

Legislative History for Connecticut Act

SB 543	PA 531	fax	1984
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House 7473-7479			(7)
Senate 2697-2701, 3436-3437, 3495			(8)
General Law 301-302, 326, 384-385, 392-393			(7)
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House of Representatives

Wednesday, May 9, 1984

Convention with the Senate. And we would like to have the Governor in sometime this evening to address this House before we adjourn.

Will the Clerk please return to the Call of the Calendar?

CLERK:

Calendar Page 5, Calendar No. 802, File No. 832, Substitute for Senate Bill No. 543, AN ACT CONCERNING THE REGULATION OF HEALTH CLUBS, as amended by Senate Amendment Schedule "B". Favorable Report of the Committee on Finance, Revenue and Bonding.

REP. MOSLEY: (72nd)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Maurice Mosley.

REP. MOSLEY: (72nd)

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

SPEAKER STOLBERG:

Rep. Mosley.

REP. MOSLEY: (72nd)

I move acceptance of the Joint Committee's Favorable Report in concurrence with the Senate, Mr. Speaker.

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SPEAKER STOLBERG:

Rep. Mosley.

REP. MOSLEY: (72nd)

Will the Clerk please call Senate Amendment "B",
LCO No. 4070, Mr. Speaker.

SPEAKER STOLBERG:

The Clerk has an amendment, LCO No. 4070, Senate
"B". Will the Clerk please call?

CLERK:

LCO No. 4070, designated Senate Amendment Schedule
"B", offered by Sens. Casey and Skowronski.

REP. MOSLEY: (72nd)

I'd like permission to summarize, Mr. Speaker.

SPEAKER STOLBERG:

Is there objection to summarization? Seeing none,
please proceed.

REP. MOSLEY: (72nd)

Basically, this bill would just do a few things,
Mr. Speaker. First of all, it will eliminate the bonding
requirement and set up a guaranteed fund in which all those
people who have health clubs, or old health clubs, will
have to give money.

Additionally, it would set up administrative
procedures for a pro rata refund. And, thirdly, if a health

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club closes a certain location and wants its members to travel to another location, the member still can get his pro rata refund. And I move adoption of the amendment, Mr. Speaker.

SPEAKER STOLBERG:

Will you remark further on Senate "B"? If not, all those in favor of the amendment, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay. The amendment is adopted. Will you remark further on the bill?

REP. MOSLEY: (72nd)

Mr. Speaker, the Clerk has another amendment, LCO No. 4052. I'll ask the Clerk to call and I have permission to summarize.

SPEAKER STOLBERG:

Is that 4-5-0-2, sir?

REP. MOSLEY: (72nd)

4-5-0-2, sir.

SPEAKER STOLBERG:

The Clerk has an amendment, LCO No. 4502, House "A". Will the Clerk please call?

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CLERK:

LCO No. 4502, designated House Amendment Schedule "A", offered by Rep. Mosley of the 72nd District.

SPEAKER STOLBERG:

Is there objection to summarization? Seeing none, please proceed.

REP. MOSLEY: (72nd)

Mr. Speaker, this amendment just, in summary, exempts businesses who offer a contract of 30 or less. And the rationale behind that is that really there is no danger to the public in those small health clubs that offer contract of 30 days or less. And I move adoption of the amendment, Mr. Speaker.

SPEAKER STOLBERG:

Will you remark? Will you remark further on House "A"? If not, all those in favor of the amendment, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay. The amendment is adopted.

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House Amendment Schedule "A".

Delete subdivision (1) of section 1 in its entirety and insert the following in lieu thereof:

(1) "Health club" means any corporation, partnership, unincorporated association or other business enterprise offering facilities for the preservation, maintenance, encouragement or development of physical fitness or well-being in return for the payment of a fee entitling the buyer to the use of such facilities. Such term shall include, but not be limited to, "health spas," "sports and health clubs," "tennis clubs," "racquet ball courts," "golf clubs," "platform tennis clubs," "gymnasiums," "figure salons," "health studios," "weight control studios," ("saunas,") "and any organization primarily operated for the purpose of teaching a particular form of self-defense or martial arts such as judo, karate or kung fu, but shall not include ANY ESTABLISHMENT FROM WHICH A BUYER MAY ONLY PURCHASE OR BECOME OBLIGATED TO PURCHASE SERVICES TO BE RENDERED FOR A PERIOD OF NOT MORE THAN THIRTY DAYS AND WHICH DOES NOT COLLECT MORE THAN THIRTY DAYS PAYMENT IN ADVANCE OF THE RENDERING OF SUCH SERVICES, nonprofit organizations, any massage establishment, any private club owned and operated by its members or any facility (owned or) operated by the state or any of its political subdivisions."

Delete subsection (b) of section 8 in its entirety and insert the following in lieu thereof:

"(b) Any health club which receives a license pursuant to section 21a-233 of the general statutes, as amended by section 2 of public act 83-292 and section 6 of this act, shall pay a fee of three hundred dollars annually to the guaranty fund."

SPEAKER STOLBERG:

Will you remark further on the bill?

REP. MOSLEY: (72nd)

The amendments are the bill, Mr. Speaker, and I move passage of the bill.

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SPEAKER STOLBERG:

Will you remark further? If not, will members be seated. Staff and guests to the well of the House. The machine will be opened.

CLERK:

The House of Representatives is voting by roll. Would the members return to the Chamber immediately. There is a roll call vote in progress in the Hall of the House. Would the members return to the Chamber immediately.

SPEAKER STOLBERG:

Have all the members voted? Have all the members voted? If all the members have voted, the machine will be locked and the Clerk will take a tally.

Would the Clerk please announce the tally?

REP. DYSON: (94th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Dyson of the 94th.

REP. DYSON: (94th)

In the affirmative, Mr. Speaker.

SPEAKER STOLBERG:

Rep. Dyson of the 94th in the affirmative. If all the members have voted, the machine is locked. Will the Clerk please take the tally?

Will the Clerk please announce the tally?

CLERK:

Senate Bill No. 543, as amended by Senate Amendment Schedule "B" and House Amendment Schedule "A".

Total Number Voting	136
Necessary for Passage	69
Those Voting Yea	133
Those Voting Nay	3
Those Absent and Not Voting	15

SPEAKER STOLBERG:

The bill is passed.

REP. GROPPPO: (63rd)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Groppo.

REP. GROPPPO: (63rd)

Mr. Speaker, I ask for suspension of the rules for the immediate transmittal of this bill to the Senate.

SPEAKER STOLBERG:

Is there objection? Seeing none, it's so ordered.

CLERK:

House Bill No. 5278, Calendar No. 481, AN ACT CONCERNING PENALTIES FOR THE RESALE OR FURNISHING OF ALCOHOLIC LIQUOR TO MINORS, as amended by Senate Amendment

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SENATOR SCHNELLER:

Mr. President, the Amendment is basically the Bill and I would move it to the Consent Calendar.

THE CHAIR:

Is there objection to placing on Consent? Is there a request for a Roll Call? If not, the matter will go on Consent. Senator Wilber Smith.

SENATOR WILBER SMITH:

Mr. President, through you to the Majority Leader, I know he didn't mean what he said by his remark when he looked at Senator Skowronski, when he said it, I have seen Senator Skowronski pledge Allegiance to the Flag.

THE CHAIR:

Clerk will call the next Amendment.

SENATOR SCHNELLER:

Mr. President, through you to Senator Smith, I know Senator Skowronski is 100 percent American when he pledges allegiance to the flag but on this issue, there was a doubt in my mind.

THE CHAIR:

Clerk will call the next item.

THE CLERK:

Page 5, Calendar 566, File 832, Substitute for Senate Bill 543, AN ACT CONCERNING THE REGULATION OF HEALTH CLUBS,

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Favorable Report of the Committee on Finance, Revenue and Bonding. The Clerk has two Amendments.

THE CHAIR:

Senator Dorr.

SENATOR DORR:

Yes Mr. President, I move adoption of the Joint Committee's Favorable Report and passage of the Bill, hopefully the last Bill that we will pass now.

THE CHAIR:

No, it's not. There's at least one more.

SENATOR DORR:

At least one more, well--

THE CHAIR:

The Clerk will call the first Amendment.

THE CLERK:

The Clerk has Senate Amendment, Schedule A, LCO 3436, Senator Dorr.

SENATOR DORR:

Yes Mr. President, that Amendment has been withdrawn.

THE CHAIR:

The Amendment's withdrawn. Clerk will call the next Amendment.

THE CLERK:

Clerk has Senate Amendment, Schedule B, LCO 4070,

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Senator Dorr.

THE CHAIR:

Senator Dorr.

SENATOR DORR:

Yes Mr. President, I move adoption of the Amendment, permission to summarize, and waive the reading.

THE CHAIR:

Any objection to waiving the reading? Hearing no objection , proceed.

SENATOR DORR:

Yes Mr. President. This Amendment is essentially a re-writing of the Bill. Mr. President, as you are aware, in response to numerous complaints regarding health club closings, and resulting loss of membership monies by members, this legislature, last year, passed a \$25,000 bonding requirement in the 1983 legislative session.

The amount and nature of the bond required as a condition of licensure proved virtually impossible for the majority of small businesses operating as health clubs to obtain. They had quite a bit of difficulty securing the bonding facilities. Recognizing the problem that abrupt health club closings but not wish to enforce a punitive licensing condition, the Department of Consumer Protection, industry representatives and

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Connecticut surety agents, spent many months developing an Amendment to the existing statute which would afford Connecticut consumers the protection which the legislature had intended in 1983 but which was also reasonably attainable to licensed health clubs.

Senate Amendment, LCO 4070, offered by myself and Senator Casey, has changed the existing Chapter 420 as follows. Number one, Mr. President, it clarifies that a health club which closes down at the location where a member originally joined, is obligated to refund to the member, on a pro-rated basis, the unused portion of the membership fee.

Two, establishes a guarantee fund in lieu of the bonding requirement passed in 1983 since many of the small businesses had difficulty obtaining those bonds.

Three, Section 8 of the Amendment requires all health club licenses under this chapter to contribute annually as a condition of their license, \$300 into the Guarantee Fund which can be drawn upon to reimburse consumers on a pro-rata basis in the event of a health club closing and four, health clubs which do not offer contracts or collect monies more than 60 days in advance are exempted from the \$300 Guarantee Fund contribution. The rationale for this

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exemption is that the majority of small clubs which fall into this category do not pose a significant threat and monies paid are on such a short term basis. That means that they do not--if they were to close without notification, there would be--the amount of monies lost by consumers would be relatively small.

Finally, Mr. President, the standard administrative procedure for making a claim regarding a health club closing and administrative hearing on that claim for distribution of monies is set forth.

Mr. President, I move adoption of the Amendment.

THE CHAIR:

Remark further? If not, the issue is adoption. All those in favor of Senate Amendment, Schedule B, will signify by saying aye. Those opposed, nay. The ayes have it. The Amendment is adopted. What's your pleasure SENator?

SENATOR DORR:

Mr. President, I move that this Bill as amended, be placed on the Consent Calendar.

THE CHAIR:

Is there any objection to placing the Bill as amended on the Consent Calendar? Hearing none, it will go on the Consent Calendar.

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will stand at ease until each member has received a copy.
The Senate will stand at ease.

Senator Schneller.

SENATOR SCHNELLER:

Mr. President, could we, in the interest of expediting
some other business, can we PT this item and--

THE CHAIR:

The matter is PT'd.

SENATOR SCHNELLER:

Have the clerk call some additional business.

THE CHAIR:

Thank you.

THE CLERK:

On the top of Agenda 7, under the heading Disagreeing
Actions, Substitute Senate Bill 543, AN ACT CONCERNING THE
REGULATION OF HEALTH CLUBS. Passed Senate on May 2nd with
Senate B, passed House on May 9th with Senate B and House
A.

THE CHAIR:

Senator Dorr.

SENATOR DORR:

Yes Mr. President, I move adoption of the Joint
Committee's Favorable Report in concurrence with the House.

THE CHAIR:

Do you wish to remark?

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SENATOR DORR:

Yes Mr. President. Senate passed it with Senate B and House A, Mr. President and it makes a provision to exempt small clubs who--it exempts any establishment from which a buyer may only purchase or become obligated to purchase services to be rendered for a period of not more than 30 days. I move adoption of the Bill in concurrence with the House.

THE CHAIR:

Wish to remark further on this Bill? Do you wish a separate Roll Call on each, Senator Schneller, or do you want a Consent Calendar?

SENATOR SCHNELLER:

Mr. President, any item that can go on Consent, we will have a Consent Calendar.

THE CHAIR:

All right. There is no objection. The item is placed on the Consent Calendar.

SENATOR DORR:

Thank you Mr. President.

THE CLERK:

On Senate Agenda 8, Substitute House Bill 5278, AN ACT CONCERNING PENALTIES FOR THE SALE OR FURNISHING OF ALCOHOL LIQUOR TO MINORS.

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THE CHAIR:

Please make an announcement for an immediate Roll Call to consider the Consent Calendar.

THE CLERK:

An immediate Roll Call has been called for in the Senate. Will all Senators please take their seats. An immediate Roll Call has been called for in the Senate. Will all Senators please be seated.

THE CHAIR:

Give your attention to the Clerk who will call all those items that have been referred to the Consent Calendar. Mr. Clerk.

THE CLERK:

Senate Agenda 7, Senate Bill 543 and 448, Senate Agenda 8, House Bill 5278, and Senate Bill 581. Senate Agenda 10, Senate Bill 597. Committee on Conference, HB5244 Calendar 743 on page 4 of today's Calendar and on Agenda 6, Senate Bill 455. I believe that completes the list of items, Mr. President.

THE CHAIR:

Any omissions, corrections? The machine is open. Please record your vote. Senator Baker. Has everyone voted? The machine is closed. Clerk please tally the vote.

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MS. CURRY: (continued)

modest impact, but it impacts so therefore if it receives a favorable report, we would urge it to be to Appropriations.

House Bill 5720, An Act Concerning the Compounding and Disposing of Prescriptions by Physicians and Dentists, we would like to speak against--urge a box on this particular Bill, House Bill 5720. Although we agree with the intent or spirit of the Bill, there is a problem in this area.

The Bill as currently drafted is not the appropriate way, in our experience, to address this particular problem. And, as it's currently written, it would impose record keeping requirements currently imposed on pharmacies, on physicians and dentists and other medical practitioners which we don't feel is appropriate. It's appropriate for pharmacies but medical practice is a whole different kind of business and therefore, we think that House Bill 5720 is not the way to address the problem of dispensing of medications by physicians. There is a way to do it and we'd be happy to work with the sponsors of this Bill between--in the interim, to come up with some language that's doable for the next session.

Finally, Senate Bill 543, An Act Concerning the Regulation of Health Clubs, as you may remember, in the last session of the legislature, a bonding requirement for health clubs licensed in the state of Connecticut was passed by the legislature and in--and since the last session, it has been virtually unenforceable as far as the Department is concerned.

I have substitute language prepared to give to you today specifically as regards bonding requirement that's presently in the new Bill. The substitute language that I have is relative to a guarantee fund, establishing a guarantee fund for health club licensees similar to that that we currently administer for realtors and real estate brokers. The reason we're suggesting a guarantee fund rather than the bonding requirement is that in our meetings with Connecticut sureties and surety associations, we have found that bonding language that would be accessible to the small businessman, many of whom are involved in the health club, as the health club licensees, is not

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- MS. CURRY: (continued)
really accessible and therefore, to afford the public protection that the legislature has deemed advisable in this area and which we will agree is necessary, we would request that you consider a substitute Senate Bill 543 as regards the bonding provisions and its language that I will make available to the Clerk. Thank you.
- SEN. DORR: Thank you. Questions for Kathleen Curry by members of the Committee? Thank you. Representative Alice Meyer to be followed by Mitch Pearlman.
- REP. ALICE MEYER: Thank you Mr. Chairman. I'm Alice Meyer, State Representative from the 135th District, Easton, Weston and Newtown. I'm here to speak in favor of Senate Bill 475 which is An Act Permitting the Manufacture of and Sale of Beer for On Premises Consumption by Brew Pubs and I know some of my colleagues sitting with the Committee will probably be surprised that a non-alcoholic drinker such as myself should be pushing this particular Bill. However, I am here today as an advocate for small business.

As you know, at one time in the United States, it was legal to have local brewers who could sell beer on their premises. There are many of these establishments today in England. They're called brew pubs. In two states of the United States, New York and California, brew pubs are currently legal. I am told by a number of my constituents that there is a movement afoot in the United States by certain people who are not delighted with mass produced beer, to get what they call real beer.

This is their problem, not mine. However, I do see this as a possible way to create additional small businesses which will employ local people in the state of Connecticut and this has long been one of my primary concerns. There apparently are a group of people who would be interested in creating these brew pubs, in running them. I am told that there would probably be money available to get them started. The only thing that stands in their way is at the present moment, such brew pubs are illegal in the state of Connecticut.

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MR. PODOLSKY: (continued)
that public agencies have, it permits consumers to do intelligent buying because they can find out about problems in advance. If there is a concern about a frivolous complaint being disclosed, I would see no objection to adding to the bill a provision that said that when the complaint is disclosed, the department must attach to the complaint a statement of what is the status of the case. That if the case has been dismissed for lack of merit, that would be attached.

There are five bills I will just tell you by number and title that I would urge you to support. Senate Bill No. 485 which deals with amendments to the Unfair Trade Practices Act. You should note that there is a typographical error in line 128 that needs correction. House Bill No. 5636, Lemon Law II. I would urge your support. Senate Bill 476 dealing with automobile repairs. I would urge you to support. Senate Bill No. 500 dealing with the study of mail order frauds, I would urge your support of. Senate Bill No. 543 on health spas, I would urge you to support with some changes that are in my written testimony.

There are three bill that I hope the committee will reject. House Bill No. 5719 which deals with discrimination in mobile home parks. I would simply second the testimony of the Commission on Human Rights and Opportunities. House Bill No. 5634 dealing with radio and television liens, I would urge you to reject that bill as unnecessarily allowing the sale of a good at a premature time. And, finally, Senate Bill No. 498, two for one sales, I would second the testimony of Mr. Duffey and recommend that it be done by administrative regulation and not by this bill. Thank you very much.

SEN. DORR: Thank you. Questions for Mr. Podolsky from members of the committee? Thank you. At this point in our public hearing, we're going to open it up to the major automobile manufacturers. The first speaker that we're going to hear from, from General Motors, is Al Thomas to be followed by Mark Hopkins from Ford Motor Company. Then Niel W. Talling from Chrysler Corporation. Mr. Thomas.

AL THOMAS: Thank you, Mr. Chairman, members of the committee. My name is Al Thomas and I'm representing GM. We're

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MR. TERRY: (continued)

of the Connecticut Gymnastic Association, as well as president of the Hamden Gymnastic and Dance Center. I come here today with thanks that I have been allowed to, in order to speak in reference to Senate Bill No. 543.

Although I have no complaints about the language in the amendment which is included from line 33 to line 37 on page 1, I strongly feel that the amateur sport of gymnastics should be totally excluded from the definitions that appear in the amendment including but not limited to. Back in August, the Attorney General's office notified our Association that the State of Connecticut would not enforce the licensing law against gymnastic schools because of the nature of services rendered to our public.

It is also my opinion strongly that the gymnastic association and even gym schools that are not members of our association, will be completely satisfied if the law would completely and permanently exclude the licensing requirements of any institution which receives payment from the public for no more than 90 days in advance of promises or producing that services.

The nature of our support is very simple. We are in the field of developing and promoting gymnastics on a national, international and Olympic caliber. As a retired school teacher and ex high school coach in gymnastics, I know that the programs cannot match the private clubs or the clubs sponsored by rec departments or YMWCA's. I don;t know of one gym in the entire State of Connecticut that forces our clientele to sign a contract or agree to one verbally. We have in my gym, that I can speak to, where no one pays for what they don't get. If a youngster is hurt, a youngster is dropped out, I refund completely what is left of their money.

I also wanted to speak to the point of what happens if a gym closes. In my own particular case, a gym did close in one part of the State of Connecticut. All of those students were offered the opportunity to come to my gym, or our gym, and finish out their term with us at no extra cost. I still say that our programs in gymnastics throughout the State of Connecticut is doing

MR. TERRY: (continued)

a great job and to unjustly or burden them with more expenditures is a miscarriage of justice. And for that reason, I made the talk that I did. I also handed in some written material that will supplement what I just said. And once again, thank you for allowing me to speak my piece.

REP. MOSLEY: Thank you very much. Questions? Good. We had Richard Terry. Joe Poliz zano. Thank you very much. Cathy Johnson. Good. Robert Scanla. Thank you. Michael, your name, sir?

ROBERT SCANLON: Robert Scanlon.

REP. MOSLEY: Robert Scanlon? You're on.

MR. SCANLON: Members of the Committee. I'm the owner of a Chevrolet light duty pickup truck that I purchased from Chick Miller Chevrolet in Bristol on November 15 of 1982. During the first three months of ownership --

REP. MOSLEY: Sir, could you speak a little louder?

MR. SCANLON: Sure. During the first three months of ownership of the truck, the vehicle was in for service on three separate occasions for what could be classified as minor repairs. Then on September 22, 1983, the vehicle was brought back to the dealer for repair of an inoperable fuel gauge and for repair of a squeak which at the time was attributed to a problem with the brakes. When the vehicle was returned to me that same day, the gauge was still inoperative and the squeal was still in the vehicle.

So the next day, September 23, I returned the vehicle to the dealership for repair of the gas gauge and repair of the squeal. I picked up the vehicle that evening. The gas gauge was still inoperative and the squeal had been identified at least as a problem with the clutch disc. That clutch was not in stock at the time, so it had to be ordered. On October 11, I brought the vehicle back for service because the clutch had arrived at the dealership. I left the vehicle there for repair, for repair of the clutch squeal and repair of the gas gauge.

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MR. ABERCROMBIE: (continued)
dealer for 7 months prior to that. Thank you.

REP. MOSLEY: Thank you. Ethel, and after Ethel Sorokin,
Annie Marie Malone.

ETHEL S. SOROKIN: Can you hear me? Rep. Mosley, Senators
and Representatives on the Committee, my name is Ethel
Sorokin. I'm a partner in the Hartford law firm of
Sorokin and Sorokin. We are here, I am happy to report,
on a fresh topic. We represent 32 independently owned
Gloria Stevens Figure Salons in Connecticut. We appear
today to support the Consumer Protection Department
proposal for the creation of a health club guarantee
fund as a partial substitute in Senate Bill 543,

This is a new excellent method of protecting health club
members, funded by the industry with annual payments,
excess monies to go to the General Fund, and the sum
available to protect the members is double that of the
surety bonds for each salon.

At the same time, this new proposal for a guarantee fund
avoids the destruction of the independent health club
industry which will surely result if the surety bond
requirement now appearing in section 6a of the Health
Club Bill is enacted. Surety company requirements for
such a bond are too onerous for independent operators
to meet. The Gloria Stevens Salons are owned for the most
part by young men and women who rose through the ranks.
Today more than 30,000 Connecticut women visit each week
the Gloria Stevens Salons of these independent entrepreneurs.
With 240,000 registered members in this state, past and
present, Gloria Stevens has achieved phenomenal consumer
recognition and approval.

The bond requirement poses very serious problems. It
requires a \$25,000 surety bond to protect the unused
portions of members' fees in the event that a salon closes.
This appears innocuous enough, yet the surety bond while
not too expensive in premium is unavailable, actually
unavailable, to nearly all Gloria Stevens Salons and most
health clubs, because of a 100% collateral requirement.
Most salons do not have \$25,000 sitting in savings accounts.
Their capital, like that of other small business people,
is invested in their businesses, their salons, improving

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MS. SOROKIN: (continued)

them, their homes, and these sizeable assets will not satisfy the insurers. They will not issue the bonds without cash or comparable liquid collateral deposited with them.

For these reasons, we endorse and urge you to support on behalf of the 32 Gloria Stevens Salons, the Consumer Protection Department proposal for a health club guarantee fund. Thank you very much.

REP. MOSLEY: Thank you very much. Ann Marie Malone. And after Anne Marie, we'll have a Brian W. Gerdion.

ANN MARIE MALONE: My name is Anne Marie Malone, and I'm a student intern with the Connecticut Public Interest Research Group, which is a student funded and directed research and advocacy organization. I am here in support of Senate Bill 477, AN ACT CONCERNING THE SALES OF USED CARS.

This bill simply makes a failure to disclose known defects an unfair trade practice. In today's society, almost every American needs a car. Unfortunately, not everyone can afford the cost of a new car. A used car is a less expensive investment, but sometimes this initial investment becomes very costly. Consumers are often hit hard by additional repairs to defects previously known to the seller.

No specific laws exist to protect the used car buyer from this situation. This bill does not discriminate against dealers because it applies to both commercial and non-commercial sales. This is not a warantee bill. It is purely a disclosure bill. It does not require the seller to inspect the car prior to sale or make any warantees in respect to performance.

It simply requires the seller to inform the buyer of known defects. The Federal Trade Commission has been considering a trade rule which would require dealers to disclose known defects. It appears that this rule will be prevented from taking effect. Therefore, we cannot rely on the federal government to solve this problem.