

Legislative History for Connecticut Act

| <u>SB 195</u> | <u>< 169 ></u> | <u>1976</u> |
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| House | p. 1296 - 1304 | 9 |
| Senate | p. 455-56, 1522 | 3 |

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1976

VOL. 19
PART 4
1220 - 1676

House of Representatives

Tuesday, April 6, 1976

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accept the p.t. Thank you.

THE SPEAKER:

Well, perhaps we'll see what the chamber's pleasure is.

MR. O'NEILL (34th):

Mr. Speaker, speaking in support of passing temporarily the document that we have from the other side that offered this amendment is attached to a bill that doesn't look anywhere near what the file copy of the bill that we're discussing does look like, so therefore, I support p.t. until we get the situation straightened out.

THE SPEAKER:

Is there objection to the matter being passed temporarily?

Hearing none, the matter is passed temporarily.

THE CLERK:

Page 5 of the Calendar, on page 5, Calendar No. 429, substitute for S.B. No. 195. An Act Concerning Fair Credit Billing, as amended by Senate Amendment Schedule "A", File Nos. 143 and 326.

MR. LYDDY (126th):

Mr. Speaker, I move acceptance of the committee's favorable report, the substitute for the Senate Bill and may I ask that the Clerk read Senate Amendment Schedule "A".

THE SPEAKER:

The Clerk please read Senate "A".

THE CLERK:

Senate Amendment Schedule "A".

In Line 22, after the word "is" insert the words "or may be"

MR. LYDDY (126th):

Mr. Speaker, I move adoption of Senate Amendment "A".

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THE SPEAKER:

Question is on adoption of Senate "A". Will you remark?

MR. LYDDY (126th):

A very simple amendment, Mr. Speaker, which clarifies the question of whether or not the finance charge may be required rather than where it is definitely required and that will be added to the federal act.

I move the adoption of the amendment.

THE SPEAKER:

Will you remark further on Senate "A"? If not, the question is on its adoption. All those in favor will indicate by saying aye. Opposed? Senate "A" is ADOPTED and ruled technical. Will you remark further on the bill as amended?

MR. LYDDY (126th):

Mr. Speaker, this bill, although seemingly and is really a very long bill, is really a codification of our existing Connecticut statute and the federal statute now having to do with fair credit billing. It covers the many many areas having to do with debtor-creditor relationships, the finance relationships and what it mainly does is to take the best of both worlds. It takes the best of the Connecticut law and also the best of the federal law and by enacting this particular piece of legislation, Connecticut then will be eligible for an exemption from the federal law so that people in Connecticut, consumers in Connecticut, where they do have a problem would not as would be required under the federal law, would not have to make their claims and their requests for help to the federal agency in Boston. This would allow now such credit transactions to be scrutinized very carefully by the local, the statebank commissioner

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here and his people, and that anyone who would have a problem would be able to go directly to the commissioner on banks and to his office for direct help.

There are many other facets to this bill, of course, which are helpful to consumers to the extent that it does extend the time within which a consumer may claim a problem in his billing and also to take this matter further from 10 days to 30 days. It also extends the time within which the creditor may answer. It prescribes in detail how it must be answered and also adds, as an additional penalty, where there is a mistake on the part of the issuer of the credit to put a penalty on them that if an action is taken against them and the consumer was to prevail in the courts, this bill will add the additional idea that the consumer can now collect for his costs including attorney's fees and other court costs which he could not do before except for the court costs. He could not include attorney's fees or collect for it. (record 11)

Mr. Speaker, there is an amendment which I would like to have the Clerk read and it's LCO No. 3107.

THE SPEAKER:

Will the Clerk please call LCO No. 3107, House Amendment Schedule "A". Is it the gentleman's pleasure to have the Clerk read? The Clerk please call and read.

THE CLERK:

House "A", Mr. Lyddy.

In line 150, strike the opening bracket before the word "and".

In line 151, strike the closing bracket after the word "number".

In line 222, strike the opening bracket before the word "and" and strike the closing bracket after the word "number".

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In line 275, strike the opening bracket before the word "and" and strike the closing bracket after the word "number".

MR. LYDDY (126th):

Mr. Speaker, commenting on the amendment, the committee felt with the, of course in conjunction with the commissioner's office that where you would include the telephone contact from the consumer to the creditor, that the consumer might be confused that when he did call and make inquiry or at least make complaint that his time for remedy commenced at that time and this is not so. We bracketed this out so that this would not be confusing to the consumer. However, upon reflection, we felt that maybe it should be left in because it still would allow you or I to call the creditor where we have a problem with finance billing and say, look, I'm not sure that I made that purchase, maybe you can tell me over the telephone whether or not I did, when I made it and what I purchased and so forth. This amendment would leave in that right but it still would have nothing to do with the election of remedies or the commencement of the time for remedies. We now feel that this is a good amendment and that this prerogative should be left in the act. And I move the adoption of the amendment.

I move the adoption of the amendment, Mr. Speaker.

THE SPEAKER:

Will you remark further on adoption of House "A"? If not, the question is on its adoption. All those in favor will indicate by saying aye. Opposed? House "A" is ADOPTED and ruled technical. Will you remark further on the bill as amended by House "A" and Senate "A"?

MR. LYDDY (126th):

Mr. Speaker, I feel with that amendment the bill has been

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sufficiently explained, at least in an outline form, because it is much too difficult to take the time to explain it in more detail because we've already had it in our act, in our Connecticut statutes. I really don't think there is any need for any further clarification and so I ask that this, I move that this bill be passed as amended by Senate "A" and House "A".

THE SPEAKER:

Will you remark further on the bill as amended?

MR. STEVENS (119th):

Mr. Speaker, I have just a few questions I would like to direct to the gentleman reporting the bill out.

THE SPEAKER:

Please frame your question.

MR. STEVENS (119th):

Through you, Mr. Speaker, the first question is, if I understood the gentleman correctly, he indicated that if an exemption is granted, the enforcement provisions could be handled at the state level rather than the federal level. My question through you is, is there a fiscal impact upon the state should that exemption be granted in terms of the administration of the act?

MR. LYDDY (126th):

Through you Mr. Speaker, it is our understanding that there will be no fiscal impact because of the fact that the commissioner's office, the state has been handling it up to now in definitely good fashion. It does save the necessity for going to Boston in the future under the federal act. I see, it is my understanding that there is no fiscal impact, in answer to your question.

MR. STEVENS (119th):

Thank you. Through you Mr. Speaker, directing the gentleman's attention to lines 230 through 236 which has deleted the requirement for the periodic statement to be mailed not later than ten days which is then re-instated in section 6 commencing at line 466, my question through you is why is the burden in section 6 placed upon the consumer concerning receipt of that notice?

THE SPEAKER:

Would the gentleman care to respond?

MR. LYDDY (126th):

Mr. Speaker, I care to if I can just have a moment to look at the differences there.

THE SPEAKER:

The gentleman from the 119th has the floor.

MR. LYDDY (126th):

Mr. Speaker, in deliberating on this, it was and in asking about the procedures which have been and would be followed, it was made somewhat obvious to us that the complaint actually would have to come from the consumer, from the debtor, and therefore the burden has to be on him to pursue his problem.

MR. STEVENS (119th):

Through you Mr. Speaker, is it the intent of the committee in sub-section b which commences at line 375 to include as a billing error a dispute over the amount of the finance charge and the calculation of the finance charge in the definition of billing error?

MR. LYDDY (126th):

If I understand that, through you Mr. Speaker, if I understand that question correctly, it is the intention to include the computation

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error.

MR. STEVENS (119th):

Through you Mr. Speaker, other than the computation, what about the substantive finance charge that's being made. Is that intended to be included? And if so, if the gentleman could indicate where because it does not appear that that is clearly set forth.

MR. LYDDY (126th):

The gentleman is correct. It is not, through you Mr. Speaker, it is not intended that the finance charge would included as an error but the computation of the entire billing procedure would be included as an error, of course.

MR. STEVENS (119th):

Through you Mr. Speaker, could the gentleman indicate why the finance charge would not be included as a billing error?

MR. LYDDY (126th):

Well, Mr. Speaker, through you, the finance charge is disclosed, is a fixed charge whereas the computation could be in error, the entire computation. The finance charge, while part of the entire computation, of course, need not necessarily be included as the entire error because it is readily discernable whereas a computation error might be something that might have been either a human error or a computer error in the entire computation.

MR. STEVENS (119th):

Through you Mr. Speaker, if it were a case where the basic finance charge was incorrect though, could the commissioner through regulations include that as one of the other justifiable causes that could be

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defined under billing error?

MR. LYDDY (126th):

Through you Mr. Speaker, he does have the broad power to do so.

MR. STEVENS (119th):

I have no further questions, Mr. Speaker.

THE SPEAKER:

Will you remark further on the bill as amended?

If not, will the members please be seated and the staff come to the well. The machine will be open. The machine is still open. The machine is still open. Have all the members voted and is your vote properly recorded? If so, the machine will be closed and the Clerk will take a tally.

MR. TOBIN (37th):

Mr. Speaker, in the affirmative please.

THE SPEAKER:

The gentleman from the 37th in the affirmative. The Clerk please note.

MR. VILLANO (96th):

Mr. Speaker, in the affirmative please.

THE SPEAKER:

In the affirmative. The Clerk please note.

MR. ESPOSITO (110th):

The gentleman from the 110th in the affirmative. The Clerk please note.

THE SPEAKER:

The Clerk please announce the tally.

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THE CLERK:

| | |
|----------------------------------|-----|
| Total Number Voting..... | 141 |
| Necessary for Passage..... | 71 |
| Those Voting Yea..... | 141 |
| Those Voting Nay..... | 0 |
| Those Absent and Not Voting..... | 10 |

THE SPEAKER:

The bill as amended is PASSED.

MR. CARRAGHER (5th):

Mr. Speaker, I call the member's attention to page 6 of the Calendar, Calendar No. 446, substitute for H.B. No. 5713, An Act Concerning Mortgage Loans by Commercial Banks, File No. 360, Mr. Speaker I, early in the session this afternoon, moved this item to consent. It is now my understanding the bill requires an amendment. I, therefore, object to the bill being on the consent calendar.

THE SPEAKER:

The gentleman's objection is noted. The matter is removed from the consent calendar.

MR. CARRAGHER (5th):

Mr. Speaker, I call the member's attention to page 8 of the Calendar, page 8, at the top of the page, Calendar No. 458, S.B. No. 413, An Act Validating the Appeal by Anthony and Sarah Vecchio from an Assessment of The Branford Sewer Authority, File No. 261, I move that that bill be placed on today's consent calendar.

THE SPEAKER:

(record
12)

In there objection on the part of any individual member? Hearing none, it is so ordered.

MR. O'NEILL (34th):

Mr. Speaker, to make an announcement.

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THE CHAIR:

It may be passed temporarily.

THE CLERK:

Top of page 3, calendar 188, File No. 143, Favorable Report of the Joint Standing Committee on Banks. Substitute for Senate Bill No. 195. AN ACT CONCERNING FAIR CREDIT BILLING.

THE CHAIR:

Senator Dinielli.

SENATOR DINIELLI:

Mr. President, I move for acceptance of the Joint Committee's Favorable Report and passage of the bill. There's an amendment.

THE CLERK:

Schedule
Yes, Clerk has Senate Amendment "A", File No. 143, substitute Senate Bill 195, LCO 199, copies have been distributed.

THE CHAIR:

Senator Dinielli.

SENATOR DINIELLI:

Mr. President, I move adoption of the amendment.

THE CHAIR:

Will you remark?

SENATOR DINIELLI:

Amendment correction - technical defect. It adds three words in line 22 in definitions. I move adoption.

THE CHAIR:

Will you remark further? Question is on adoption of the amendment. All those in favor signify by saying aye, those opposed nay, - the ayes have it. The amendment is adopted.

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SENATOR DINIELLI:

Mr. President, speaking on the bill as amended, this bill would implement a State fair credit billing act similar to the Federal act, so the State would then obtain an exemption from the Federal Reserve Board. The effect of this would allow the Bank Commissioner to give Connecticut consumers better enforcement and more quickly, so, if there is no objection, I ask that it be placed on Consent,

THE CHAIR:

No objection. So ordered.

THE CLERK:

Moving to the middle of page 3, calendar 198, File No. 144, Favorable Report of the Joint Standing Committee on Judiciary. Substitute for Senate Bill No. 128. AN ACT CONCERNING THE RETURN OF SEIZED PROPERTY.

THE CHAIR:

Senator Neiditz is not in the Chamber. Senator Lieberman.

SENATOR LIEBERMAN:

Mr. President. I would move acceptance and passage of the bill.

THE CLERK:

The Clerk has an amendment on that bill.

SENATOR LIEBERMAN:

Mr. President, I would move acceptance and passage of the amendment and ask that it be read.

THE CLERK:

The Clerk has Senate amendment Schedule "A", File No. 144,

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April 22, 1976 J.G.T. 68

Do you wish it placed on the Consent Calendar? Do you wish to place it on the Consent Calendar?

SENATOR LIEBERMAN:

I do, Mr. President.

THE CHAIR:

Hearing none, so ordered. Hearing no objection, so ordered.

THE CLERK:

(my note)
Calendar 185 (the calendar reads 188), Files 143, 326, 493, Favorable Report of the Joint Standing Committee on Banks, Substitute for Senate Bill No. 195. AN ACT CONCERNING FAIR CREDIT BILLING. (As amended by Senate Amendment Schedule "A" and House amendment Schedule "A").

THE CHAIR:

Senator DiNielli.

SENATOR DINIELLI:

Mr. President, I move for acceptance and passage.

THE CHAIR:

Will you remark?

SENATOR DINIELLI:

Yes, Mr. President. The House Amendment Schedule "A" included additional protection under the act as previously passed by the Senate and I ask it be placed on the Consent Calendar.

THE CHAIR:

Hearing no objection, so ordered.

THE CLERK:

Calendar 190, Files 145, ^{and} 413, Senate Bill No., excuse me, Favorable Report of the Joint Standing Committee on the Environ-