



General Assembly

January Session, 2003

Committee Bill No. 332

LCO No. 2950

Referred to Committee on General Law

Introduced by:

(GL)

AN ACT CONCERNING CONSUMER 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 Section 42-406 of the general statutes is repealed and the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, not more than one hundred twenty days, and not less
27 than thirty days prior to the expiration date of the lease, shall provide
28 written notice, at no cost to the lessee, informing the lessee of the lease
29 expiration date and the lessee's rights and obligations upon expiration
30 of the lease and, if the lease provides for a purchase option that may be
31 exercised at the lessee's request, the purchase option price as of the
32 lease expiration date.

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

This act shall take effect as follows:	
Section 1	July 1, 2003

Statement of Purpose:

To protect consumers from unfair business practices by requiring written notification and explanation of a consumer's rights and obligations be provided to them prior to the expiration of a product lease.

[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.]

Co-Sponsors: SEN. CAPPIELLO, 24th Dist.