



General Assembly

January Session, 2007

Committee Bill No. 6897

LCO No. 4984

04984HB06897JUD

Referred to Committee on Judiciary

Introduced by:
(JUD)

AN ACT CONCERNING LIQUIDATED DAMAGES PROVISIONS IN CONTRACTS.

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

- 1 Section 1. (NEW) (*Effective October 1, 2007*) No provision in a
2 contract providing for the payment of liquidated damages in the event
3 of a breach of the contract shall be valid or enforceable unless (1) the
4 contract contains a statement immediately following such liquidated
5 damages provision that states "I have read this LIQUIDATED
6 DAMAGES provision and I understand the meaning of it", and (2) the
7 person against whom such provision is to be enforced signs such
8 person's name or writes such person's initials next to such statement.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2007</i>	New section
-----------	------------------------	-------------

Statement of Purpose:

To ensure that a person who enters into a contract that contains a liquidated damages provision understands that provision.

[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: REP. TABORSAK, 109th Dist.; REP. GODFREY, 110th Dist.

H.B. 6897