
OLR Bill Analysis

SB 1248

AN ACT EXPANDING CONSUMER PROTECTIONS.

SUMMARY

This bill requires businesses advertising, displaying, or offering any consumer good or service to persons in the state to include all fees, charges, and costs. Along the same lines, the bill also generally requires a landlord advertising, displaying, or offering a dwelling unit for rent to include any fee, charge, or cost that the tenant is required to pay on a periodic basis.

The bill requires each business that enters into a consumer agreement that includes an automatic renewal or continuous services provision to (1) send consumers an annual reminder with certain information and (2) enable consumers to stop the renewal or services through a website, email, or telephone. It also requires businesses to answer their telephones during business hours and sets a procedure for how to respond to voicemails that consumers leave.

EFFECTIVE DATE: July 1, 2026, except the landlord provisions are effective October 1, 2025.

§ 1 — TOTAL PRICE DISCLOSURE

Total Price Disclosure Required

The bill prohibits businesses that offer to sell, lease, or provide any consumer 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, and (2) obscured, unclear, or misrepresented by the business.

Under the bill, a “consumer good or service” means any good or service that is purchased, leased, or rented primarily for personal, family, or household purposes. It includes (1) any event ticket, food, or beverage, and its delivery, and (2) the right to occupy any hotel room, motel room, short-term rental, or similar lodging that includes sleeping accommodations.

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 consumer 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, displayed, or offered price for a consumer good or service, as long as it and the way it is calculated are clearly and conspicuously disclosed to the person when pricing for the good or service is first advertised, displayed, or offered to the person.

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

1. depends on a person’s selection or cannot feasibly be calculated in full when the price is first advertised, displayed, or offered, such as when there are costs for shipping or delivery or that vary based on a person’s location or the quantity of goods purchased, leased, or received;
2. is disclosed when the good or service is advertised, displayed, or offered to the person; and
3. is disclosed to the person before they purchase the good or service.

Similarly, the bill does not prohibit a business from charging up to \$1 to the person to confirm their identity or payment information if the charge is promptly refunded.

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).

§§ 3-5 — RENTAL PRICES

The bill generally requires a landlord advertising, displaying, or offering a dwelling unit for rent to include any fee, charge, or cost that the tenant is required to pay on a periodic basis. It requires any fee, charge, or cost that the tenant must pay on a periodic basis to be prorated and included in the advertised, displayed, or offered rent. Any monthly default fee, charge, or cost to the tenant must be prorated and included in the advertised, displayed, or offered rent, regardless of if the tenant may opt out.

Exceptions

The bill allows a landlord to advertise, display, or offer a unit for rent without including the following fees and costs:

1. any payment processing fee that reflects the actual payment processing, provided the landlord gives the tenant an alternative

- payment type without the payment processing fee;
2. any fee or deposit imposed for keeping a pet in the dwelling unit;
 3. utility costs that (a) are submetered, or (b) the tenant pays directly to a utility company and that may vary from month to month;
 4. a fee charged for damage to the dwelling unit that is not imposed for normal wear and tear; or
 5. a separate fee charged for performing a service for the tenant, such as responding to a lockout or replacing a key.

Standardized Form

By January 1, 2026, the bill requires the Department of Housing (DOH) to publish, on its website, a standardized rental terms summary form. The form must clearly summarize the key terms of a rental agreement, including the rental agreement terms, the landlord's name, the point of contact for property management purposes, each tenant's name, and the total periodic rent with all applicable fees, charges, or costs required under the bill. The summary form must be published and provided in both English and Spanish.

On and after April 1, 2026, the bill prohibits landlords from providing a written rental agreement to any tenant unless its first page is a completed copy of the DOH standardized rental terms summary form.

Payment Order

Under the bill, all payments a tenant makes according to a rental agreement must be applied first toward rent, and then toward the payment of any other fees or charges.

Penalty

Under the bill, any landlord who violates these provisions is liable to the tenant for a civil penalty of one month's rent, and the court may award reasonable attorney's fees and costs to the tenant.

§ 2 — AUTOMATIC RENEWALS AND CONTINUOUS SERVICES

The bill requires each business that enters into a consumer agreement that includes an automatic renewal or continuous services provision to (1) send consumers an annual reminder with certain information; and (2) enable consumers to stop the renewal or services through a website, email, or telephone.

It also requires businesses that establish telephone lines for this purpose to answer their telephones during business hours and sets a procedure for how to respond to voicemails that consumers leave.

Definitions

By law and under the bill, a “consumer agreement” is a verbal, telephonic, written, or electronic agreement between a business and a consumer (1) in which the business agrees to provide consumer goods or services and (2) that is initially entered into or amended on or after October 1, 2023. “Consumer goods” and “consumer services” are any articles or services purchased, leased, exchanged, or received primarily for personal, family, or household purposes. A “consumer” is a Connecticut resident and prospective recipient of consumer goods or services. But the law specifies that “consumer agreements” do not include agreements:

1. concerning a service provided by a business or its affiliate where either is doing business under a (a) franchise issued by a political subdivision of the state, or (b) license, franchise, certificate, or other authorization issued by the Public Utilities Regulatory Authority (PURA);
2. concerning a service provided by a business or its affiliate where either the business or its affiliate is regulated by PURA, the Federal Communications Commission, or the Federal Energy Regulatory Commission;
3. with any entity regulated by the Insurance Department or an affiliate of such an entity;
4. with any bank, out-of-state bank, bank holding company,

Connecticut credit union, federal credit union, or out-of-state credit union, or any subsidiary of them; or

5. concerning any global or national service largely or predominately consisting of audiovisual content.

An “automatic renewal provision” is a consumer agreement provision that allows the business to renew the agreement without any action by the consumer. A “continuous services provision” is a consumer agreement provision that allows the business to continue providing service to the consumer until the consumer takes action to prevent or terminate it.

Annual Reminder

Beginning on July 1, 2026, the bill requires each business that enters into a consumer agreement that includes an automatic renewal or continuous services provision to send the consumer an annual reminder regarding these provisions.

Each business that must send an annual reminder must include in the reminder:

1. a statement identifying (a) the consumer goods or services that are subject to the automatic renewal or continuous services provision, and (b) how the consumer may prevent an automatic renewal or terminate the continuous consumer services; and
2. the frequency and amount of charges associated with the automatic renewal or continuous consumer services under the consumer agreement.

The reminder must be sent:

1. in the same manner as the automatic renewal or continuous services provision was activated, if the provision was activated by any means other than an in-person transaction between the business and the consumer;
2. by the means in which the consumer is used to interacting with

the business, if that means is email, mail, or telephone; or

3. by either email, mail, or telephone if the (a) automatic renewal or continuous services provision was activated as part of an in-person transaction between the business and the consumer, or (b) consumer is not used to interacting with the business by email, mail, or telephone.

Cancellations

The bill requires each business that enters into a consumer agreement that has an automatic renewal or continuous services provision to enable consumers to stop the renewal of services through:

1. a prominently displayed direct link or button that may be located in the consumer's account or profile, or device or user settings;
2. an email from the business that the consumer may immediately access and reply to without obtaining additional information; or
3. a telephone number that the consumer may keep and that is clearly and conspicuously displayed on the business's website.

Existing law already requires businesses that enter into an online consumer agreement to enable consumers to cancel through the first two options.

Telephone

If the business allows customers to stop renewal through a telephone number, the bill requires the business to promptly answer all calls made to the telephone number during normal business hours and not to obstruct or delay any consumer's ability to stop the renewal or services. If a consumer leaves a voicemail with the business requesting a stop to the consumer agreement, the business must, within one business day after the voicemail is left, either process the request or return the consumer's telephone call regarding the consumer's intentions. If the voicemail includes enough information for the business to prevent or terminate the agreement, the business may return the consumer's telephone call but must effectuate such prevention or termination

within one business day after the voicemail was left if the business is unable to reach the consumer.

If a consumer requests to prevent an automatic renewal or terminate a continuous consumer service through a telephone call, the business may present the consumer with a discounted offer, a retention benefit, or information on the effect of the request. The business must clearly and conspicuously inform the consumer, before presenting the offer, benefit, or information, that the consumer may complete the request at any time by stating his or her intention to “cancel” or by saying similar words to that effect. If the consumer states these words, then the business must promptly process the request.

The bill specifically prohibits businesses from taking any action to obstruct or delay a consumer’s efforts to prevent an automatic renewal or terminate a continuous consumer service under a consumer agreement.

The bill references telephone numbers, rather than toll-free telephone numbers, as one way to enable a consumer to prevent automatic renewal or terminate continuous services.

Penalty

The bill makes a violation of the automatic renewal provisions a CUTPA violation and eliminates current law’s prohibition on creating a private right of action.

BACKGROUND

CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the Department of 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.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 15 Nay 7 (03/12/2025)