

Taylor Rental Center  
620 North Colony Road  
Wallingford, CT 06492  
203-265-2824

Judiciary Committee Members

RE: Bill HB 5611 An Act Concerning The Failure to Return Rental Property.

Thank you for providing me the opportunity to address you today. My name is Russell Dagenais. I reside in Middletown and my family and I own an equipment rental store in Wallingford. I am speaking on behalf of my family and more than 178 equipment rental stores in Connecticut, all of whom are in favor of House Bill 5611, *An Act Concerning the Failure to Return Rental Property*.

Every year thousands of dollars are lost due to failure to return rental equipment. This deceptive act results in a significant loss of revenue which is crippling to many small business such as mine. Typical rental contracts require payment prior to the customer taking the equipment. Some customers do not return the equipment in the time stated in the rental agreement keeping the equipment for several weeks past the due date with no intention of paying for its use. A single piece of rental equipment can cost tens of thousand of dollars. As you may know, running a small business holds many financial and personal challenges. Rental businesses not only lose money for the time the equipment is out, but also rental fees for prospective customers who must be turned away because the equipment is not available for their use.

We have tried to anticipate the lose and collect a deposit. However, a sufficient deposit is difficult to estimate and is often too large for customers to afford. Credit cards have a number of problems: Many customers do not have them, credit limits are often insufficient to cover charges and card authorization has often expired by the time the equipment is returned and therefore, the credit card is declined.

The police department will not take action, stating it is a civil matter and must be dealt with in small claims court. That procedure is costly, time consuming and often unfruitful, even if we are awarded a favorable judgment. In the end, we often find that going to court only increases the extent of our losses.

Talking with other rental store owners, we find customers go from one rental store to another, leaving large unpaid rental bills behind. Our inability to enlist assistance from local police departments in collecting extended rental fees sends a message to customers that we can't do anything to stop such theft. We do not intend to use the law frivolously. As with conversion law, it is used only when necessary.

In 2002 we surveyed some rental stores and found an average annual loss of \$8,300 per store from failure to return rental equipment. In Connecticut there are approximately 178 equipment rental businesses. Based on the average loss per store this figure would increase to 1½ million dollars annually. We find this problem growing. Additionally, the lost income extends beyond our operation to the state of Connecticut as lost sales & use tax revenue.

We are not asking for special treatment. Current laws protect other industries such as hotels, motels, restaurants and transportation services. We are asking for the same protection. Thank you for your consideration of this issue and support for fair business practice in our state.

Russell Dagenais  
President  
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