



General Assembly

January Session, 2007

**Amendment**

LCO No. 7566

**\*HB0689707566HDO\***

Offered by:

REP. TABORSAK, 109<sup>th</sup> Dist.

REP. FOX, 146<sup>th</sup> Dist.

REP. GODFREY, 110<sup>th</sup> Dist.

To: Subst. House Bill No. 6897

File No. 640

Cal. No. 515

**"AN ACT CONCERNING LIQUIDATED DAMAGES PROVISIONS IN CONTRACTS, REQUESTS FOR MORTGAGE PAYOFF STATEMENTS AND THE REPOSSESSION OF MOTOR VEHICLES IN BANKRUPTCY CASES."**

- 
- 1 Strike section 1 in its entirety and insert the following in lieu thereof:
- 2 "Section 1. (NEW) (*Effective October 1, 2007, and applicable to contracts*
- 3 *entered into, renewed or extended on or after said date*) (a) No provision in a
- 4 written contract for the purchase or lease of goods or services
- 5 primarily for personal, family or household purposes that provides for
- 6 the payment of liquidated damages in the event of a breach of the
- 7 contract shall be enforceable unless (1) the contract contains a
- 8 statement in boldface type at least twelve points in size immediately
- 9 following such liquidated damages provision stating "I
- 10 ACKNOWLEDGE THAT THIS CONTRACT CONTAINS A
- 11 LIQUIDATED DAMAGES PROVISION", and (2) the person against
- 12 whom such provision is to be enforced signs such person's name or

13 writes such person's initials next to such statement. Nothing in this  
14 section shall validate a clause that is a penalty clause or is otherwise  
15 invalid under the law of this state.

16 (b) The provisions of subsection (a) of this section shall not apply to  
17 (1) contracts between a consumer and an agency of the state or any  
18 political subdivision of the state or of the federal government, (2)  
19 negotiable instruments, and (3) contract provisions for late fees,  
20 prepayment penalties or default interest rates."