

Legislative History for Connecticut Act

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Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
2001

VOL. 44
PART 12
3509-3798

pat

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003592

Senate

June 6, 2001

SEN. JEPSEN:

562 is to be passed temporarily.

563, H.B. 6522 I move to the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SEN. JEPSEN:

564, H. B. 6617 I move to the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SEN. JEPSEN:

Page 5, 565 is Go.

566 is Go.

567 is Go.

568 is Go.

569, H.B. 6176 I move to the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SEN. JEPSEN:

Skipping through the unstarred items, turning to
Page 8, at the bottom, Calendar 149, S.B. 1126 I move
recommittal.

THE CHAIR:

Motion is to recommit this item. Without
objection, so ordered.

SEN. JEPSEN:

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Senate

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003599

June 6, 2001

Senator Jepsen.

SEN. JEPSEN:

I would ask that from Page 3, Calendar 550, this item was placed on the Consent Calendar. I would ask this item be taken off the Consent Calendar and be passed temporarily.

THE CHAIR:

This item will be removed and PTd for now.

Mr. Clerk, would you please announce a roll call vote on the Consent Calendar and then call it please.

THE CLERK:

An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

Madam President, the first Consent Calendar begins on Calendar Page 4, Calendar 560, Substitute for H.B. 6536.

Calendar 561, Substitute for H.B. 6147.

Calendar 563, Substitute for H.B. 6522.

Calendar 564, Substitute for H.B. 6617.

Calendar Page 5, Calendar 569, Substitute for H.B. 6176.

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Calendar Page 11, Calendar 175, Substitute for S.B.

325.

Calendar Page 12, Calendar 189, Substitute for S.B.

1330.

Calendar 208, Substitute for S.B. 1058.

Calendar Page 13, Calendar 304, Substitute for S.B.

1012.

Calendar 319, Substitute for S.B. 1020.

Calendar Page 14, Calendar 340, Substitute for S.B.

1129.

Calendar 360, S.B. 546.

Calendar 370, Substitute for S.B. 1305.

Madam President, that completes the First Consent
Calendar.

THE CHAIR:

Thank you, Sir. Would you once again announce a
roll call vote. The machine will be opened.

THE CLERK:

The Senate is now voting by roll call on the
Consent Calendar. Will all Senators please return to
the Chamber.

The Senate is now voting by roll call on the
Consent Calendar. Will all Senators please return to
the Chamber.

SEN. JEPSEN:

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003601

Senate

June 6, 2001

Madam President.

THE CHAIR:

Senator Jepsen, we are correcting and checking the items listed for the Consent Calendar before we close the machine.

Have all members voted? If all members have voted, the machine will be locked. The Clerk please announce the tally.

THE CLERK:

Motion is on adoption of Consent Calendar No. 1.

Total number voting 36; necessary for passage, 19. Those voting "yea", 36; those voting "nay", 0. Those absent and not voting, 0.

THE CHAIR:

The Consent Calendar is adopted. Senator Jepsen.

SEN. JEPSEN:

Thank you, Madam President. I move for immediate transmittal of all items recently acted upon to the House of Representatives as appropriate.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Calling from today's Senate Calendar for Wednesday, June 6, 2001, Calendar Page 15, Matter Previously Marked Order of the Day. Emergency Certified Bills and

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GEN. ASSEMBLY
HOUSE

PROCEEDINGS
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House of Representatives

Friday, June 1, 2001

locked. The Clerk will take a tally.

The Clerk will please announce the tally.

CLERK:

H.B. 6255, as amended by Senate Amendment Schedules
"A" and "B", in concurrence with the Senate

Total Number Voting	141
Necessary for Passage	71
Those voting Yea	140
Those voting Nay	1
Those absent and not Voting	9

DEPUTY SPEAKER CURREY:

The bill, as amended passes, in concurrence with
the Senate.

Will the Clerk please call Calendar 196.

CLERK:

On page 24, Calendar 196, Substitute for H.B. 6617,
AN ACT CONCERNING RENTAL MOTOR VEHICLES.

Favorable report of the committee on Judiciary.

DEPUTY SPEAKER CURREY:

Representative Fox of the 144th.

REP. FOX: (144TH)

Thank you, Madam Speaker. I move acceptance of the
joint committee's favorable report and passage of the
bill.

DEPUTY SPEAKER CURREY:

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Friday, June 1, 2001

The question before us is on acceptance and passage. Please proceed.

REP. FOX: (144TH)

Yes. Thank you, Madam Speaker. This is a proposal that came to us initially by the ranking member, Representative Greene. It will allow rental companies to recover rental motor vehicle from a lessee if at least 72 hours have elapsed since the vehicle was due to be returned, if the vehicle was rented for 30 days or less and the rental company and lessee did not agree to extend the rental contract.

There is an amendment, Madam Speaker. It is LCO number 5929. I would ask that that be called and I be allowed to summarize.

DEPUTY SPEAKER CURREY:

Will the Clerk please call LCO 5929, designated House "A".

CLERK:

LCO number 5929, House "A" offered by Representative Godfrey, et al.

DEPUTY SPEAKER CURREY:

Representative Fox.

REP. FOX: (144TH)

Thank you, Madam Speaker. This screening amendment, I feel, improves subsection (b) which makes

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it clear that the vehicle maybe repossessed through the judicial system or without the judicial system if, in fact, there is no breach of peace.

I think it's an improvement and I urge adoption of the amendment.

DEPUTY SPEAKER CURREY:

The question before us is on adoption of the amendment. Would you care to remark further? Would you care to remark on the amendment?

If not, let me try your minds.

All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER CURREY:

Those opposed, no. The amendment is adopted.

Would you care to remark further on the bill before us, as amended?

Representative Fox.

REP. FOX: (144TH)

Yes, if I might, Madam Speaker. There is a second amendment. It is LCO number 7837. I would ask that that be called and I be allowed to summarize.

DEPUTY SPEAKER CURREY:

Will the Clerk please call LCO 7837, designated House Amendment "B".

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CLERK:

LCO number 7837, House "B" offered by
Representative Fox.

DEPUTY SPEAKER CURREY:

Representative Fox.

REP. FOX: (144TH)

Thank you, Madam Speaker. Madam Speaker, this amendment changes the effective date on legislation that we passed, actually I believe it was two years ago. It's 42-158b.

That statute places - sets in place, with respect to leased vehicles, a formula whereby the individuals leasing the vehicles would have what we feel is more an appropriate disclosure.

This would amend the effective date of that until July of 2002.

I urge its adoption.

DEPUTY SPEAKER CURREY:

The question before us is on adoption. Would you care to remark further on the amendment? Would you care to remark further on the amendment before us?

If not, let me try your minds.

All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

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Friday, June 1, 2001

DEPUTY SPEAKER CURREY:

Those opposed, nay. The ayes have it, the amendment is adopted.

Would you care to remark further on the bill before us, as amended? Would you care to remark further on the bill before us, as amended?

Representative Greene of the 105th.

REP. GREENE: (105TH)

Thank you, Madam Speaker. I'd like to thank Representative Fox and the leadership of the General Law Committee for bringing this proposal forward.

This initiated from a constituent that called me that owns a rental car company and he complained to me about the fact that he rents cars for \$19.95 a day and, unfortunately, in many instances, his cars that are rented, they don't come back on time. And his only recourse, which isn't clear in the statutes, is to wait six days and then he has to send a certified letter to them, return receipt requested and wait and it's a matter of weeks before he can get the car back and even phone call attempts and other attempts, it doesn't matter, he's out the money. He doesn't have the vehicle to rent out to somebody else and also, it takes weeks before he can collect and he can only collect on the initial rent.

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Friday, June 1, 2001

Many times, the credit cards that are used are invalid.

So I would urge adoption and again, I thank Representative Fox and the General Law Committee for continuing to move this bill forward and I urge its adoption.

Thank you.

DEPUTY SPEAKER CURREY:

Thank you, sir.

Would you care to remark further on the bill before us, as amended? Would you care to remark further on the bill before us amended?

If not, staff and guests to the Well of the House. The machine will be opened.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is taking a roll call vote. Members to the Chamber, please.

DEPUTY SPEAKER CURREY:

Have all members voted? Have all members voted? If all members have voted, please check the board and be sure your vote is properly cast.

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

The Clerk will please announce the tally, please.

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gmh

House of Representatives

Friday, June 1, 2001

CLERK:

H.B. 6617, as amended by House Amendment Schedules
"A" and "B"

Total Number Voting	141
Necessary for Passage	71
Those voting Yea	141
Those voting Nay	0
Those absent and not Voting	9

DEPUTY SPEAKER CURREY:

Will the Clerk please call Calendar 346.

Oh, I'm sorry. The bill, as amended passes.

Just trying to move things along, folks.

Now, would the Clerk please call Calendar number
346.

CLERK:

On page 32, Calendar 346, Substitute for H.B. 6147,
AN ACT CONCERNING GENDER SPECIFIC SERVICES AND PROGRAMS
FOR JUVENILE OFFENDERS.

Favorable report of the committee on Education.

DEPUTY SPEAKER CURREY:

Representative Hamm of the 34th.

REP. HAMM: (34TH)

Thank you, Madam Speaker. I move adoption of the
joint committee's favorable report and passage of the
bill.

JOINT
STANDING
COMMITTEE
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GENERAL
LAW
PART 1
1-363

2001
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SEN. CAPPIELLO: Would you mind that? Would you mind if we were to -- if we were able to, to be able to carve out jewelry stores or antique shops and just to focus on the pawn shops?

LT. MORRISSEY: Full time jewelry shops, like I said, Kay jewelers all these chain stores that we deal with that they are legitimate businesses up front. That's their full time business. Very rarely does a criminal element go there.

SEN. CAPPIELLO: Okay, thank you.

REP. FOX: Okay, thank you, sir.

REP. BLACKWELL: Thank you.

REP. FOX: Thanks very much. Next speaker, Dick Blumenthal.

ATTY GENERAL RICHARD BLUMENTHAL: Mr. Chairman, members of the committee, I am going to attempt to be brief. I know we're approaching the twelve o'clock hour and there are a lot of members of the public after me.

SB 1077

I have submitted eight separate pieces of testimony dealing with subjects as diverse as the home improvement contractor program where I think we need better protection in the areas of financing and deposits so that people are better informed and have more rights against individuals who may unfairly in a new home, or home improvement

HB 6615
SB 1076

The motor vehicle license program, and gasoline as well as pre-paid funeral service contracts. But I'd like to concentrate on an area that I think is in growing demand and growing importance, which is the area of privacy.

HB 6617
HB 6618
SB 617

There are two bills in particular that I think would advance the cause of privacy and need to be adopted to safeguard consumer privacy. First, so far as retail establishments are concerned, there is now no safeguard against sharing information

HB 6619
SB 1079

Alliance of Automobile Manufacturers

Comments on Raised Bill No. 6617

An Act Establishing a Three-Day Right to Cancel a Motor Vehicle Purchase or Lease Agreement

The Alliance appreciates the opportunity to provide comments on Raised Bill No. 6617. However, we respectfully oppose this legislation, as it would unnecessarily complicate the motor vehicle financing process.

If this legislation were enacted, motor vehicle manufacturers' captive finance companies could never be sure that the contracts they buy from dealers are free from this right to cancel.

In addition, customers have the right to mail in their cancellation, but the bill does not state whether cancellations must be received within the 3 business day timeframe to be effective. If a customer can mail a cancellation on the third business day after signing a contract to buy or lease a vehicle, the right to cancel would actually be longer than the 3-day period stipulated in the bill.

Finally, the provision that restricts the dealer from assigning the contract to a finance company is not limited to contracts where the customer has not taken possession of the vehicle. There is no reason to hold a contract assignment up for 5 business days when there is no right to cancel. A five-day delay could result in late billings to customers whose accounts are not sent to finance companies for review and booking until after the mailing date in the finance company's billing cycle.

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TESTIMONY

of the

CONNECTICUT AUTOMOTIVE TRADES ASSOCIATION

to

RAISED BILL NO. 6617

**AN ACT ESTABLISHING A THREE-DAY RIGHT TO CANCEL A MOTOR VEHICLE
PURCHASE OR LEASE AGREEMENT**

The Connecticut Automotive Trades Association opposes RB 6617 as an unnecessary and substantial interference with retail and financial commerce. The provisions of this bill hinder the reasonable economic expectations of both buyers, sellers and lessors of vehicles in Connecticut.

Our opposition to RB 6617 is based upon the following:

- The Federal Trade Commission enacted a three-day cooling period to cancel a purchase when and only when the solicitation is made to a purchaser at his home or a location other than the seller's regular and established place of business. This recognizes high-pressure sales solicitations made by phone or home visit.
In Connecticut, a licensed dealer or lessor can only transact the sale or lease of a vehicle at his/her licensed place of business. As a result, sales and lease transactions are initiated by an individual's visit to the dealer or lessor's place of business.
- We are aware of no other state with a law similar to this proposal. Enactment of this bill would place licensed sellers and lessors in Connecticut at a serious disadvantage to dealers and lessors in bordering states.
- The net results to consumers of this bill would be an unnecessary four day delay between the time a contract is signed and the time a dealer or lessor will provide delivery of the vehicle. Normally, when a contract is signed, a dealer or lessor must secure financing, including conducting a credit check of the purchaser or lessee, appraise the value of any trade-in vehicle and mechanically and cosmetically prepare

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Office of The Attorney General
State of Connecticut

TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE GENERAL LAW COMMITTEE

FEBRUARY 6, 2001

I appreciate the opportunity to speak in support of House Bill 6617, An Act Establishing a Three-Day Right to Cancel a Motor Vehicle Purchase or Lease Agreement.

A motor vehicle is a significant purchase for most consumers, often costing between \$20,000 and \$40,000. Most motor vehicle purchase transactions occur at a dealership where consumers often succumb to the high pressure sales tactics at dealerships and may later regret their decisions. In fact, my office receives numerous complaints every year from consumers who signed a sales agreement and want to get out of the contract. Many consumers think they have a right to cancel. Indeed, the National Association of Attorneys General several years ago listed the consumer's right to cancel a motor vehicle sales as the number one consumer myth. Consumers are extremely disappointed and frustrated when they learn that they cannot rescind a contract after they find out that it is not in their best interests.

House Bill 6617 would provide consumers with a three day right of cancellation which allowing them time to contemplate the ramifications of signing the contract, away from the dealership salesman. This three day right of cancellation is consistent with existing rights of cancellation for home solicitation sales, health club contracts and time share purchases. All were enacted to protect consumers from the intense pressure in such situations.

House Bill 6617 would also extend this three day right of cancellation provision to motor vehicle lease contracts. More than one-third of motor vehicle transactions in Connecticut are leases. As with purchases of motor vehicles, motor vehicle leases create highly significant financial obligations. In fact, leases are commonly far more complicated with unusual terms and conditions that may require greater time to understand. Consumers encounter comparable high pressure sales tactics with such leases at dealerships.

This three day right of cancellation would not apply if the consumer takes possession of the motor vehicle within three days of the signing of the purchase agreement. A consumer who wishes to take possession of the car right away would not be prohibited from doing so.

I urge your favorable consideration of House Bill 6617.