



General Assembly

February Session, 2002

Raised Bill No. 5248

LCO No. 1093

Referred to Committee on General Law

Introduced by:
(GL)

AN ACT CONCERNING THE UNIFORM CONSUMER LEASES ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2003*) This act may be cited as the
2 Uniform Consumer Leases Act.

3 Sec. 2. (NEW) (*Effective July 1, 2003*) (a) In this act:

4 (1) "Conspicuous", with reference to a provision or statement, means
5 so written, displayed or presented that a reasonable person against
6 which it is to operate should have noticed it. Whether a provision or
7 statement is conspicuous is a decision for the court. Conspicuous
8 provisions or statements include the following:

9 (A) A heading in capitals equal in size to or greater in size than the
10 surrounding text, or in contrasting type, font or color to the
11 surrounding text of the same or lesser size; and

12 (B) Language in the body of a record or display in larger type than
13 the surrounding text, or in contrasting type, font or color to the
14 surrounding text of the same size, or set off from surrounding text of
15 the same size by symbols or other marks that call attention to the

16 language.

17 (2) "Consumer lease" means a lease in which:

18 (A) The lessee is obligated for a term of more than four months and
19 for a total contractual obligation of one hundred fifty thousand dollars
20 or less, excluding residual value, payments for options to renew or
21 purchase and payments to persons other than the holder, whether or
22 not the lessee has the option to purchase or otherwise become the
23 owner of the goods at the expiration of the lease; and

24 (B) When the lease is consummated, the goods are intended by the
25 lessee primarily for personal, family or household purposes.

26 (3) "Federal Consumer Leasing Act" means Chapter 5 of Title I of the
27 Consumer Credit Protection Act, 15 USC Sections 1667 to 1667f,
28 inclusive, as amended. The term includes regulations issued by the
29 Board of Governors of the Federal Reserve System pursuant to that act,
30 Regulation M, 12 CFR Part 213, as amended.

31 (4) "Good faith" means honesty in fact and the observance of
32 reasonable commercial standards of fair dealing.

33 (5) "Goods" means all things that are movable at the time of
34 identification to a consumer lease, or are fixtures. The term does not
35 include money, documents, letters of credit, letter-of-credit rights,
36 instruments, investment property, accounts, chattel paper, deposit
37 accounts, general intangibles or minerals or the like, including oil and
38 gas, before extraction.

39 (6) "Guarantor" means an individual who becomes obligated to
40 perform as an additional obligor under a consumer lease because the
41 original lessee either does not meet the lessor's credit standards or is in
42 default under the lease. The term does not include:

43 (A) An individual who agrees or requests to become obligated as a
44 colessee; or

45 (B) An assignor of a consumer lease.

46 (7) "Holder" means a lessor or, if the lessor's interest is assigned, the
47 assignee for the period of the assignee's ownership of the interest.

48 (8) "Lease" means a transfer of the right to possession and use of
49 goods for a period in return for consideration. The term does not
50 include a sale on approval, a sale or return or another sale, or the
51 retention or creation of a security interest. The term includes a
52 sublease.

53 (9) "Lessee" means an individual who acquires, applies for, or is
54 offered the right to possession and use of goods under a consumer
55 lease. The term includes a legal representative of, fiduciary for or
56 successor in interest to, an individual who is a lessee, but does not
57 include a guarantor on a consumer lease.

58 (10) "Lessor" means a person that transfers the right to possession
59 and use of goods under a consumer lease.

60 (11) "Motor vehicle" means a vehicle required by law to be
61 registered under section 14-12 of the general statutes.

62 (12) "Open-end consumer lease" means a consumer lease in which
63 the lessee's liability at the expiration of the lease is based on the
64 difference between the residual value and the realized value of the
65 leased goods.

66 (13) "Realized value" means a valuation of the goods at the time the
67 holder assesses liability on the lessee in connection with termination of
68 the lease, as determined under section 31 of this act.

69 (14) "Record" means information that is inscribed on a tangible
70 medium or that is stored in an electronic or other medium and is
71 retrievable in perceivable form.

72 (15) "Sign" means:

73 (A) To execute or adopt a tangible symbol with the present intent to
74 authenticate a record; or

75 (B) To attach or logically associate an electronic symbol, sound or
76 process to or with a record with the present intent to authenticate a
77 record.

78 (16) "State" means a State of the United States, the District of
79 Columbia, Puerto Rico, the United States Virgin Islands or any
80 territory or insular possession subject to the jurisdiction of the United
81 States.

82 (b) The following terms used in this act have the meanings ascribed
83 in the Uniform Commercial Code:

T1	"Accession".	Section 42a-9-102(a), as amended.
T2	"Agreement".	Section 42a-1-201(3).
T3	"Contract".	Section 42a-1-201(11).
T4	"Investment property".	Section 42a-9-102(a), as amended.
T5	"Money".	Section 42a-1-201(24).
T6	"Person".	Section 42a-1-201(30).
T7	"Person related to".	Section 42a-9-102(a), as amended.
T8	"Security interest".	Section 42a-1-201(37), as amended.
T9	"Send".	Section 42a-1-201(38).

84 (c) The following terms used in this act have the meanings ascribed
85 in the federal Consumer Leasing Act:

86 (1) "Adjusted capitalized cost";

87 (2) "Capitalized cost reduction;

88 (3) "Gross capitalized cost";

89 (4) "Rent charge"; and

90 (5) "Residual value".

91 Sec. 3. (NEW) (*Effective July 1, 2003*) (a) Consummation of a
92 consumer lease occurs when the lessee signs a record evidencing the
93 lessee's contractual obligation under the lease. A lessee may
94 consummate a consumer lease even if it is subject to subsequent credit
95 or other approval by the lessor or an assignee of the lessor.

96 (b) Expiration of a consumer lease occurs at the scheduled end of
97 the period covered by the lease.

98 (c) Termination of a consumer lease occurs when the lessee's right to
99 continued possession and use of the goods ends by virtue of:

100 (1) Expiration of the lease;

101 (2) Election by one of the parties to terminate before expiration, as
102 provided in the lease; or

103 (3) Agreement of the parties.

104 Sec. 4. (NEW) (*Effective July 1, 2003*) (a) Except as otherwise
105 provided in subsections (b) to (e), inclusive, of this section applies to a
106 consumer lease.

107 (b) This act does not apply to a consumer lease unless the lessor has
108 leased goods under a consumer lease more than five times in the
109 preceding calendar year or more than five times in the current calendar
110 year.

111 (c) This act does not apply to a lease of:

112 (1) A safe-deposit box;

113 (2) Goods incidental to a lease of real property under which the
114 lessee:(A) Has no liability for the value of the goods at the end of the
115 lease period except for abnormal wear and use; and (B) has no option
116 to purchase the goods; or

117 (3) Goods incidental to a contract for the sale of goods or services.

118 (d) If a transaction that is predominantly a consumer lease includes
119 an incidental sale of goods, services or other benefits, including
120 accessories, insurance, an extended warranty, a maintenance
121 agreement or a service contract, the incidental sale is not subject to
122 sections 36a-770 to 36a-788, inclusive, section 42-100b, section 42-100c
123 and sections 42-124aa to 42-125cc, inclusive, of the general statutes.

124 (e) A provision in a consumer lease for payment of governmental,
125 license or registration fees; taxes related to the lease; or an amount
126 necessary to discharge a security interest in, a lien on, or a debt with
127 respect to, property traded in, or to satisfy an obligation owed on a
128 previous lease, does not make the payment subject to sections 36a-555
129 to 36a-573, inclusive, sections 36a-675 to 36a- 685, inclusive, sections
130 36a-770 to 36a-788, inclusive, section 42-100b, section 42-100c and
131 sections 42-124aa to 42-125cc, inclusive, of the general statutes.

132 Sec. 5. (NEW) (*Effective July 1, 2003*) (a) A consumer lease may not be
133 deemed a credit sale, loan or security interest to make the transaction
134 subject to coverage by other law in lieu of this act.

135 (b) The parties to a lease that is not subject to this act may agree in
136 the lease, or in a contemporaneous record, that this act applies to the
137 lease.

138 (c) The parties to a consumer lease may not agree that the
139 transaction is governed by other law in lieu of this act.

140 Sec. 6. (NEW) (*Effective July 1, 2003*) The provisions of this act are
141 supplemented by other applicable statutory provisions and by general
142 principles of law and equity, including the law merchant and the law
143 relative to capacity to contract, principal and agent, estoppel, fraud,
144 misrepresentation, duress, coercion, mistake, bankruptcy and other
145 validating or invalidating cause, unless those provisions or principles
146 are displaced by or inconsistent with the provisions of this act.

147 Sec. 7. (NEW) (*Effective July 1, 2003*) (a) Except as otherwise
148 permitted by this act, a lessee may waive or agree to forgo rights,
149 benefits or remedies under this act only in settling a dispute or
150 collection claim.

151 (b) A settlement in which a lessee agrees to forgo a right, benefit or
152 remedy under this act is invalid if the court finds that the settlement
153 was unconscionable when made.

154 Sec. 8. (NEW) (*Effective July 1, 2003*) (a) The parties to a consumer
155 lease may not choose the law of a jurisdiction unless it is a jurisdiction
156 in which:

157 (1) The lessee principally resides when the lease is consummated;

158 (2) The lessee will principally reside within thirty days after the
159 lease is consummated;

160 (3) The leased goods are to be used; or

161 (4) Subject to subsection (b) of this section, the leased goods are
162 received by the lessee.

163 (b) If the law chosen by the parties to a consumer lease under
164 subdivision (4) of subsection (a) of this section is the law of a
165 jurisdiction other than this state and the holder acts or initiates an
166 action in this state to enforce rights arising from the lease against a
167 lessee who is a resident of this state, the following rules apply:

168 (1) The holder's act or action is subject to sections 5, 6, 7, 9, and 10
169 of this act and, except for a disclosure that would have been required
170 by this act to be made before the holder's act or action, to sections 19 to
171 26, inclusive, and 29 to 34, inclusive, of this act.

172 (2) The holder's act or action is subject to sections 35 to 42, inclusive,
173 of this act if the holder's act or action violates a provision of this act
174 made applicable by this subsection.

175 (c) Notwithstanding any provision in a consumer lease, an action by
176 a holder against a lessee to enforce the holder's rights under the lease
177 must be brought in the venue of the lessee's residence.

178 (d) Notwithstanding any provision in a consumer lease, a lessee
179 may maintain an action against a holder in any judicial forum that
180 otherwise has jurisdiction over the holder.

181 Sec. 9. (NEW) (*Effective July 1, 2003*) Every contract subject to, or
182 duty imposed by, this act imposes an obligation of good faith in its
183 performance or enforcement.

184 Sec. 10. (NEW) (*Effective July 1, 2003*) (a) If the court as a matter of
185 law finds that a consumer lease or any provision of the lease was
186 unconscionable when the lease was consummated, the court may
187 refuse to enforce the lease, enforce the remainder of the lease without
188 the unconscionable provision or so limit the application of an
189 unconscionable provision as to avoid an unconscionable result.

190 (b) If the court as a matter of law finds that a consumer lease or any
191 provision of a consumer lease was induced by unconscionable conduct
192 or that unconscionable conduct has occurred in the collection of a
193 claim arising from the lease, the court may grant appropriate relief.

194 (c) Before making a finding of unconscionability under subsection
195 (a) or (b) of this section, the court shall afford the parties a reasonable
196 opportunity to present evidence as to the setting, purpose and effect of
197 the consumer lease, the provision or the conduct.

198 (d) In an action in which the lessee claims unconscionability with
199 respect to a consumer lease, the following rules apply:

200 (1) If the court finds unconscionability under subsection (a) or (b) of
201 this section, the court shall award reasonable attorney's fees to the
202 lessee.

203 (2) In determining the reasonableness of attorney's fees, the amount

204 of the recovery on behalf of the claimant under subsection (a) or (b) of
205 this section is not controlling.

206 Sec. 11. (NEW) (*Effective July 1, 2003*) This act modifies, limits, and
207 supersedes the federal Electronic Signatures in Global and National
208 Commerce Act, 15 USC Section 7001 et seq., except that nothing in this
209 act modifies, limits, or supersedes Section 7001(c) of said act or
210 authorizes electronic delivery of any of the notices described in Section
211 7003(b) of said act.

212 Sec. 12. (NEW) (*Effective July 1, 2003*) (a) In this section,
213 "advertisement" means a commercial message in any medium that
214 directly or indirectly promotes a consumer lease.

215 (b) An advertisement must comply with the requirements of the
216 federal Consumer Leasing Act for advertising. If the advertised lease is
217 not subject to said act, the advertisement must comply with those
218 requirements as if the advertised lease were subject to said act.

219 (c) A person may not publish, broadcast or distribute a false,
220 deceptive or misleading advertisement.

221 (d) This section does not apply to a person acting solely as an
222 owner or employee of a medium in which an advertisement appears or
223 through which it is disseminated.

224 Sec. 13. (NEW) (*Effective July 1, 2003*) (a) Before consummation of a
225 consumer lease, a lessor, on request of an individual, shall promptly
226 give a copy or reproduction of its current consumer lease form to the
227 individual at the lessor's place of business. If a lessor contracts with
228 lessees by mail, the lessor shall promptly send, on request by mail, a
229 copy or reproduction of the form by mail. If a lessor contracts with
230 lessees electronically, the lessor shall promptly make available, on
231 electronic request, a copy or reproduction of the form by mail or
232 electronically.

233 (b) A lessor shall furnish the first copy or reproduction of the current

234 lease form to an individual without charge but may impose a
235 reasonable charge for additional copies or reproductions furnished to
236 the same individual.

237 (c) If a lessor uses more than one consumer lease form, the lessor
238 satisfies this section by furnishing a form the lessor has reason to
239 believe is pertinent to the type of lease about which the individual has
240 inquired.

241 Sec. 14. (NEW) (*Effective July 1, 2003*) (a) A lessor shall make the
242 disclosures required by the federal Consumer Leasing Act. If the lease
243 is not subject to said act, the lessor shall make the disclosures as if the
244 lease were subject to said act.

245 (b) Before renegotiation or extension of a consumer lease, the holder
246 shall make such new disclosures as are required by the federal
247 Consumer Leasing Act. If the lease is not subject to said act, the holder
248 shall make the disclosures as if the lease were subject to said act. A
249 renegotiation occurs when a consumer lease is satisfied and replaced
250 by a new consumer lease undertaken by the same lessee for the same
251 goods. An extension is an agreement by the holder and the lessee of an
252 existing consumer lease to continue the lease beyond its originally
253 scheduled expiration, except when the continuation is the result of a
254 renegotiation.

255 (c) At consummation, a consumer lease must be evidenced by a
256 record that:

257 (1) Clearly indicates at the beginning of the record that it is a lease;

258 (2) Contains in a location close to the lessee's signature a
259 conspicuous statement substantially as follows: "NOTICE TO THE
260 LESSEE: This is a lease. You are not buying the goods/vehicle. Do not
261 sign this lease before you read it. You are entitled to a completed copy
262 of this lease when you sign it.";

263 (3) Identifies the place of business of the lessor and the residence of

264 the lessee;

265 (4) Identifies any property traded in or applied as a capitalized cost
266 reduction or similar credit; and

267 (5) In a lease of a motor vehicle, itemizes the gross capitalized cost
268 by type and amount, unless this itemization is included in a separate
269 record accompanying the lease.

270 (d) A lessor may not present for the lessee to sign an application for
271 a consumer lease or a consumer lease that contains blank spaces to be
272 filled in after it has been signed by the lessee unless the goods are to be
273 specially ordered for future delivery, in which case the due dates of
274 periodic payments and specific identifying numbers, marks or similar
275 information concerning the goods may be inserted in the application or
276 lease after the lessee has signed.

277 (e) Promptly after consummation of a consumer lease, the lessor
278 shall furnish to the lessee without charge a completed written copy of
279 the lease signed by the lessor and lessee and, if not previously
280 furnished, a written copy of all other records that the lessee has signed
281 in connection with the transaction. As against a holder that took the
282 lease without knowledge to the contrary, a lessee's written
283 acknowledgment of receipt of a copy of these records creates a
284 presumption of delivery of the copy.

285 Sec. 15. (NEW) (*Effective July 1, 2003*) (a) A lessor may require that
286 the lessee maintain casualty insurance on the leased goods, or liability
287 insurance against personal injury or property damage caused to others,
288 or both, during the period of the lease. If a lessor requires that the
289 lessee maintain either casualty or liability insurance, or both, unless the
290 insurance is included in the lease for no additional charge, the lessor
291 shall disclose in a record that the lessee may purchase the required
292 insurance from an insurer of the lessee's choice, subject to the lessor's
293 right to reject that insurer for reasonable cause.

294 (b) If casualty insurance on the leased goods is neither required nor
295 provided in a consumer lease, the lease must contain or be
296 accompanied by a statement in a record substantially as follows: "No
297 insurance coverage for physical damage to the leased goods, or loss of
298 the leased goods, is provided under this lease."

299 (c) A lessor may not require the lessee to purchase credit life,
300 accident, health, loss-of-income or similar insurance in connection with
301 a consumer lease. If a lessor provides such insurance in connection
302 with a consumer lease:

303 (1) The lessor shall disclose in a record that the insurance is not
304 required; and

305 (2) The lessee's election to purchase the insurance is effective only if
306 after receiving the disclosure the lessee separately signs a record
307 requesting the insurance.

308 (d) If a lessee becomes obligated to pay an amount for insurance
309 provided by or through the lessor, the lessor shall furnish or arrange to
310 have furnished to the lessee a copy of the policy or certificate of
311 insurance.

312 Sec. 16. (NEW) (*Effective July 1, 2003*) (a) The obligation of a
313 guarantor with respect to a consumer lease is not enforceable unless:

314 (1) Before the guarantor signs a record evidencing the obligation, the
315 lessor provides to the guarantor a clear statement in a record which
316 identifies the obligation, the lessor and the lessee and reasonably
317 informs the guarantor of the nature of the obligation; and

318 (2) The lessor provides to the guarantor a copy of the signed record
319 evidencing the guarantor's obligation and, if the guarantor requests, a
320 copy of the lease.

321 (b) A statement in substantially the following form complies with
322 subdivision (1) of subsection (a) of this section:

323

NOTICE

324 Name of Guarantor:

325 You agree to pay the lease obligation identified below although you
326 may not personally receive any goods. You may have to pay this
327 obligation even if the person who receives the goods is able to pay. his
328 notice is not the contract that makes you responsible for the obligation.
329 Read the lease for the exact terms of your obligation.

330 Identification of Obligation You May Have to Pay:

331 Name of Lessee:

332 Name of Lessor:

333 (c) As against a holder who took the consumer lease without
334 knowledge to the contrary, a guarantor's signed acknowledgment of
335 receipt of the records specified in subsection (b) of this section creates a
336 presumption of delivery of those records to the guarantor.

337 Sec. 17. (NEW) (*Effective July 1, 2003*) (a) During the period of a
338 consumer lease, the following rules apply:

339 (1) A person that receives a payment in money from a lessee under a
340 consumer lease shall furnish the lessee a written receipt for the
341 payment.

342 (2) If a lessee so requests in a record, the holder, within two weeks
343 after receiving the request, shall send to the lessee in a record, as
344 requested, a statement of:

345 (A) The dates and amounts of the periodic payments that have been
346 received by holders of the lease and the total amount of the remaining
347 periodic payments;

348 (B) The lessee's total obligation due to satisfy the lease if terminated
349 at a specified date before expiration, and a statement that the amount

350 so due will be reduced by the realized value of the goods, if that is the
351 case; and

352 (C) If the lease provides for a purchase option that may be exercised
353 at the lessee's request, the purchase option price at the date specified in
354 the request.

355 (3) In a statement under subdivision (2) of this subsection, an
356 amount that is estimated must be so identified.

357 (4) A holder may not charge the lessee for furnishing one statement
358 under each subparagraph of subdivision (2) of this subsection in each
359 twelve-month period, but may charge a fee not to exceed five dollars
360 for furnishing each additional statement during the same period.

361 (b) A holder, within two weeks after the lessee has discharged all of
362 the lessee's obligations under the consumer lease, shall send to the
363 lessee at the lessee's last known address a copy of the lease marked
364 "satisfied", "paid in full" or similar term, or a separate record indicating
365 satisfaction of the lease. The record of satisfaction does not release the
366 lessee from liability under the lease for acts or events discovered by the
367 holder after sending the record.

368 Sec. 18. (NEW) (*Effective July 1, 2003*) (a) If a lessee's application for a
369 consumer lease is not approved on the terms submitted, the following
370 rules apply:

371 (1) Except as otherwise provided in subdivisions (2) and (3) of this
372 subsection, the lessor:

373 (A) Within one business day after disapproval of the application,
374 shall tender back to the lessee any property traded in; and

375 (B) Promptly, but in no event more than five business days after
376 disapproval of the application, shall refund any payment received
377 other than an application fee.

378 (2) If the lessee has taken delivery of the goods before the
379 disapproval of the lessee's application, the lessor shall tender delivery
380 of the property traded in and the refund under subparagraph (B) of
381 subdivision (1) of this subsection when the lessee tenders back the
382 goods that were delivered to the lessee.

383 (b) In the case of a consumer lease of a motor vehicle in which the
384 vehicle is delivered to the lessee pending approval of the lessee's
385 application, the lessor, on or before delivery, shall give the lessee notice
386 in a record of the rights and obligations provided in this section. If the
387 application is not approved, the following rules apply:

388 (1) Except when the specified disclosure is made under subdivision
389 (2) of this subsection, the lessor may not impose on the lessee any
390 charge for the lessee's use of the vehicle.

391 (2) The lessor may impose a mileage charge for the lessee's use of
392 the vehicle, at an amount not exceeding the mileage rate authorized for
393 deduction under federal tax laws, but only if the fact and amount of
394 that charge are disclosed to the lessee in a record separately signed by
395 the lessee at the time of delivery. The lessor may offset the amount of
396 the charge against any refund due the lessee.

397 (3) The limitations imposed by subdivisions (1) and (2) of this
398 subsection do not affect a holder's right to recover for damage to or
399 loss of the vehicle while in the lessee's possession attributable to the
400 lessee's tortious act or omission, or forfeiture or confiscation of the
401 vehicle under governmental authority.

402 (c) A lessor may not sell or otherwise dispose of any property traded
403 in until the lessee's application is approved.

404 (d) If a lessor contracts to purchase property from a prospective
405 lessee separately from a consumer lease, the lessor may not withhold
406 payment pending, or otherwise condition payment upon,
407 consummation of a consumer lease.

408 Sec. 19. (NEW) (*Effective July 1, 2003*) (a) A provision of a consumer
409 lease may not:

410 (1) Authorize the holder to accelerate the maturity of all or part of
411 the amount owing on the lease whenever the holder deems itself
412 insecure;

413 (2) Require the lessee to execute an authorization to confess
414 judgment or an assignment of wages; or

415 (3) Authorize the holder or another person to enter upon the lessee's
416 premises or to commit a breach of the peace in the repossession of the
417 goods.

418 (b) A provision prohibited by this section is unenforceable but does
419 not otherwise affect the validity of the lease.

420 Sec. 20. (NEW) (*Effective July 1, 2003*) (a) Except as otherwise
421 provided in subsection (b) of this section, a consumer lease or other
422 record signed by the lessee in connection with the lease may not
423 provide for the creation of a security interest in personal or real
424 property of the lessee to secure the payment of obligations arising from
425 the lease. A security interest created in violation of this section is
426 unenforceable, but does not otherwise affect the validity of the lease.

427 (b) A consumer lease may provide for:

428 (1) A security deposit, advance lease payment or other prepayment;

429 (2) A security interest in unearned insurance premiums or rebates of
430 charges for a contract for services, or a service contract, extended
431 warranty or maintenance agreement regarding the leased goods;

432 (3) A security interest in the proceeds or benefits of insurance, or of a
433 contract for services, service contract, extended warranty or
434 maintenance agreement on the leased goods, except to the extent the
435 proceeds or benefits represent reimbursement to the lessee for

436 expenses incurred; and

437 (4) A security interest in an accession to the leased goods.

438 (c) This section does not preclude a holder from making a
439 permissive filing of a financing statement under article 9 of the
440 Uniform Commercial Code.

441 (d) A holder is not required to pay interest on a security deposit,
442 advance lease payment or other prepayment, but is required, within
443 two weeks after the application of a security deposit, to account to the
444 lessee in a record for the application of the security deposit.

445 Sec. 21. (NEW) (*Effective July 1, 2003*) (a) A holder may impose on
446 the lessee a late charge on a periodic payment that is delinquent for ten
447 days or more in an amount specified in the consumer lease but not
448 exceeding the lesser of ten dollars or five per cent of the unpaid
449 portion of the late periodic payment. A late fee is not enforceable to the
450 extent it exceeds this limit.

451 (b) A holder may not impose a late charge on a current periodic
452 payment if the only delinquency in the current payment is an amount
453 equal to or less than unpaid late charges imposed on earlier periodic
454 payments, but the lease may impose an additional late charge if all or
455 part of a periodic payment remains delinquent through an additional
456 payment period.

457 (c) Subject to subsection (b) of this section regarding late charges, a
458 consumer lease may provide for imposition on the lessee of charges for
459 the lessee's delinquency or default, including collection, repossession
460 and court costs, at an amount that is reasonable in light of the
461 anticipated or actual harm caused by the delinquency or default, the
462 difficulties of proof of loss and the inconvenience or unfeasibility of
463 otherwise obtaining an adequate remedy.

464 (d) A consumer lease may provide for the imposition on the lessee
465 of the holder's reasonable attorney's fees, but the fees are recoverable

466 by the holder only if the holder is represented by an attorney who is
467 not an employee of the holder. If a consumer lease provides for
468 recovery of attorney's fees by the holder, a lessee who successfully
469 defends a collection action is entitled to reasonable attorney's fees from
470 the holder.

471 Sec. 22. (NEW) (*Effective July 1, 2003*) (a) Until thirty days after a
472 lessee receives from the assignor or assignee of the lease a signed
473 notice in a record that the consumer lease has been assigned and
474 containing the name and address of the assignee, the lessee may
475 discharge the lessee's obligation by paying the assignor of the lease,
476 and the following rules apply:

477 (1) If timely, a payment to the assignor is not subject to a late charge.

478 (2) Except as otherwise provided in subdivision (3) of this
479 subsection, after the thirty-day period, the lessee discharges the
480 lessee's obligation only by paying the assignee.

481 (3) If requested by the lessee after notice from the assignee under
482 this subsection, the assignee shall seasonably furnish reasonable proof
483 that the assignment has been made. Unless the assignee complies, the
484 lessee may discharge the lessee's obligation by paying the assignor.

485 (b) Except as otherwise provided in subsection (b) of section 39 of
486 this act, notwithstanding any provision in a consumer lease, a holder is
487 subject to all claims and defenses arising from the lease which the
488 lessee could assert against a previous holder and, if the original lessor
489 does not select, manufacture or supply the goods, against the person
490 from whom the lessor bought or leased the goods. A lessee's recovery
491 from a holder under this subsection may not exceed amounts paid by
492 the lessee to all holders under the lease.

493 Sec. 23. (NEW) (*Effective July 1, 2003*) (a) Except as otherwise
494 provided in subsection (b) of this section, a lessee under a consumer
495 lease may sublease or assign the lessee's rights and interest.

496 (b) A consumer lease may contain a specific and conspicuous
497 provision requiring the holder's consent to a sublease or assignment of
498 the lessee's rights and interest, and payment of a reasonable fee. In a
499 lease for a period of more than twelve months, the provision must
500 require the holder to consent unless the holder believes in good faith
501 that the sublease or assignment will jeopardize the holder's rights or
502 increase the holder's risk.

503 (c) Unless otherwise agreed by the holder, the obligations of the
504 lessee under a consumer lease are not affected by a sublease or
505 assignment, and the original lessee and the sublessee or assignee are
506 jointly and severally liable under the assigned lease.

507 Sec. 24. (NEW) (*Effective July 1, 2003*) (a) In an open-end consumer
508 lease, the estimated residual value must be a reasonable approximation
509 of the anticipated fair market value of the goods on expiration of the
510 lease. The estimated residual value of the goods is presumed to be
511 unreasonable and not in good faith to the extent that the estimated
512 residual value exceeds the realized value by more than three times the
513 average payment allocable to a monthly period under the lease. The
514 holder may not collect from the lessee the amount presumed to be
515 unreasonable unless the holder succeeds in an action with respect to
516 that amount. In all actions, the holder shall pay the lessee's reasonable
517 attorney's fees.

518 (b) A presumption does not arise under subsection (a) of this section
519 to the extent the excess of estimated residual value over realized value
520 is due to physical damage to the goods beyond reasonable wear and
521 use, or to excessive use, according to standards set in the lease under
522 section 34 of this act.

523 (c) This section does not preclude a lessee, after expiration of the
524 consumer lease, from agreeing to a final adjustment with respect to
525 residual value.

526 (d) Upon expiration of an open-end consumer lease, the lessee may

527 obtain at the lessee's expense a professional appraisal of the leased
528 goods by an independent third party agreed to by the lessee and
529 holder. The appraisal is final and binding on the parties.

530 Sec. 25. (NEW) (*Effective July 1, 2003*) (a) A charge for casualty,
531 liability or credit insurance included in a consumer lease or added
532 under subsection (c) of this section may not exceed the premium
533 imposed by the insurer for the insurance. This subsection does not
534 preclude:

535 (1) The imposition of rent charges on insurance charges capitalized
536 in the lease; or

537 (2) The lessor's realization of commissions, experience rebates or
538 similar compensation from the insurer.

539 (b) If insurance included in a consumer lease or added under
540 subsection (c) of this section is canceled or terminated, a refund of
541 unearned insurance premiums received by the holder in excess of one
542 dollar, at the holder's option, must be:

543 (1) Refunded to the lessee; or

544 (2) Credited, together with the unearned portion of the rent charge
545 applicable to the refunded premium, to the lessee's current obligation,
546 the final maturing periodic payments or the lessee's obligation upon
547 termination of the lease.

548 (c) If a lessee does not maintain insurance required under a
549 consumer lease, the holder may purchase substitute insurance only
550 against substantially the same risks, covering the interests of the lessee
551 and the holder or the interest of either of them.

552 (d) An amount paid by a holder for substitute insurance under
553 subsection (c) of this section and added to the lessee's obligation under
554 the lease is subject to:

555 (1) A rent charge as if that amount were part of the adjusted
556 capitalized cost, from the later of the effective date of the insurance or
557 the date on which the holder notifies the lessee of the purchase of
558 substitute insurance, its cost, and the effect on the payment schedule;
559 and

560 (2) The repayment and default provisions of the lease.

561 (e) This section does not preclude a holder from pursuing any other
562 remedy for default set forth in the lease or provided by law.

563 Sec. 26. (NEW) (*Effective July 1, 2003*) A person may not induce or
564 attempt to induce a lessee to consummate a consumer lease by offering
565 a post-consummation rebate, discount, commission or other
566 consideration on the condition that the lessee provide information or
567 assistance for the purpose of enabling a lessor or other person to lease
568 or sell goods to another individual.

569 Sec. 27. (NEW) (*Effective July 1, 2003*) (a) As used in this section:

570 (1) "Magnuson-Moss Warranty Act" means 15 USC Sections 2301 to
571 2312, inclusive, as amended, and includes rules, regulations,
572 statements and interpretations issued by the Federal Trade
573 Commission under said act.

574 (2) "Service contract" means a contract in a record to perform, over a
575 fixed period or for a specified duration, services relating to the
576 maintenance or repair, or both, of leased goods.

577 (3) "Supplier" means any person engaged in the business of making
578 leased goods directly or indirectly available to lessees through
579 consumer leases.

580 (4) "Written warranty" means:

581 (A) An affirmation of fact in a record or promise in a record made in
582 connection with a consumer lease of goods by a supplier to a lessee,

583 which relates to the nature of the material or workmanship, affirms or
584 promises that the material or workmanship is defect free or will meet a
585 specified level of performance over a specified period, and becomes
586 part of the basis of the bargain between the supplier and the lessee; or

587 (B) An undertaking in a record in connection with the lease by a
588 supplier of goods to refund, repair, replace or take other remedial
589 action with respect to the leased goods if the leased goods fail to meet
590 the specifications set forth in the undertaking, which becomes part of
591 the basis of the bargain between the supplier and the lessee.

592 (b) A supplier may not disclaim or, except as otherwise provided in
593 subsection (c) of this section, modify an implied warranty to a lessee
594 with respect to leased goods if:

595 (1) The supplier makes a written warranty to the lessee with respect
596 to the leased goods; or

597 (2) At the time the lessee signs the lease, or within ninety days
598 thereafter, the supplier enters into a service contract with the lessee
599 which applies to the leased goods.

600 (c) Unless a supplier has made a warranty that would qualify as a
601 full warranty under the Magnuson-Moss Warranty Act if made in
602 connection with a sale of goods, the supplier may limit the duration of
603 implied warranties to the duration of a written warranty of reasonable
604 duration, if the limitation is conscionable and conspicuously displayed
605 on the face of the warranty.

606 (d) A disclaimer, modification or limitation made in violation of this
607 section is not enforceable.

608 (e) A term in a lease agreement that attempts to exclude or modify
609 an implied warranty of merchantability or fitness or to exclude or
610 modify a remedy for breach of such warranties is not enforceable.

611 Sec. 28. (NEW) (*Effective July 1, 2003*) (a) In this section, "gap

612 amount" means the amount that would be owed by the lessee if a total
613 loss of the goods occasioned by theft, physical damage or other
614 occurrence were considered an early termination of the lease, less the
615 portion of the cash value of the goods received by the holder from the
616 lessee's insurer or from any other source. The term does not include
617 the deductible amount applicable to a casualty insurance policy on the
618 goods, past due lease payments, or any other unpaid amounts owed
619 by the lessee under the lease at the time of the total loss of the goods,
620 or amounts by which the insurance proceeds otherwise payable are
621 reduced on account of past due premiums or the condition of the
622 goods before the total loss occurred.

623 (b) Except as otherwise provided in subsection (c) of this section, a
624 consumer lease may not provide that the lessee is responsible for the
625 gap amount. A provision in violation of this subsection is not
626 enforceable.

627 (c) If a consumer lease so provides, the holder may recover from the
628 lessee the portion of the gap amount attributable to:

629 (1) The lessee's failure to maintain in effect casualty insurance
630 required under the lease;

631 (2) The lessee's fraud, intentional wrongful act or omission, or gross
632 negligence; or

633 (3) The forfeiture or confiscation of the goods under governmental
634 authority.

635 Sec. 29. (NEW) (*Effective July 1, 2032*) (a) A provision of a consumer
636 lease stating events of default by the lessee is enforceable only to the
637 extent that:

638 (1) The lessee does not make a payment required by the lease; or

639 (2) The holder establishes that the prospect of payment,
640 performance or realization of the holder's interest in the goods is

641 significantly impaired.

642 (b) If a default is solely the lessee's failure to make a payment
643 required under the lease and the lessee has not voluntarily surrendered
644 the leased goods to the holder, a holder may not accelerate, take
645 judicial action to collect or repossess the leased goods unless the holder
646 initiates a procedure for cure under this section and the lessee does not
647 cure the default in a timely manner.

648 (c) A holder may initiate a procedure for cure by sending to the
649 lessee, at any time after the lessee has been in default for ten days, a
650 notice of right to cure the default. The notice must be in a record,
651 contain a conspicuous statement that the lessee is entitled to cure the
652 default and set forth the monetary amount necessary to cure the
653 default, the date by which the curative payment is due and the name,
654 address and telephone number of the holder from which information
655 may be obtained regarding the cure. The date by which payment is due
656 may not be less than twenty days after the notice is sent.

657 (d) Within the period for cure stated in the notice under subsection
658 (c) of this section, the lessee may cure the default by tendering the
659 amount of all unpaid sums due at the time of the tender, including any
660 unpaid delinquency or default charges, but without additional security
661 deposit or prepayment of periodic payments not yet due. Cure restores
662 the rights of holder and lessee under the lease as if the default had not
663 occurred.

664 (e) A lessee has the right to cure only once in any twelve-month
665 period during the period of the lease.

666 Sec. 30. (NEW) (*Effective July 1, 2003*) (a) Except as otherwise
667 provided in subsection (d) of this section and subject to section 29 of
668 this act, on a lessee's default, the holder may repossess the goods by
669 judicial process or by self-help without a breach of the peace.

670 (b) After repossession of the goods on a lessee's default, the holder

671 shall apply the realized value of the goods as provided in the lease or,
672 if the lease contains no such provision, in the following order:

673 (1) Default charges and collection costs imposed under the lease;

674 (2) Obligations of the lessee that are due or in default under the
675 lease; and

676 (3) The liability of the lessee on early termination of the lease.

677 (c) Unless otherwise agreed, a lessee is liable for any deficiency after
678 application of the realized value. The holder may apply to the
679 deficiency a security deposit taken under subdivision (1) of subsection
680 (b) of section 20 of this act but shall refund to the lessee any amount of
681 the security deposit remaining after satisfaction of the deficiency.

682 (d) (1) In this subsection, "electronic self help" means the use of
683 electronic means to exercise a holder's rights pursuant to subsection (a)
684 of this section and "electronic" means relating to technology that has
685 electrical, digital, magnetic or wireless optical electromagnetic
686 properties or similar capabilities. "Electronic self help" includes the use
687 of electronic means to locate the goods.

688 (2) Electronic self help is permitted only if the lessee separately
689 agrees to a term of the lease authorizing electronic self help that
690 requires notice of exercise as provided in subdivision (3) of this
691 subsection.

692 (3) Before resorting to electronic self help authorized by a term of
693 the lease, the holder shall give notice to the lessee stating:

694 (A) That the holder intends to resort to electronic self help as a
695 remedy on or after fifteen days following communication of the notice
696 to the lessee;

697 (B) The nature of the claimed breach that entitled the holder to
698 resort to self help; and

699 (C) The name, title, address and telephone number of a person
700 representing the holder with whom the lessee may communicate
701 concerning the goods.

702 (4) A lessee may recover direct and incidental damages caused by
703 wrongful use of electronic self help. The lessee may also recover
704 consequential damages for wrongful use of electronic self help even if
705 such damages are excluded by the terms of the lease.

706 (5) Even if the holder complies with subdivisions (2) and (3) of this
707 subsection, electronic self help may not be used if the holder has
708 reason to know that its use will result in substantial injury or harm to
709 the public health or safety or grave harm to the public interest
710 substantially affecting third parties not involved in the dispute.

711 Sec. 31. (NEW) (*Effective July 1, 2003*) (a) Subject to subsection (b) of
712 this section, the amount of the realized value, if used to determine the
713 lessee's liability on termination of a consumer lease, is the sum of:

714 (1) The amount of the rebate of premiums or charges for insurance,
715 extended warranty, or service or maintenance contract to the extent the
716 rebates are received by the holder; and

717 (2) One of the following:

718 (A) The price received by the holder on disposition of the leased
719 goods by sale;

720 (B) If the goods are re-leased, the total of periodic payments plus the
721 residual value under the new lease, reduced to present value; or

722 (C) If the goods are not disposed of, the higher of: (i) The best offer
723 for disposition of the goods; or (ii) the fair market value of the goods.

724 (b) A lessee and holder under a consumer lease may agree at the
725 time of termination on the realized value of the goods, or may agree in
726 the lease or at the time of termination on a method for determining it,

727 and the value so agreed upon or determined, unless unreasonable, is
728 the realized value. An agreed realized value is not unreasonable if the
729 value is determined by an appraiser agreed to by the holder and lessee,
730 or by reference to a generally accepted reference source for goods of
731 the kind.

732 (c) If the realized value is determined under subparagraph (A) or (B)
733 of subdivision (2) of subsection (a) of this section, the disposition may
734 be by public or private sale or re-lease, at any time and place and on
735 any terms. Every aspect of the disposition, including the method,
736 manner, time, place and terms must be commercially reasonable.
737 Disposition in a wholesale market is not unreasonable.

738 (d) If a disposition is to a person related to the holder, or a person
739 obligated to the holder under an agreement for recourse, repurchase or
740 the like, the realized value is not less than the fair market value of the
741 goods.

742 (e) If a disposition is not commercially reasonable, the realized value
743 must be established by reference to the retail market value of goods of
744 the kind and condition at issue.

745 Sec. 32. (NEW) (*Effective July 1, 2003*) (a) A consumer lease may
746 provide a measure or formula for the lessee's liability on early
747 termination, but only at an amount reasonable in light of the
748 anticipated or actual harm caused by the early termination, the
749 difficulties of proof of loss and the inconvenience or unfeasibility of
750 otherwise obtaining an adequate remedy. An early termination charge
751 does not include:

752 (1) Unpaid periodic payments, or unpaid late, delinquency or
753 default charges, accrued through the date of early termination;

754 (2) Charges provided under the lease for excess wear and use or
755 excess mileage, but only to the extent the excess wear and use or excess
756 mileage are not otherwise accounted for in the early termination

757 charge;

758 (3) Other unpaid amounts for which the lessee is responsible under
759 the lease;

760 (4) Official fees and taxes imposed in connection with lease
761 termination; or

762 (5) The greater of a reasonable disposition fee in a fixed amount
763 disclosed in the lease or the reasonable costs incurred in retaking,
764 storing, preparing for disposition and disposing of the goods.

765 (b) A charge imposed on a lessee for early termination of a
766 consumer lease other than an open-end consumer lease may not
767 exceed the total of the remaining periodic payments scheduled under
768 the lease.

769 Sec. 33. (NEW) (*Effective July 1, 2003*) If a consumer lease is
770 terminated before its scheduled expiration by mutual agreement of the
771 holder and lessee, the holder may not report the early termination to a
772 consumer reporting agency as a default by the lessee or guarantor.
773 This section does not preclude the holder from reporting to a consumer
774 reporting agency a previous default by the lessee or guarantor under
775 the lease or a later default under the early termination agreement.

776 Sec. 34. (NEW) (*Effective July 1, 2003*) (a) A consumer lease may
777 prescribe standards and impose liability on the lessee for excess wear
778 and tear of the leased goods if the standards and amounts of liability
779 are reasonable and reasonably applied to compensate the holder due to
780 damage, abuse or lack of maintenance, but not exceeding the estimated
781 or actual cost of repair and refurbishing.

782 (b) Standards for excess wear and tear do not subject the lessee to
783 liability for:

784 (1) Ordinary and expected wear, use and depreciation of the goods
785 during the period of the lessee's possession and use; or

786 (2) Damage or repair to the extent:

787 (A) The leased goods are covered by insurance, warranty, or by a
788 repair, service or maintenance agreement issued in connection with the
789 lease;

790 (B) Recovery or repair under the insurance, warranty or agreement
791 is available to the holder; and

792 (C) The lessee cooperates as necessary to submit, document and
793 process a claim under the insurance, warranty or agreement.

794 (c) In connection with the expiration of a consumer lease of goods
795 other than a motor vehicle, if the holder charges the lessee for excess
796 wear and tear, the holder shall:

797 (1) Send to the lessee notice in a record of the nature and amount of
798 the charges within five business days after the goods are returned to
799 the holder; and

800 (2) Provide reasonable time and access for the lessee or another
801 person designated by the lessee to examine the goods.

802 (d) The time is reasonable under subdivision (2) of subsection (c) of
803 this section if it is no less than twelve business days after the holder
804 sends the notice under subdivision (1) of subsection (c) of this section.

805 (e) In connection with the expiration of a consumer lease of a motor
806 vehicle, if the lease provides for charges for excess wear and tear, the
807 following rules apply:

808 (1) A holder may charge, receive or collect excess wear and tear
809 charges only if the lease sets forth reasonable standards for wear and
810 tear and any excess wear and tear charges are assessed in accordance
811 with the specified standards. These charges shall not exceed the
812 amounts stated in an itemized estimate, prepared by a motor vehicle
813 physical damage appraiser licensed under section 38a-790 of the

814 general statutes or repair shop licensed under section 14-52 of the
815 general statutes, selected by the lessor, of the reasonable cost of repairs.

816 (2) Within forty-five days after the return of the leased property or
817 such earlier date as otherwise agreed by the parties, the holder shall
818 give the lessee notice, by registered or certified mail, return receipt
819 requested, or personal delivery stating the amount of excess wear and
820 tear charges claimed and containing an itemized estimate upon which
821 they are based and indicating that the lessee may contest: (1) Whether
822 any item for which an excess wear and tear charge has been claimed
823 constitutes excess wear and tear; and (2) the amount of any excess
824 wear and tear charge. The holder's notice shall specify the names,
825 addresses and telephone numbers of at least three persons who are
826 licensed appraisers or repair shops unaffiliated with the holder that are
827 acceptable to the holder. Failure to notify the lessee within the time
828 established by this subsection shall be a waiver of the holder's right to
829 recover those charges.

830 (3) The lessee may contest whether any item for which an excess
831 wear and tear charge has been claimed constitutes excess wear and
832 tear and the amount of any excess wear and tear charge by giving the
833 holder notice in writing within fourteen days after the holder's notice
834 is mailed or delivered in accordance with subsection (b) of this section
835 specifying the excess wear and tear items to which he objects.

836 (4) If the lessee gives the holder notice in accordance with
837 subsection (c) of this section, the lessee may obtain an itemized
838 estimate at the lessee's expense from a licensed appraiser or repair
839 shop within fourteen days after the holder's notice is mailed or
840 delivered in accordance with subsection (b) of this section. If the
841 estimate obtained by the lessee is prepared by a motor vehicle physical
842 damage appraiser licensed under section 38a-790 of the general
843 statutes or repair shop licensed under section 14-52 of the general
844 statutes specified in the holder's notice, the lower of the two estimates
845 shall be the amount charged the lessee for excess wear and tear under

846 this section. If the estimate obtained by the lessee is prepared by a
847 motor vehicle physical damage appraiser licensed under section 38a-
848 790 of the general statutes or repair shop licensed under section 14-52
849 of the general statutes other than such a shop or appraiser specified in
850 the holder's notice, the two estimates shall establish the upper and
851 lower limits of the amount charged the lessee for excess wear and tear
852 under this section.

853 (5) The lessor shall allow the licensed appraiser or repair shop
854 selected by the lessee reasonable access to the leased property during
855 the time within which the lessee may obtain an appraisal. If the lessor
856 fails to retain the leased property during the time within which the
857 lessee may obtain an appraisal or fails to allow the licensed appraiser
858 or repair shop specified by the lessee the required reasonable access to
859 the leased property, the lessor's failure shall be a waiver of the lessor's
860 right to recover any charges under this section.

861 (f) In addition to charges for excess wear and tear, a consumer lease
862 of a motor vehicle may provide for the imposition of a reasonable
863 charge for excess mileage.

864 Sec. 35. (NEW) (*Effective July 1, 2003*) (a) In sections 35 to 42,
865 inclusive, of this act, with respect to violations of sections 16 and 33 of
866 this act, "lessee" includes a guarantor.

867 (b) A holder that violates this act is liable to the lessee for actual
868 damages. Where actual damages are claimed as a result of an alleged
869 violation of a disclosure requirement under this act, the lessee must
870 show reliance on the holder's conduct to the lessee's detriment as a
871 necessary element to recovering the damages.

872 (c) Whether or not a lessee seeks or is entitled to damages, the lessee
873 may maintain an action for declaratory or injunctive relief.

874 (d) Except in a class action, and except as otherwise provided in
875 sections 35 to 42, inclusive, of this act, in addition to actual damages

876 under subsection (b) of this section, a holder who violates this act is
877 liable for statutory damages of twenty-five per cent of the amount of
878 payments scheduled under the lease, but no less than five hundred
879 dollars and no more than one thousand dollars for a violation of any of
880 the following provisions: Subsections (a) and (b) of section 14 of this
881 act, subdivision (1), (2), (4) or (5) of subsection (c) of section 14 of this
882 act, subsection (d) of section 14 of this act, section 15 of this act,
883 sections 17 and 18 of this act, subsection (d) of section 20 of this act,
884 subsection (b) of section 21 of this act, subsection (c) of section 25 of
885 this act, sections 26 and 33 of this act and subsection (c) of section 34 of
886 this act.

887 (e) In a successful action under sections 35 to 42, inclusive, of this
888 act, a lessee is also entitled to the costs of the action and, except as
889 otherwise provided in subsection (f) of this section, reasonable
890 attorney's fees as determined by the court. In determining the award of
891 attorney's fees, the amount of the lessee's recovery is not controlling.

892 (f) In order for a lessee as plaintiff in an action for monetary
893 damages to recover attorney's fees under subsection (e) of this section,
894 the following rules apply:

895 (1) Before the commencement of the action, the lessee must send the
896 holder notice in a record of the alleged violation and the damages
897 sought.

898 (2) If, within twenty days after the lessee's notification is sent, the
899 holder provides the lessee with an offer of settlement in a record
900 agreeing to pay the lessee an amount that equals or exceeds the
901 damages eventually awarded to the lessee in the final judgment
902 entered in the action, the lessee may not recover attorney's fees
903 incurred after the lessee's receipt of the settlement offer. The lessee
904 may nevertheless recover attorney's fees incurred before the receipt of
905 the settlement offer in an amount determined by the court based on a
906 reasonable hourly rate.

907 (3) Notification by the lessee under subdivision (1) of this subsection
908 tolls the statute of limitations for a period of sixty days after the date
909 the notification is sent.

910 Sec. 36. (NEW) (*Effective July 1, 2003*) A holder is not liable to any
911 person, and a holder's rights under a lease are not affected, because of
912 any act or omission arising out of the holder's reasonable belief that a
913 transaction is not a consumer lease if the holder's belief is based on its
914 reasonable reliance on a lessee's representation in a record concerning
915 the purpose for which the leased goods were to be used.

916 Sec. 37. (NEW) (*Effective July 1, 2003*) (a) Except as otherwise
917 provided in subsections (b) to (d), inclusive, of this section, an action
918 under sections 35 to 42, inclusive, of this act may not be commenced
919 more than one year after the termination of the lease that is the subject
920 of the action.

921 (b) A class action under sections 35 to 42, inclusive, of this act may
922 not be commenced more than one year after the occurrence of the
923 violation that is the subject of the action.

924 (c) An action for a violation of section 13, 14 or 15 of this act may not
925 be commenced more than two years after the date of the execution of
926 the lease.

927 (d) A lessee's claim for actual or statutory damages under sections
928 35 to 42, inclusive, of this act may be raised by way of recoupment in
929 an action by the holder on the lease without regard to the periods
930 specified in subsections (a) to (c), inclusive, of this act.

931 Sec. 38. (NEW) (*Effective July 1, 2003*) (a) A holder is not liable for
932 statutory damages under subsection (d) of section 35 of this act if,
933 within sixty days after discovering a violation of this act and before
934 commencement of an action under section 35 of this act or the receipt
935 of written notice of the violation from the lessee, the holder notifies the
936 lessee concerned and corrects the violation, including refund,

937 restitution or crediting of any charges improperly disclosed or
938 imposed.

939 (b) A holder is not liable for statutory damages under subsection (d)
940 of section 35 of this act if the holder proves by a preponderance of the
941 evidence that the violation was unintentional and resulted from an
942 error in good faith notwithstanding the maintenance of procedures
943 reasonably adapted to avoid the error. For purposes of this subsection,
944 errors in good faith include clerical errors, calculation errors, computer
945 malfunctions and programming errors, but an error of legal judgment
946 with respect to a holder's obligations under this act is not a good faith
947 error.

948 (c) There may be no more than one recovery of statutory damages
949 under subsection (d) of section 35 of this act for a violation of sections
950 35 to 42, inclusive, of this act regardless of the number of lessees in the
951 consumer lease.

952 (d) Liability does not arise under sections 35 to 42, inclusive, of this
953 act with respect to an act or omission in good faith conforming to:

954 (1) A rule or interpretation of this act, or to an approval by the
955 Commissioner of Consumer Protection, even if after the act or
956 omission occurred, the rule, interpretation or approval is amended,
957 rescinded or determined by judicial or other authority to be invalid; or

958 (2) With respect to requirements based on the federal Consumer
959 Leasing Act, a rule, regulation or interpretation of said act by the
960 Federal Reserve Board, even if after the act or omission occurred, the
961 rule, regulation or interpretation is amended, rescinded or determined
962 by judicial or other authority to be invalid.

963 (e) Regardless of the number of violations resulting from a holder's
964 multiple failures to comply with the provisions enumerated in
965 subsection (d) of section 35 of this act with respect to a single consumer
966 lease, the lessee is entitled to a single recovery of statutory damages

967 under sections 35 to 42, inclusive, of this act, but continued failure to
968 comply after a recovery has been granted gives rise to rights to
969 additional recoveries.

970 Sec. 39. (NEW) (*Effective July 1, 2003*) (a) Except as otherwise
971 provided in subsection (b) of this section, the liability of a holder for a
972 violation of this act by a previous holder is subject to subsection (b) of
973 section 22 of this act.

974 (b) An action for a violation of subsection (d) of section 15 of this act,
975 section 17 or 26 of this act, or for a violation of the disclosure
976 requirements of section 13 or 14 of this act or subsection (a), (b) or (c) of
977 section 15 of this act may be maintained against a subsequent holder
978 only if:

979 (1) A required disclosure is omitted or can be determined to be
980 incomplete or inaccurate from the face of the record or other
981 documents assigned; or

982 (2) The record does not contain a notice, provision or statement
983 required to be used under this act.

984 Sec. 40. (NEW) (*Effective July 1, 2003*) (a) Except as otherwise
985 provided in this act, a violation of this act by a holder does not impair
986 the holder's rights under a consumer lease.

987 (b) If a holder's act or omission violates this act and also violates
988 other law, the lessee is entitled to the larger of the monetary remedies
989 authorized by this act or the other law.

990 Sec. 41. (NEW) (*Effective July 1, 2003*) The Commissioner of
991 Consumer Protection shall enforce the provisions of this act. For this
992 purpose, the commissioner has the power and is entitled to the
993 remedies provided in the Unfair Trade Practices Act, chapter 735a of
994 the general statutes.

995 Sec. 42. (NEW) (*Effective July 1, 2003*) (a) The Commissioner of

996 Consumer Protection shall administer this act, and may adopt
997 regulations, issue interpretations or give approvals designed to
998 effectuate consumer protection under this act; prevent circumvention
999 or evasion of, and facilitate compliance with, this act; avoid
1000 preemption by the federal Consumer Leasing Act; and assure
1001 consistent interpretations with those of other states enacting legislation
1002 substantially the same as this act.

1003 (b) To keep the commissioner's regulations, interpretations or
1004 approvals in harmony with those of administrators in other states that
1005 enact legislation substantially the same as this act, the commissioner, to
1006 the extent consistent with the provisions of this act, in adopting,
1007 amending and repealing regulations, interpretations or approvals,
1008 shall take into consideration the regulations, interpretations or
1009 approvals of administrators in other states that enact legislation
1010 substantially the same as this act.

1011 Sec. 43. (NEW) (*Effective July 1, 2003*) If any provision of this act or
1012 its application to any person or circumstance is held invalid, the
1013 invalidity does not affect other provisions or applications of this act
1014 that can be given effect without the invalid provision or application,
1015 and to this end the provisions of this act are severable.

1016 Sec. 44. (NEW) (*Effective July 1, 2003*) A consumer lease entered into
1017 before the effective date of sections 1 to 46, inclusive, of this act and the
1018 rights, duties and interests resulting from it may be terminated,
1019 completed or enforced as required or permitted by any statute, rule of
1020 law or other law amended, repealed or modified by this act as though
1021 the repeal, amendment, or modification had not occurred. However,
1022 this act applies when, after the effective date of sections 1 to 46,
1023 inclusive, of this act, a consumer lease is satisfied and replaced by a
1024 new lease undertaken by the same lessee for the same goods.

1025 Sec. 45. (NEW) (*Effective July 1, 2003*) In applying and construing
1026 this uniform act, consideration must be given to the need to promote
1027 uniformity of the law with respect to its subject matter among states

1028 that enact it.

1029 Sec. 46. (*Effective July 1, 2003*) Sections 42-158a, 42-158d, 42-158e, 42-
 1030 158f, 42-158g, and 42-270 to 42-271a, inclusive, of the general statutes
 1031 are repealed.

1032 Sec. 47. (*Effective July 1, 2002*) Sections 42-158b and 42-158c of the
 1033 general statutes are repealed.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>
Sec. 2	<i>July 1, 2003</i>
Sec. 3	<i>July 1, 2003</i>
Sec. 4	<i>July 1, 2003</i>
Sec. 5	<i>July 1, 2003</i>
Sec. 6	<i>July 1, 2003</i>
Sec. 7	<i>July 1, 2003</i>
Sec. 8	<i>July 1, 2003</i>
Sec. 9	<i>July 1, 2003</i>
Sec. 10	<i>July 1, 2003</i>
Sec. 11	<i>July 1, 2003</i>
Sec. 12	<i>July 1, 2003</i>
Sec. 13	<i>July 1, 2003</i>
Sec. 14	<i>July 1, 2003</i>
Sec. 15	<i>July 1, 2003</i>
Sec. 16	<i>July 1, 2003</i>
Sec. 17	<i>July 1, 2003</i>
Sec. 18	<i>July 1, 2003</i>
Sec. 19	<i>July 1, 2003</i>
Sec. 20	<i>July 1, 2003</i>
Sec. 21	<i>July 1, 2003</i>
Sec. 22	<i>July 1, 2003</i>
Sec. 23	<i>July 1, 2003</i>
Sec. 24	<i>July 1, 2003</i>
Sec. 25	<i>July 1, 2003</i>
Sec. 26	<i>July 1, 2003</i>
Sec. 27	<i>July 1, 2003</i>
Sec. 28	<i>July 1, 2003</i>

Sec. 29	<i>July 1, 2032</i>
Sec. 30	<i>July 1, 2003</i>
Sec. 31	<i>July 1, 2003</i>
Sec. 32	<i>July 1, 2003</i>
Sec. 33	<i>July 1, 2003</i>
Sec. 34	<i>July 1, 2003</i>
Sec. 35	<i>July 1, 2003</i>
Sec. 36	<i>July 1, 2003</i>
Sec. 37	<i>July 1, 2003</i>
Sec. 38	<i>July 1, 2003</i>
Sec. 39	<i>July 1, 2003</i>
Sec. 40	<i>July 1, 2003</i>
Sec. 41	<i>July 1, 2003</i>
Sec. 42	<i>July 1, 2003</i>
Sec. 43	<i>July 1, 2003</i>
Sec. 44	<i>July 1, 2003</i>
Sec. 45	<i>July 1, 2003</i>
Sec. 46	<i>July 1, 2003</i>
Sec. 47	<i>July 1, 2002</i>

Statement of Purpose:

To adopt the Uniform Consumer Leases Act.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]