



Senate

General Assembly

File No. 146

January Session, 2003

Substitute Senate Bill No. 332

Senate, April 2, 2003

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING CONSUMER COMPUTER EQUIPMENT LEASES.

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

1 Section 1. Section 42-406 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2003*):

3 (a) During the period of a consumer lease, the following rules apply:

4 (1) A person that receives a payment in money from a lessee under a
5 consumer lease shall furnish the lessee a written receipt for the
6 payment.

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

10 (A) The dates and amounts of the periodic payments that have been
11 received by holders of the lease and the total amount of the remaining

12 periodic payments;

13 (B) The lessee's total obligation due to satisfy the lease if terminated
14 at a specified date before expiration, and a statement that the amount
15 so due will be reduced by the realized value of the goods, if that is the
16 case; and

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

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

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

26 (b) A holder of a lease for computer or related equipment, not more
27 than one hundred twenty days and not less than thirty days prior to
28 the expiration date of the lease, shall provide written notice, at no cost
29 to the lessee, informing the lessee of the lease expiration date and the
30 lessee's rights and obligations upon expiration of the lease and, if the
31 lease provides for a purchase option for such computer or related
32 equipment that may be exercised at the lessee's request, the purchase
33 option price for such computer or related equipment as of the lease
34 expiration date. For the purposes of this subsection, "computer" means
35 a programmable, electronic device capable of accepting and processing
36 data.

37 [(b)] (c) A holder, within two weeks after the lessee has discharged
38 all of the lessee's obligations under the consumer lease, shall send to
39 the lessee at the lessee's last known address a copy of the lease marked
40 "satisfied", "paid in full" or similar term, or a separate record indicating
41 satisfaction of the lease. The record of satisfaction does not release the
42 lessee from liability under the lease for acts or events discovered by the

43 holder after sending the record.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>

GL *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Consumer Protection, Dept.; Attorney General	GF - None	None	None

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill requires the lessor of a consumer lease for computer or similar equipment to provide written notification to the lessee of the consumer’s rights and obligations 30 to 120 days before the lease expires.

Any complaints received by the Department of Consumer Protection (DCP) or the Attorney General’s Office under CUTPA (Connecticut Unfair Trade Practices Act) provisions can be handled by staff without the need for additional appropriations.

OLR Bill Analysis

sSB 332

AN ACT CONCERNING CONSUMER LEASES**SUMMARY:**

This bill requires the holder (the lessor or someone he assigned the lease to) of a consumer lease for computer or related equipment to notify the lessee between 30 and 120 days before the lease expires of (1) the lease's expiration date; (2) the lessee's rights and obligation when the lease expires; and (3) the price of purchasing the equipment, if the lessee has a purchase option. The notice must be in writing and given at no cost to the lessee.

The bill defines a computer as a programmable, electronic device capable of accepting and processing data.

EFFECTIVE DATE: July 1, 2003

BACKGROUND***Consumer Leases***

Under the state Uniform Consumer Leases Act, a consumer lease is one that lasts at least four months with a total obligation of up to \$150,000 in which the goods are leased for a personal, family, or household purpose. The act provides separate rules for these types of leases including certain protections, disclosure and notice requirements, limits on certain terms and practices, and provisions on enforcement and remedies. The act's provisions do not take effect until July 1, 2003.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 18 Nay 0