



General Assembly

Substitute Bill No. 6434

January Session, 2009

* HB06434GL 031609 *

AN ACT CONCERNING CONSUMER DEPOSITS AT BANQUET FACILITIES.

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

1 Section 1. (NEW) (*Effective October 1, 2009*) (a) Any person engaged
2 in the business of renting or leasing a facility for events, including, but
3 not limited to, conventions, weddings or conferences, shall maintain a
4 secured line of credit or hold in trust in a separate escrow account not
5 less than twenty-five per cent of the amount of any deposits or down
6 payments provided to such person by persons paying for the use of
7 such facility, provided the individual deposit or down payment is
8 equal to or greater than five hundred dollars and that services related
9 to such deposit or down payment have not been rendered. Such
10 amount shall be adjusted at least thirty days from its establishment or
11 most recent adjustment to reflect the value of any additional deposits
12 or down payments and to deduct any deposit or down payment where
13 services have been rendered. As used in this subsection, "escrow
14 account" means an account in a bank chartered by the state of
15 Connecticut or any other state or the federal government, where such
16 funds are separate from the funds of the facility and are held in trust
17 for the persons who have provided an initial deposit or down payment
18 to rent or lease such facility, and "secured line of credit" means an
19 irrevocable letter of credit issued by a bank or other state or federally
20 chartered financial institution that provides the Department of

21 Consumer Protection as beneficiary in the event of a default by the
22 facility in the promise to provide services related to the down payment
23 or deposit. Such letter of credit shall be reissued annually with a copy
24 delivered to the Commissioner of Consumer Protection.

25 (b) A violation of this section shall be deemed an unfair or deceptive
26 trade practice in violation of subsection (a) of section 42-110b of the
27 general statutes.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2009</i>	New section
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Statement of Legislative Commissioners:

In the first sentence of Section 1 (a), "persons renting or leasing such facility" was changed to "persons paying for the use of such facility", for clarity.

GL *Joint Favorable Subst.*