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## **OLR Bill Analysis**

### **sSB 3**

#### ***AN ACT CONCERNING CONSUMER PROTECTION AND SAFETY.***

#### **SUMMARY**

This bill makes various unrelated changes to consumer protection. Specifically, it:

1. generally prohibits businesses that offer to sell, lease, or provide any goods or services to any individual or entity from advertising, displaying, or offering them for a price that does not include all fees, charges, and costs, excluding applicable taxes;
2. requires (a) providers (e.g., cellular phone manufacturers) to prominently display and disclose certain information about the device's camera or microphone before activating the device and (b) anyone who records and transmits any personally identifying information collected through a device's camera or microphone to use reasonable security measures;
3. requires certain electronic or appliance manufacturers to make available, on fair and reasonable terms, products' repair manuals, functional parts, and tools (i.e. right-to-repair);
4. requires all municipalities, by July 1, 2027, to maintain a ".gov" Internet domain and redirect other domains they use to that website or stop using them; and
5. expands the price gouging prohibition in several ways, including by applying the prohibition to an item's entire chain of distribution rather than just at retail and adding a new precipitating event when the prohibition applies (i.e. the attorney general issuing an abnormal economic disruption notice).

6. EFFECTIVE DATE: July 1, 2026, except the municipal website provision is effective upon passage and the price gouging provisions are effective July 1, 2025.

## **§ 1 — TOTAL PRICE DISCLOSURE**

### ***Total Price Disclosure Required***

The bill prohibits businesses that offer to sell, lease, or provide any goods or services to any persons (e.g., individuals and entities) from advertising, displaying, or offering them for a price that does not include all fees, charges, and costs, excluding applicable taxes. It also prohibits businesses from requiring the persons to pay a fee, charge, or cost that is (1) not advertised, displayed, or offered to them as required by the bill, or (2) intentionally obscured, unclear, or misrepresented by the business.

### ***Exceptions***

However, the bill does not prohibit a business from omitting any applicable federal, state, or local tax, or mandatory fee imposed by governmental or quasi-governmental entities, from the advertised, displayed, or offered price for a good or service if it is disclosed to the person before they purchase, lease, or receive the good or service.

The bill also does not prohibit a business from imposing a mandatory gratuity or omitting it from any advertised or displayed price for a good or service, as long as it and the way it is calculated are clearly and conspicuously disclosed to the person before the person selects the good or service for purchase, leasing, or receipt.

Additionally, the bill does not prohibit businesses from imposing or omitting fees, charges, or other costs on the advertised or displayed price of goods or services if the additional cost:

1. depends on a person's selection;
2. cannot feasibly be calculated in full when the price is first advertised or displayed, including costs for shipping or delivery or that vary according to a person's location or the quantity or number of goods purchased, leased, or received;

3. is a charge of up to \$1 to confirm identity or payment information, if the charge is promptly refunded;
4. is disclosed when the good or service is advertised or displayed to the person; or
5. is disclosed to the person before they purchase the good or service.

Lastly, these provisions do not apply to the following:

1. any transaction that is subject to the Connecticut Unfair Insurance Practices Act;
2. transactions or actions permitted under law as administered by a regulatory board or officer acting under statutory authority;
3. prohibited surcharges based on a specific payment method; and
4. any transaction unless it involves a person in Connecticut or the offer, sale, rent, lease, or distribution of a good or service in Connecticut.

***Penalty***

Under the bill, a violation of the total price disclosure requirement is an unfair or deceptive trade practice under the Connecticut Unfair Trade Practices Act (CUTPA, see BACKGROUND).

**§ 2 — CONNECTED DEVICE’S DISCLOSURES, STATEMENT, AND PROHIBITIONS**

The bill establishes requirements for certain entities that provide, or collect information from, an Internet-connected device’s camera or microphone (e.g., that of a cellular telephone, computer, home appliance, motor vehicle, tablet, television, toy, or video game console). It specifies information they must disclose to consumers and measures they must take to protect personally identifiable information. It also prohibits, among other things, requiring providers to build features that allow law enforcement to monitor communications through the camera or microphone.

The bill makes certain violations of its requirements or prohibitions CUTPA violations.

***Required Disclaimer and Statement***

The bill requires providers to prominently display a (1) disclaimer when the initial consumer or someone on their behalf first sets up the device and (2) statement with certain disclosures. It also requires providers to give the initial consumer or the designated person, when first installing or setting up the connected device, the ability to decline to activate the camera or microphone.

A “provider” is (1) a manufacturer of Internet-connected devices or (2) any person who contracts with a manufacturer and receives access to certain items in any Internet-connected device the manufacturer manufactures. Specifically, these items are any camera or microphone or image, video, spoken word, or other sound collected, recorded, stored, analyzed, interpreted, or transmitted by the camera or microphone.

The disclaimer must state the following: “This device transmits audio and/or video back to the manufacturer and/or a third party and may be recorded.”

The statement must disclose the following:

1. that the device includes a camera or microphone that will be enabled or turned on and might record the initial consumer;
2. that the device’s manufacturer or another provider might retain the initial consumer’s recordings;
3. which command or action activates or enables the camera or microphone;
4. the categories of images, videos, or sounds that (a) the camera or microphone will look for, listen for, or record or (b) might be disclosed to any person other than the initial consumer;
5. the categories of individuals and entities to whom disclosures

may be allowed; and

6. that the initial consumer must not be discriminated against if he or she declines to activate a camera or unless (a) the device is provided to the consumer as a condition of employment or (b) declining to activate the camera or microphone would make the device useless.

### ***Personally Identifying Information***

The bill requires providers to use and maintain reasonable security measures to protect any personally identifying information collected through an Internet-connected device's camera or microphone from any unauthorized access, acquisition, destruction, disclosure, modification, or use.

Under the bill, "personally identifying information" is an individual's birthday, mother's maiden name, driver's license number, Social Security number, health insurance identification number, financial account number, security code or personal identification number, or government-issued identification number that is not otherwise made directly available to the public.

Existing law similarly requires anyone who possesses another person's personal information to safeguard it from misuse by third parties. Willful violators may be subject to civil penalties of \$500 for each violation, up to \$500,000 for any single event (CGS § 42-471).

### ***Prohibitions and Limitations***

The bill prohibits providers from:

1. using or selling any recordings collected through a connected device's camera or microphone for targeted advertising (i.e. displaying specific advertisements to a consumer based on personal data obtained or inferred from their activities); and
2. being required to build specific features to allow a law enforcement agency or officer to monitor communications through a connected device's camera or microphone.

The bill also specifies that it does not:

1. impose any liability on a provider for any application functions that an initial consumer (a) downloads and installs or (b) chooses to use on a network of remote servers hosted on the Internet to store, manage, and process data;
2. authorize disclosure of any recording retained by a provider to another person, including a law enforcement agency or officer, unless another law or a court order authorizes it; or
3. modify, limit, or supersede any other privacy or security law.

### **CUTPA**

The bill makes a violation of the provisions on providing a disclosure and statement, implementing and maintaining reasonable security measures, and prohibiting the use or sales of recordings CUTPA violations (see BACKGROUND).

### **§ 3 — RIGHT-TO-REPAIR**

The bill requires electronic or appliance product manufacturers to make available certain resources needed to diagnose, maintain, or repair their products. Under it, manufacturers must make these resources available on fair and reasonable terms (see below) to the product's owners, service and repair facilities, and service dealers (i.e. anyone, other than an authorized repair provider or manufacturer, in the business of installing, maintaining, repairing, or servicing any electronic or appliance product for pay).

The bill's requirements apply to certain electronic or appliance products that are first manufactured, sold, or used in Connecticut on or after July 1, 2026 ("products"). For these products, the manufacturer must make the following resources available if it makes them available to an "authorized repair provider" (see below):

1. documentation (e.g., product diagrams, manuals, reporting outputs, schematics, service code descriptions, or similar information);

2. functional parts (e.g., new or used replacement components); and
3. tools (e.g., hardware, software, or other apparatus to calibrate or repair a product, including updates).

The bill requires each manufacturer to make these resources available for different lengths of time, depending on the product's wholesale price to a retailer (or in any sale other than a direct sale). They must provide these resources as follows:

1. for at least three years after the last date it manufactured the product's model or type if the product's wholesale price is between \$50 and \$99.99 and
2. for at least five years afterward if the product's wholesale price is at least \$100.

The bill specifies that (1) the wholesale price described above must not exceed the manufacturer's suggested retail price for the product and (2) these time periods apply even if they exceed the product's warranty periods.

Under the bill, an "authorized repair provider" means a person (i.e. individual or entity) who is unaffiliated with a manufacturer and has an arrangement under which the:

1. manufacturer grants the person a license to use a trade name, service mark, or other proprietary identifier to offer diagnostic, maintenance, or repair services for products under the manufacturer's name or
2. person offers diagnostic, maintenance, or repair services for products on the manufacturer's behalf.

An authorized repair provider includes a manufacturer for its own electronic or appliance products, if the manufacturer (1) offers diagnostic, maintenance, or repair services for the product and (2) does not have an arrangement with an unaffiliated person to provide these services.

A “product” includes any antenna, electronic set, major home appliance (e.g., dishwasher, microwave, or air conditioner), or rotator that is sold through any method other than a direct retail sale. It does not include any alarm system; motor vehicle or any component used to maintain, manufacture, or repair one; or video game console.

An “electronic set” includes any audio or video recorder or playback equipment, computer system, fax machine, photocopier, radio, television, video camera, or video monitor that is normally used or sold for personal, family, household, or home office use. A “rotator” includes an electromechanical device, used in an antenna installation or repair, that is operated from a remote location to rotate an antenna on a horizontal plane.

***Fair and Reasonable Terms***

Under the bill, the product manufacturer must make the required resources available on fair and reasonable terms, meaning at costs and on terms that are equal to the most favorable costs and terms it offers to authorized repair providers, accounting for any incentives or preferences (e.g., discounts, rebates, convenient and timely means of delivery, means of enabling fully restored and updated functionality, or rights of use) it offers the provider.

Additionally, the manufacturer must provide for free (1) documentation, including any relevant updates, and (2) tools, without imposing any barriers to accessing or using them in an efficient and cost-effective way. The manufacturer may, however, charge for its reasonable, actual costs to prepare and send physical versions of the tools and documentation, if requested.

If a manufacturer does not use an authorized repair provider, the bill instead requires it to make these resources available at a price that reflects the actual costs it incurred to prepare and deliver the resources, excluding any research and development costs.

***Disclosure by Dealers or Services That Are Not Authorized Repairers***

Under the bill, service dealers or service and repair facilities that are



not authorized repair providers for a manufacturer must, before repairing a product, give the customer written notice disclosing:

1. that the dealer or facility is not an authorized repair provider for the product and
2. whether the dealer or facility uses any (a) used replacement parts or (b) replacement parts provided by a supplier other than the product manufacturer.

### ***Liability***

Under the bill, a manufacturer or authorized repair provider is generally not liable for any damage or injury caused to any electronic or appliance product, person, or property due to a diagnosis, maintenance, modification, or repair an owner or service dealer performs. This includes any (1) indirect, incidental, special, or consequential damages; (2) loss of data, privacy, or profits; or (3) inability to use, or reduced functionality of, the product.

However, this does not apply to any design defect or manufacturing flaw that existed before, or independent of, any of the actions listed above.

### ***Obligations***

The bill specifies that its right-to-repair provisions do not require an electronic or appliance product manufacturer to do the following:

1. disclose any trade secret or license any intellectual property, including any copyright or patent, unless the disclosure or license is needed to comply with these provisions;
2. make available any special documentation, tools, or parts that would disable or override antitheft security measures the owner sets on any product without the owner's authorization;
3. sell any part if the manufacturer no longer (a) provides the part or (b) makes the part available to authorized repair providers; or
4. allow distribution of the source code for an electronic or

appliance product.

Under existing law and the bill, a “trade secret” is information, including a formula, pattern, compilation, program, device, method, technique, process, drawing, cost data, or customer list that (1) derives actual or potential independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other individuals who can get economic value from its disclosure or use and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (CGS § 35-51).

The bill also does not require a covered manufacturer that is also an authorized repair provider to make any documentation or tools available that:

1. it exclusively uses to perform free diagnostic services for customers remotely (e.g., using the Internet, email, telephone, or a chat function), unless the manufacturer also makes them available to any unaffiliated person, or
2. are exclusively used by machines that simultaneously repair several electronic or appliance products, as long as the manufacturer makes available alternative documentation and tools that are sufficient to diagnose, maintain, or repair the product.

The right-to-repair provisions also do not apply to a manufacturer if it gives its customers a free replacement product that is readily available and equivalent to, or better than, the replaced product. It also does not apply to any dealer, distributor, importer, or manufacturer of any equipment designed and manufactured exclusively for off-road or non-road use, including any:

1. all-terrain sports, marine, racing, or recreational vehicle;
2. construction or compact construction equipment;
3. electric vehicle charging infrastructure equipment;

4. farm or utility tractor;
5. farm implement or farm machinery;
6. forestry, industrial, mining, outdoor power, garden, turf, or yard equipment;
7. fuel cell, generator set, or portable generator;
8. integrated, stand-alone, mobile, or stationary internal combustion engine;
9. power tool; or
10. road building or utility equipment.

***Penalty***

The bill deems a right-to-repair violation a CUTPA violation enforceable solely by the attorney general, but specifies CUTPA's provisions for a private right of action, class actions, equitable relief, and jury trials do not apply to these violations (see BACKGROUND).

**§ 4 — MUNICIPAL INTERNET WEBSITES**

The bill requires all municipalities, by July 1, 2027, to maintain a .gov Internet domain and register it with the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency. Municipalities (i.e. cities and towns) must redirect any other domains they use to the .gov domain or stop using them. The bill's requirements apply regardless of any municipal charter, special act, or home rule ordinance requiring otherwise.

**§§ 5 & 6 — PRICE GOUGING**

Current law generally prohibits any person, firm, or corporation from increasing the price of any retail item sold in a location subject to certain emergency declarations while the declaration is in effect.

This bill expands this price gouging prohibition in several ways, including by applying the prohibition to an item's entire chain of distribution rather than just at retail and adding a new precipitating

event when the prohibition applies.

It does so by allowing the attorney general to issue an abnormal economic disruption notice. He may do so when certain events cause a significant disruption involving consumer necessities (e.g., food or prescription drugs) purchased by state agencies for the public. To issue this notice, among other requirements, he must consult certain state agencies and post a notice with specified information such as the anticipated date the period will end. The bill also allows a joint legislative committee to disapprove of the notice by a bipartisan majority vote.

### ***Unconscionably Excessive Price***

Under the bill, price gouging is selling, renting, or leasing an item, or offering to do so, at an “unconscionably excessive price.” This is an increased price during a precipitating event (see below) that is (1) grossly disproportionate to the price of the item, either immediately before the precipitating event or while the event was reasonably anticipated, and (2) not due to additional costs incurred in leasing, renting, or selling the item during the event.

### ***Precipitating Events***

Under existing law, price gouging is prohibited during the following:

1. a civil preparedness emergency, which the governor may declare in the event or imminence of an emergency, serious disaster or enemy attack, sabotage, or other hostile action within the state or a neighboring state (CGS § 28-1);
2. a transportation emergency, which the governor may declare when a substantial disruption in the operation of a major transportation facility or service occurs, endangering the public health, safety, or welfare (CGS § 3-6b); and
3. major disaster or emergency declarations issued by the U.S. president.

The bill categorizes these as “precipitating events” and adds another.

The new event is when the attorney general issues an abnormal economic disruption notice.

***Abnormal Economic Disruption***

Under the bill, if the attorney general determines that an abnormal economic disruption exists or is substantially likely to be imminent, then he may issue a notice for the disruption.

An “abnormal economic disruption” is a significant disruption in the production, supply, distribution, wholesale, sale, or availability of a consumer necessity that (1) is caused by a natural or man-made disaster or emergency, regardless of the location of the disaster or emergency, and (2) causes ordinary competitive market forces to stop functioning normally.

A “consumer necessity” is an item purchased by or on behalf of a state agency to ensure the public health or safety of Connecticut residents. This includes food, diapers, baby formula, pharmaceutical products, and prescription drugs, but does not include any item that is subject to a continuous maximum price requirement under any applicable federal or state law or regulation.

***Attorney General Determination***

In making the determination, the bill requires the attorney general to (1) make a reasonable investigation, (2) consult with the consumer protection and economic and community development commissioners, and (3) consider whether issuing the notice will disrupt the supply of consumer necessities.

***Notice.*** Under the bill, the notice must specify the:

1. date the attorney general issued it;
2. anticipated end date of the abnormal economic disruption period;
3. conditions that have caused, or are substantially likely to have caused, the disruption;

4. consumer necessity, consumer necessities, or categories of them affected by the disruption and subject to the price gouging prohibition; and
5. levels of trade or commerce affected by the disruption and subject to the price gouging prohibition, including production, supply, distribution, wholesale, sale, or availability.

The bill also requires the attorney general to (1) post the notice on his office's website home page and (2) file it with the (a) Secretary of the State (SOTS), in a SOTS-prescribed form and manner, and (b) joint legislative committee (see *Disapproval*).

Unless the notice is disapproved or the attorney general modifies it, the notice expires 60 days after the attorney general issues it or on an earlier date he specifies, whichever occurs first.

**Modifications.** The bill allows the attorney general to modify a notice at any time. It also allows him to extend the notice for additional 60-day periods. To do so, the attorney general must issue a notice that includes the information the bill requires for a notice and the reasons for the modification or extension. The bill also requires him to post and file the modification or extension the same way as a notice.

**Disapproval.** The bill allows a joint legislative committee consisting of the Senate president pro tempore, House speaker, and House and Senate majority and minority leaders to disapprove a notice, extension, or modification, by a majority vote, with at least one minority leader voting for disapproval. The notice of the disapproval must be filed with SOTS, in a SOTS-prescribed form and manner, within 72 hours after the committee receives notice from the attorney general. The disapproval is effective upon this filing.

### ***Applicability to Additional Transactions***

Additionally, the bill expands current law's price gouging prohibition in the following ways:

1. adds distributors, manufacturers, suppliers, and wholesalers (or

- anyone else) to the actors, rather than just retailers (collectively, “vendors”) to which the prohibition applies;
2. correspondingly expands the prohibition to an item’s entire chain of distribution, rather than just at retail; and
  3. adds rental and leasing, or offers to rent or lease, to the transactions to which the prohibition applies.

### ***Price Fluctuations***

The bill removes the exception in current law that specifies that an item’s retail price fluctuation during the normal course of business does not violate the price gouging law.

### ***Enforcement***

By law, a violation of the price gouging prohibition is considered a CUTPA violation. The bill gives the attorney general exclusive authority to enforce this on the state’s behalf. It also gives him authority to, as outlined in CUTPA, (1) order an investigation or examination or (2) take other enforcement action as necessary.

The bill also removes the separate \$99 fine for violators and makes a conforming change (§ 6).

## **BACKGROUND**

### ***CUTPA***

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the consumer protection commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, impose civil penalties of up to \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney’s fees; and impose civil penalties of up to \$5,000 for willful violations and up to \$25,000 for a restraining order violation.

**Related Bills**

SB 1248 (File 330), favorably reported by the General Law Committee, has the same total price disclosure provision.

SB 1189 (File 28), favorably reported by the Planning and Development Committee, has the same municipal website provision.

sHB 6856 (File 347), favorably reported by the General Law Committee, has the same price gouging provisions.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 14 Nay 7 (03/21/2025)