



General Assembly

Substitute Bill No. 5128

February Session, 2008

* HB05128BA 030508 *

**AN ACT CLARIFYING CERTAIN DEPOSITORY INSTITUTION
DISCLOSURE REQUIREMENTS.**

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

1 Section 1. Section 42-150u of the 2008 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2008*):

4 (a) No provision in a written contract for the purchase or lease of
5 goods or services primarily for personal, family or household purposes
6 that provides for the payment of liquidated damages in the event of a
7 breach of the contract shall be enforceable unless (1) the contract
8 contains a statement in boldface type at least twelve points in size
9 immediately 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, and (4) contracts
21 originated or held by an institution, or any subsidiary or affiliate of
22 such institution, that is regulated by the Department of Banking or by
23 a federal bank regulatory agency, provided, in the case of a contract
24 originated or held by a subsidiary or affiliate of such institution, the
25 subject matter of the contract is an activity that is financial in nature or
26 incidental to such an activity as described in the Bank Holding
27 Company Act, 12 USC 1843 (k)(4).

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2008	42-150u

BA *Joint Favorable Subst.*