

Bill No. 1685

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Referred to Committee on GENERAL LAW

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LCO No. 4610

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Introduced by SEN. DINIELLI, 31st District

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General Assembly,

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January Session, A.D., 1971

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AN ACT CONCERNING CLOSING-OUT SALES OF FURNITURE BUSINESSES.

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CONNECTICUT
STATE LIBRARY
LEGISLATIVE REFERENCE
SECTION

Be it enacted by the Senate and House of Representatives in

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General Assembly convened:

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Section 1. For the purposes of this act, "closing-out sale" means and includes all sales advertised, represented or held forth under the designation of "going out of business," "selling out," "liquidation," "lost our lease," "forced to vacate," or any other designation of like meaning; and "person" means and includes individuals, partnerships, voluntary associations and corporations.

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Sec. 2. (a) No person shall advertise or offer for sale any furniture under the description of closing-out sale unless he shall have obtained a license from the commissioner of consumer protection authorizing the conducting of such sale. (b) Each person desiring to conduct a closing-out sale shall deposit with the commissioner of consumer protection the sum of five hundred dollars as a special deposit, and upon application in the form to be prescribed by said commissioner and the payment to said commissioner of a further sum of one hundred dollars as a state license fee, said commissioner shall issue to the applicant a "closing-out sale license," authorizing him to advertise and conduct a sale consistent with that requested in the application. (c) Each person applying for a "closing-out sale license" shall make such application therefor in writing and under oath stating all the facts relating to the reasons and character of such sale, including the opening and terminating dates of the proposed sale,

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a complete inventory of the furniture actually on hand in the 38
 place whereat such sale is to be conducted, and all details 39
 necessary to locate exactly and identify fully the furniture to 40
 be sold, and shall disclose the names and residences of the owner 41
 or owners or partners in whose interest the sale is to be
 conducted.

Sec. 3. (a) All state licenses issued under this act shall 42
 expire six months from the date thereof or on the termination 43
 date designated in the original application whichever occurs 44
 first, provided that up to sixty days extension may be granted 45
 upon the proper showing of need under section 4 of this act.
 Each state license upon expiration, or voluntary surrender prior 46
 to expiration, shall be returned to the commissioner of consumer 47
 protection who shall cancel the same, endorse the date of 48
 delivery and cancellation thereon and place the same on file. He 50
 shall then hold the special deposit of each such licensee for the 51
 period of sixty days and, after satisfying all claims made upon 52
 the same under this section, shall return such deposit or such 53
 portion of the same, if any, as may remain in his hands to the 54
 licensee depositing it, or as directed by the licensee in the 55
 original application. Each deposit made with the commissioner 56
 shall be subject, so long as it remains in his hands, to 57
 attachment and execution in behalf of creditors whose claims may 58
 arise in connection with business done under the authorized sale, 59
 and said commissioner may be held to answer as garnishee under
 process of foreign attachment in any civil action brought against
 any licensee and shall pay over, under order of court or upon
 execution, such sum of money as he may be chargeable with upon 60
 his disclosure or otherwise. Such deposit shall not be paid over 61
 by said commissioner on garnishee process or to such licensee 62
 until the expiration of sixty days specified in this section. 63
 Such deposit shall also be subject to the payment of any fine or 64
 penalty imposed on the licensee for violation of any provision of 65
 this chapter; provided written notice of the name of such
 licensee and of the amount of such fine or penalty shall be given 66

during said period to the commissioner by the clerk of the court 67
 in which such fine or penalty was imposed. (b) Whenever any 68
 state license, issued under the provisions of section 2 of this 69
 act has been lost or destroyed, so that such license cannot, 70
 after the expiration of the term thereof, be returned or 71
 surrendered under the provisions of subsection (a) of this 72
 section, the licensee may file his affidavit with the 73
 commissioner of consumer protection describing such license with 74
 sufficient particularity to identify the same and the claimant 75
 thereunder, and showing such loss or destruction; and the 76
 commissioner, upon such proof of loss and identity as is 77
 satisfactory to him, may accept such affidavit in lieu of the 78
 return or surrender of such license, and such licensee shall have 79
 the same right to the return of the special deposit made by him 80
 as though he had returned or surrendered his license. 81

Sec. 4. No merchandise other than that listed in the 79
 inventory required in this act shall be included in any closing- 80
 out sale and no sale shall continue beyond a reasonable date to 81
 be specified in the required application, except, that an 82
 extension may be authorized upon proper showing of need, such 83
 extension being contingent on the submitting of a revised 84
 inventory showing the items listed on the original inventory 85
 remaining unsold and not listing any furniture not included in 86
 the original application and inventory.

Sec. 5. No person in contemplation of a closing-out sale 86
 under a license as provided for in section 2 of this act shall 87
 order any furniture for the purpose of selling and disposing of 88
 the same at such sale, and any purchases of furniture within 89
 sixty days prior to the filing of application for a license to 90
 conduct such sale shall be presumptive evidence that such 91
 purchases and additions to stock were made in contemplation of 92
 such sale.

Sec. 6. No person shall, upon conclusion of a closing-out 92
 sale continue that business which has been represented as 93

terminal, under the same name, or under a different name, at the same location. 94

Sec. 7. Any person who shall advertise, hold, conduct or carry on any sale of furniture under the description of "closing-out sale" contrary to the provisions of this act; or who shall violate any of the provisions of this act shall be fined not more than fifty dollars or imprisoned not more than sixty days or both. 95 96 97 98 99

Sec. 8. The provisions of this act shall not apply to or affect sales or persons conducting same pursuant to an order or process of a court of competent jurisdiction or to any sheriff, constable or other public or court officer or to any other person acting under the license, direction or authority of any court, state or federal, selling furniture in the course of their official duties. 100 101 102 103 104 105

STATEMENT OF PURPOSE: To clarify the procedure for regulating and licensing closing-out sales of furniture businesses. 108 109

[Proposed deletions are enclosed in brackets and proposed additions are all capitalized, or underlined where appropriate.] 111 113