr. President, I oppose rejection of House A. I would

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1978

VOL. 21
PART 6
2171-2620

May I be recorded as red instead of green.

THE DEPUTY SPEAKER:

The Clerk please note Representative Berman from the negative to the affirmative.

Representative Berman, you wish to be recorded in the negative?

MS. BERMAN (92nd):

Yes.

THE DEPUTY SPEAKER:

The Chair is sorry. Representative Berman recorded from affirmative to the negative.

The Clerk please announce the tally.

THE CLERK:

Total Number Voting.....	143
Necessary for Passage.....	72
Those Voting Yea.....	140
Those Voting Nay.....	3
Those Absent and Not Voting.....	8

THE DEPUTY SPEAKER:

The bill as amended is PASSED.

THE CLERK:

Page 5 of the Calendar. Calendar No. 623. Substitute for S.B. No. 187, File No. 163. AN ACT AMENDING THE RETAIL INSTALMENT SALES FINANCING ACT. As amended by Senate Amendment Schedule "A".

✓Favorable report of the Committee on Banks.

MR. COLUCCI (71st):

Mr. Speaker, I move acceptance of the Joint Committee's favor-

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able report and passage of the bill in concurrence with the Senate.

THE DEPUTY SPEAKER:

The question is on acceptance of the Joint Committee's favorable report and passage of the bill in concurrence with the Senate.

Would you remark, sir?

MR. COLUCCI (71st):

Yes, Mr. Speaker. The Clerk has Senate Amendment Schedule "A". If the Clerk calls the amendment, I will summarize it.

LCØ No. 1699,

THE DEPUTY SPEAKER:

The Clerk has LCØ No. 1699 which is designated as Senate Amendment Schedule "A", Would the Clerk please call.

THE CLERK:

Senate Amendment Schedule "A", LCØ No. 1699.

THE DEPUTY SPEAKER:

Is there any objection to the gentleman summarizing the amendment? Please proceed, sir.

MR. COLUCCI (71st):

Senate Amendment Schedule "A" is entirely technical. It corrects a typographical error in line 114 of the bill and it makes clear that the Commissioner referred to in the bill is the Banking Commissioner, and that's what it does. I move the amendment, Mr. Speaker.

THE DEPUTY SPEAKER:

The question is on adoption of Senate Amendment Schedule "A".
Would you remark? Would you remark? If not, all those in favor indicate

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by saying "Aye". Those opposed? Senate "A" is ADOPTED and ruled technical.

Would you remark further on the bill as amended?

MR. COLUCCI (71st):

Yes, Mr. Speaker. The Clerk has House Amendment Schedule "A". If the Clerk would call, I'd summarize.

THE DEPUTY SPEAKER:

Would the gentleman please give us an LCO number because the Chair has not designated a letter identification.

MR. COLUCCI (71st):

I'm sorry, LCO No. 3338.

THE DEPUTY SPEAKER:

The Clerk has LCO No. 3338 which shall be designated as House Amendment Schedule "A". Would the Clerk please call.

THE CLERK:

House Amendment Schedule "A", LCO No. 3338.

THE DEPUTY SPEAKER:

Is there any objection to the gentleman from the 71st District summarizing this amendment? Please proceed, sir.

MR. COLUCCI (71st):

Delete line 26 in its entirety.

In line 27 delete the words "business and" and insert "equipment as defined in Section 42a-9-109(2)" in lieu thereof.

In line 29, after "such" delete "motor vehicles" and insert "equipment" in lieu thereof.

Mr. Speaker, what it does is, motor vehicles is defined in equipment, and that's all we're doing is just using the word equipment which already defines motor vehicles.

I move the amendment.

THE DEPUTY SPEAKER:

The question is on adoption of House Amendment Schedule "A". Would you remark? Would you remark? All those in favor of House A will indicate by saying "Aye". Those opposed? House "A" is ADOPTED. Ruled technical.

Would you remark further on the bill as amended by Senate Amendment Schedule "A" and House "A"?

MR. COLUCCI (71st):

Yes, Mr. Speaker. This bill makes several changes in the Retail Installment Sales Financing Act. First, it brings mail-order sellers under the Act. One of the defects of the Act in its present form is that it fails to cover out-of-state firms who sell to Connecticut residents by mail. Second, it gives the Banking Commissioner power to enforce the Act. At the present time there is no administrative agency with enforcement powers. Third, it limits coverage of the Act to sales of consumer goods including motor vehicles used for consumer purposes and to certain other motor vehicles.

I move passage of the bill, Mr. Speaker.

THE DEPUTY SPEAKER:

The question is on passage of the bill as amended by Senate "A" and House "A". Would you remark. If not, will all the members please

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take your seats. Will the staff and guests please come to the well of the House, and the machine will be open. Have all the members voted? Have all the members voted? The machine will be locked. The Clerk please take a tally.

MR. VILLANO (96th):

Mr. Speaker, in the affirmative, please.

THE DEPUTY SPEAKER:

The Clerk please note.

Please announce the tally.

THE CLERK:

Total Number Voting.....	146
Necessary for Passage.....	74
Those Voting Yea.....	143
Those Voting Nay.....	3
Those Absent and Not Voting...	5

THE DEPUTY SPEAKER:

The bill as amended is PASSED.

THE CLERK;

Page 4 of the Calendar, Calendar No. 545. Substitute for H.B. No. 5809, File No. 340, AN ACT CONCERNING MANDATORY RETIREMENT.

Favorable report of the Committee on Public Personnel and Military Affairs.

MR. MOTTO (2nd):

I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE DEPUTY SPEAKER:

The question is on acceptance of the Joint Committee's favor-

**JOINT
STANDING
COMMITTEE
HEARINGS**

BANKS

1978

March 2, 1978

SEN. DINIELLI: (Continued): Sales Financing Act.

DAVID BEIZER: Mr. Chairman, my name is David Beizer, I represent the Connecticut Bankers Association. We're here to support raised committee Bill 187, an act amending the Retail Installment Sales Financing Act. Ever since the major change in the repossession law in 1976, and particularly since this legislature helped to limit the scope of transactions subject to the act from \$6,000 to \$25,000, and this occurred last year, there is a problem that was created by the use of the word equipment in the present law. That problem basically was that a lot of transactions that are basically commercial transactions, the financing of business equipment, were subject to the Retail Installment Sales Financing Act, were subject to the repossession sections, for default judgment sections, and created a number of problems. What this Bill would do, and in particular the amendment as I understand that's been offered by the Banking Department is to remove the term equipment from the scope of the Act, so that it is basically concerned with consumer transactions, not commercial transactions. While 187 is purely a compromise and it still kicks off within its scope, motor vehicles that are used for dual purposes; that is family purposes and small business purposes, we are above it and we think it is a distinct improvement over the existing law and we hope you will give it a joint favorable report.

SEN. GAWRYCK: Thank you. Any questions from the committee? Representative Varis.

REP. VARIS: Yes, Representative Varis. We'd like to
line 38 ?

DAVID BEIZER: Good question, Representative Varis. As I understand it, there is a misprint in Bill 187 and on line 38 there should be brackets around the words - and equipment. I believe that was the testimony of the Banking Department.

REP. VARIS: I thought it was that. Thank you very much.

DAVID BEIZER: Thank you.

SEN. GAWRYCK: Any other questions? Anyone else on Bill 187? If not, we'll go to Bill 188, an Act concerning the stocks . I believe that was Banking Commission. 189, an Act concerning investment by the State Banking Company.

To: Banks Committee
From: Connecticut Bankers Association
Re: Raised Committee Bill #187
AN ACT AMENDING THE RETAIL INSTALMENT SALES FINANCING ACT
Date: February 28, 1978

The Connecticut Bankers Association supports Raised Committee Bill #187, AN ACT AMENDING THE RETAIL INSTALMENT SALES FINANCING ACT.

Ever since the major change in the repossession law in 1976 and particularly since this Legislature upped the limit from \$6,000 to \$25,000 as the ceiling under which goods and equipment could be included as falling under its protection, bankers have had problems with RISFA. The specific problem that was created was caused by the term "equipment," for a whole host of transactions that were being financed that are primarily business or commercial in nature were now subject to the onerous RISFA requirements despite the fact that it was a commercial transaction that was involved.

While Bill #187 is clearly a compromise in that it still picks up some commercial motor vehicles within its scope, it is a distinct improvement over existing law, and we heartily endorse it.

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BANKS

March 10, 1978

MR. JOHN BONEE (Continued): I would only add that there is no reason in the world why a person ought not to be able to finance services as well as goods under the Retail Instalment Sales Finance Act. I understand that 50% of all of this kind of credit goes for services. It's going to the consumer in the other states of the union, why not Connecticut. Finally, I understand that the Banking Department is in favor of this legislation or proposed legislation, and I hope that this committee will give it a favorable report.

REP. SCULLY: Are there any questions of Mr. Bonee? Thank you. The next speaker is Mr. Joseph Donahue.

MR. JOSEPH DONAHUE: Mr. Chairman, members of the committee, I am Joe Donahue of the Connecticut Mutual Merchants Association, with reference to House Bill 5623.

My association is in the process of preparing some suggested amendments to CB 5623 that we feel will simplify not only the language of the existing law, but also suggested amendments to the law. Our association has no objection to the inclusion of services under the Retail Instalment Sales Act. In fact, this association has submitted legislation in the past to accomplish just such a purpose. We feel that the committee will agree that our language will achieve your stated purpose.

In addition, however, we are including our amendments, in our amendments, certain provisions of CB 187 which you have heard, regarding the territorial application of the Retail Instalment Sales Act. We suggested this comprehensive approach be made in one bill in order to permit an evaluation of these two issues that are presently being considered by your committee. We neither support nor oppose 5623, at this point, but do ask your permission to submit to you suggested language as soon as we can put it together.

REP. SCULLY: The next speaker is Mr. Raphael Podolosky.

MR. RAPHAEL PODOLOSKY: My name is Raphael Podolosky. I'm a lawyer with Legal Services Legislative Office, which represents low-income legal services clients in Connecticut.

I do not feel that I fully and completely understand this bill, but based on what I understand, and I'll describe to you my understanding of the bill, I would recommend to the committee that it either take no action or that it reject the bill.