

General Law Committee JOINT FAVORABLE REPORT

Bill No.: SB-1248

Title: AN ACT EXPANDING CONSUMER PROTECTIONS.

Vote Date: 3/12/2025

Vote Action: Joint Favorable

PH Date: 2/14/2025

File No.:

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SPONSORS OF BILL:

Legislative leaders on behalf of Governor Lamont

REASONS FOR BILL:

This bill intends to provide greater transparency in pricing for Connecticut residents. Governor Lamont submitted [comprehensive written testimony](#) outlining what the bill does and why it is needed.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Governor Ned Lamont](#) testified that SB 1248 is needed in order to make pricing more transparent for Connecticut's consumers. He notes that the average family of four loses more than \$3,200 per year to hidden fees, which are often called junk fees. These fees are added on at the end of a transaction and can impact rentals, entertainment ticket purchases, and other areas. Governor Lamont adds that in addition to junk fees, Connecticut consumers often face extra costs when attempting to cancel a subscription or membership. SB 1248 addresses these issues by requiring companies and landlords to list up-front the total price of rentals, tickets, restaurant meals, and leases. The bill is also needed to provide consumers with a user-friendly means to cancel a subscription or membership.

[William Tong, Attorney General, State of Connecticut](#) testified in support of SB 1248 because this bill provides Connecticut residents upfront disclosure of junk fees and a simple means to cancel subscriptions. He writes that this bill is needed because his office receives numerous complaints about automatic renewal agreements and the difficulty in cancelling them. The bill builds on Public Act 23-98, which requires all-in ticket pricing for live events, by closing a loophole and requiring all in pricing from the moment the ticketed is first offered, displayed, or advertised to a consumer. The proposal would include those selling goods or services in-state directly or through a third-party digital platform. Failure to disclose all-in

pricing would violate the Connecticut Unfair Trade Practices Act. Overall, he argues that SB 1248 provides pro-consumer protections that he characterizes as long overdue.

[**Seila Mosquera-Bruno, Commissioner, Department of Housing \(DOH\)**](#) notes that her department supports the bill and highlights the components most pertinent to ongoing work at the Department of Housing. Section 4's provisions make it possible for tenants to receive clear information when looking for housing, and DOH would be in a good position to work with concerned entities and organizations to create the standardized rental terms summary form proposed in SB 1248. Commissioner Mosquera-Bruno notes that the bill strikes an appropriate balance because it allows landlords to charge fees for various items as long as tenants are clearly notified at the outset of a contract.

[**Bryan T. Cafferelli, Commissioner, Department of Consumer Protection \(DCP\)**](#) supports SB 1248 because it promotes honest transactions and raises consumer confidence. It protects consumers from deceptive advertisements that lure in customers with low advertised prices that are later supplemented with undisclosed fees and costs. DCP also notes that the Governor's bill protects consumers from paying for auto renewing subscriptions that they no longer use.

NATURE AND SOURCES OF SUPPORT:

[**John Erlingheuser, Senior Advocacy Director, AARP Connecticut**](#) submitted written testimony in support of SB 1248 because the organization advocates for transparent and upfront fee disclosure. They note that fee disclosure also benefits businesses because it promotes fair competition. AARP cites that older Americans, along with others with modest incomes, can be particularly vulnerable to hidden fees. In addition, they support further legislative action to ensure that fees are reasonable and proportional to the service rendered.

[**Pat Garofalo, Director of State and Local Policy, American Economic Liberties Project**](#) supports SB 1248 because eliminating junk fees will help protect Connecticut residents from exploitative pricing tactics. In his testimony, Mr. Garofalo claims that research has shown that junk fees raise prices by as much as 20 percent and cost the average American family more than \$3,000 per year. He argues that junk fee bans empower consumers, promote healthy competition, and protect honest businesses. In addition, the provisions strengthening click-to-cancel rules help eliminate a deceptive practice from the marketplace.

The American Economic Liberties Project encourages the committee to broaden SB 1248's scope to cover more industries and to ensure that all mandatory fees are included in the definition of "total price." They also support revisions that close the loophole allowing for fees that "cannot feasibly be calculated."

NATURE AND SOURCES OF OPPOSITION:

[**Mike Blank, Director of State Legislative Affairs, CTIA**](#) recognizes the importance of the goals of SB 1248, but they outline several concerns and seek a clarifying amendment. They characterize new state-specific laws as duplicative because federal regulations and public industry commitments already protect consumers. CTIA cites FCC rules and policies that regulate the wireless industry, including broadband labeling and truth-in-billing. They question

whether the bill's requirements are consistent with federal law (Title 47 U.S.C.). CTIA adds that the industry engages in self-regulation via the Consumer Code for Wireless Service.

Amendment requested: For the reasons previously outlined, CTIA appreciates that Section 2 includes language exempting telecommunications and broadband subscriptions from new auto-renewal contract provisions. They request that this same exemption be added to the definition of "consumer good or service" in Section 1.

Holly Borgman, VP Government Affairs, ADT submitted written testimony in opposition to SB 1248. While ADT appreciates the bill's intent, the company's initial multi-year contract terms allow them to subsidize the cost of the alarm equipment and installation. They claim that they typically do not profit from a new customer until the third year of a three-year contract. ADT explains that after the initial three-year term, customers are allowed to go month-to-month and cancel whenever they like. ADT notes that SB 1248 includes exemptions for utility companies and their affiliates, who are some of ADT's biggest competitors in the home alarm industry. They request that the entire alarm industry be treated equally under the bill.

Amendment requested: ADT requests that the committee add a new Section 42-158(a)(4)(F) that states that a "consumer agreement" does not include any such agreement "with any entity regulated by the Department of Consumer Protection as a Home Improvement Contractor under Section 20-418."

Brianna January, Director of State and Local Government Relations on behalf of Chamber of Progress submitted written testimony requesting amendments to Sections 1 and 2 of SB 1248.

Section 1: Chamber of Progress expressed concerns that the bill does not reflect the complexity of some three-sided online marketplaces and could unfairly penalize platforms aggregating third-party listings. As an example, they cite marketplaces where hotels, resorts, and transient room accommodations are compared side-by-side. They request that the bill be amended to clarify that third-party platforms will not be held liable for external parties' failures to include all relevant fees in their listings.

Section 2: Chamber of Progress requests unspecified amendments to Section 2 that maintain "consumer choice while still ensuring transparency and easy cancellation." They express concern that requiring additional disclosures or cancellation mechanisms for auto-renewals could increase costs and complexity for businesses and consumers.

GENERAL COMMENTS:

Requesting clarification to Section 1

Connecticut Hospital Association generally supports SB 1248 but seeks clarification to Section 1 to avoid consumer confusion. They request that it be clarified that Section 1 does not include hospital or healthcare provider fees, charges, or costs. They note that healthcare billing is already subject to many requirements, and costs are usually outside of the provider's control.

Requesting amendment to clarify treatment of mandatory gratuities:

Sarah R. Bratko, Vice President and Policy Counsel, State and Local Governmental Affairs, American Hotel and Lodging Association (AHLA) testified to request amendment to clarify the treatment of mandatory gratuities. They note this clarification is particularly important to hotels that have banquet services. AHLA requests that the language be amended to allow for mandatory gratuities as long as a banquet or catering service discloses the terms up front. They also ask that providers of short-term lodging be exempt from the fee disclosure provisions of the proposed legislation. They provide suggested language in their written testimony.

Expressing concerns about Sections 3, 4, and 5

Jim Heckman, General Counsel on behalf of Connecticut REALTORS (CTR) raises two questions:

1. Who will be responsible for educating landlords on the new requirements concerning advertisements and the standardized lease agreement?
2. If a landlord hires a real estate broker, who will be held responsible for meeting the advertising requirements?

CTR expresses several concerns regarding fee disclosure. They explain that required fees may be quarterly or seasonal, and they may depend on weather or usage. Examples include snow removal, lawn care, or some shared utilities. They note that although utilities are charged monthly, the costs can fluctuate significantly.

CTR believes that the “summary terms” document could cause consumers to rely on the summary and not read and understand the full lease terms. They add that real estate statutes already require the use of an interpreter when one is needed, so they question the necessity of the requirement to provide the “summary terms” in Spanish. Finally, CTR notes that these changes could increase landlords’ legal fees, which may be passed on to the consumer through a rent increase.

Requesting exemption from Sections 1 and 2

Kyle Innes, Managing Director, Securities Industry and Financial Markets Association (SIFMA) requests an exemption from sections 1 and 2 of SB 1248 for securities and financial markets. They note challenges with compliance with section 1 because U.S. financial products and services are often priced based on market conditions. They argue that as a result, it would not be possible to disclose the full price until after the purchase or sale. SIFMA cites cost disclosure regulations that already apply to the industry. Their concerns with section 2 mirror those raised regarding section 1. They argue that due to the similarities between the securities and insurance industries, the language should exclude securities firms in the same manner that it exempts insurance companies.

Requesting exemption

Thomas Mongellow, President and CEO on behalf of Connecticut Bankers Association (CBA) requests that consumer loan and deposit products offered by banks receive an exemption, and they include suggested language in their written testimony. They note that they are already regulated by state and federal laws, and they explain that banking regulators enforce existing price disclosure requirements that are very specific.

Requesting amendments

[Mag Morelli, President, LeadingAge Connecticut](#) requests amendments related to assisted living communities.

Lines 439-440: They request an amendment to carve out fees for assisted living services or other health-related services. LeadingAge notes that assisted living facilities often offer services that are delivered by an outside assisted living services agency. These charges may fluctuate depending on the level of service a resident needs each month. They cite that Public Act 24-141 already requires assisted living services agencies to disclose fee increases at least 60 days in advance.

Section 4: They request that managed residential communities (MRCs) be exempted from the requirement to provide a standardized rental terms summary because the MRC agreement with the Department of Public Health may have conflicting requirements.

Requesting amendment

[Anna Lucey, Executive Vice President, Legislative and External Affairs, New England Connectivity & Telecommunications Association, Inc. \(NECTA\)](#) is not requesting an exemption from the requirements to include all taxes in advertised prices, but they *are* asking to be “deemed in compliance with” SB 1248. In their written testimony, they provide suggested legislative language that would accomplish that goal. They are asking for this change because their members are already subject to FCC rules regarding consumer disclosure. They argue that having an additional set of state requirements would be duplicative and impractical. In addition, NECTA explains that California and Minnesota have taken an approach similar to what they suggest, and Virginia has related legislation in progress. They point to problems regarding “bundle” pricing of telecommunications services, and they add that pricing of certain services might vary according to geographic area of our state.

Reported by: Pamela Bianca and Betsy Francolino

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