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## OLR Bill Analysis

### sSB 1357

#### **AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING VARIOUS STATUTES CONCERNING CONSUMER PROTECTION.**

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**§ 46 — MECHANICAL CONTRACTOR ORGANIZATIONS**

*Eliminates mechanical contractor organization provisions*

**BACKGROUND**

EFFECTIVE DATE: Upon passage unless noted below.

**§§ 1-4 — ARCHITECTS**

*Prohibits the use of certain architecture-related terms by non-architects; requires those who may perform certain architecture functions without a license to indicate they are not architects on certain documents; adjusts continuing education requirements for architects and allows a civil fine*

***Terms Indicating Practice of Architecture***

The law only permits licensed architects to use the title “architect” or use various words or items that indicate the person practices architecture. The bill specifies that the use of the terms “architectural design,” “architectural services,” and “architectural drawings” are prohibited unless used by a licensed architect.

The law allows certain people to perform certain activities without an architect license. The bill subjects these individuals to the same restrictions described above and requires them to clearly and conspicuously include on all contracts, advertisements, promotional materials, plans, and specifications the statement “NOT A LICENSED ARCHITECT,” unless the individual is a licensed architect. This applies to the following individuals:

1. licensed professional engineers practicing engineering and incidental architectural work that the engineer is qualified to perform;
2. a person constructing or altering a (a) residential building to provide dwelling space for up to two families, (b) private garage or accessory building for use with a residential building, or (c) farm building or agricultural structure;
3. a person who prepares details or shop drawings for work he or she is executing as long as any building is designed according to

- architecture requirements;
4. supervised employees of architects;
  5. builders or their superintendents who are superintending construction or structural alteration of buildings or structures;
  6. officers and employees of a public utility corporation that is under the Public Utilities Regulatory Authority's jurisdiction;
  7. federal officers or employees practicing architecture for the federal government; and
  8. someone who make plans and specifications or supervises the erection or alteration of certain buildings with less than 5,000 square feet of total area.

By law, violating these provisions is punishable by up to one year in prison, a fine of up to \$500, or both (CGS § 20-297).

### ***Continuing Education***

By law, to renew their license architects must complete 12 hours of continuing professional education during a 12-month period that begins three calendar months before their annual license expires. The bill:

1. delays this continuing education requirement until after a licensed architect's first license renewal;
2. specifies that a registered architect emeritus (someone at least age 65 who has been a Connecticut-licensed architect for at least 10 years and is not practicing architecture) is not required to complete continuing education; and
3. allows the Architectural Licensing Board in a written decision to excuse a licensed architect from the continuing education requirement due to health, military service, or other individual hardship if the licensee otherwise meets the license renewal requirements (the bill makes this decision final and not appealable to the Department of Consumer Protection (DCP)).

The law applies different penalties to license renewers who do not comply with the continuing education requirements on time, based on how long it takes them to comply. Currently, failing to comply for more than 26 weeks after the 12-month period can result in license suspension or revocation or a refusal to renew the license. The bill also allows a civil penalty of up to \$1,000.

## **§ 5 — REAL ESTATE LICENSEES**

*Codifies current practice requiring an examination within two years of applying for licensure unless given a hardship extension*

By law, applicants for a real estate broker's or salesperson's license must pass an examination prepared by DCP or a DCP-designated national testing service. The bill codifies current practice by requiring applicants to submit evidence that they successfully completed the exam within two years of filing a license application, unless the Real Estate Commission grants the applicant a hardship extension.

EFFECTIVE DATE: July 1, 2025

## **§ 6 — REAL ESTATE GUARANTY FUND**

*Makes changes regarding applicants and procedures of the Real Estate Guaranty Fund*

By law, the Real Estate Commission can compensate claimants up to \$25,000 from the Real Estate Guaranty Fund for harm caused by certain bad acts by real estate licensees or their unlicensed employees. The bill eliminates provisions (1) requiring someone who commences an action that might result in a payment from the fund to provide written notification of the action to the commission or DCP; (2) that the notice tolls the time to apply for payment from the fund; and (3) that the commission or DCP can appear, intervene in, or defend in the action and waive the required notice for good cause.

The bill extends the circumstances when someone can apply to the fund. Currently, a person must have a court judgment against a licensee or a licensee's employee and seek a payment from the fund for any unpaid amount. The bill also allows a person to apply based on a binding arbitration decision or court order or decree. The bill requires an application for payment to DCP and requires DCP, instead of the

commission, to perform all of the functions related to determining whether to make a payment from the fund,. The bill also eliminates the requirement for holding a hearing on the application.

By law, the person who was the subject of a claim for payment from the fund cannot receive a new license until repaying the amount paid by the fund for the claim plus interest. The bill sets the interest charge at 10% instead of requiring the commission to determine an interest rate that reflects market rates.

The bill also makes technical changes.

## **§§ 7 & 8 — LICENSEES FOR CERTAIN WORK AND STOP WORK ORDERS**

*Allows certain qualified individuals to take an exam without completing an apprenticeship program and allows DCP to issue stop work orders against certain licensees*

Currently, DCP must allow a person who did not participate in an apprenticeship program to take the exam for a license issued by certain boards if the applicant has demonstrated to the labor commissioner military training that is equivalent to an apprentice program. The bill additionally allows a person to take an exam without completing an apprenticeship program if he or she demonstrates to DCP, in consultation with the appropriate board for the license applied for, equivalent experience and training.

These provisions apply to licenses issued by the examining boards for electrical work; plumbing and piping work; heating, piping, cooling, and sheet metal work; elevator installation, repair, and maintenance work; fire protection sprinkler systems work; and automotive glass work and flat glass work.

The bill specifies that an examination can be given by someone authorized by DCP.

It also codifies current practice that requires applicants to submit evidence that he or she successfully completed the exam within two years of filing a license application, unless the appropriate board grants the applicant a hardship extension.

The bill also makes technical changes.

***Violations and Stop Work Orders***

The bill allows DCP to issue a notice of violation after an inspection for:

1. offering or performing work that requires one of the credentials described above without having it;
2. failing to comply with hiring ratios for apprentices, journeypersons, and contractors;
3. failing to obtain an apprentice registration certificate as required by law; or
4. failing to obtain a permit as required by law.

If DCP finds that a person has not corrected the violations listed in a notice, DCP may issue a stop work order requiring the person to stop practicing the licensed trade or occupation at the location identified in the notice. The order takes effect when served either directly to the person or by U.S. mail with delivery tracking, by email with tracking and delivery confirmation, or by posting a notice in a conspicuous location at the place that is the subject of the order. The order remains in effect until (1) the person complies with the requirements set out in the notice and (2) DCP issues an order releasing the order after a hearing or decision.

DCP may fine a person who does not comply with a stop work order up to \$500 per violation per day. The fine is imposed when written notice is given to the person and is due within 15 days of receiving notice. Money from fines is deposited in the consumer protection enforcement account (which funds DCP's enforcement of licensing and registration laws).

A licensee who receives a notice can request in writing an administrative hearing to contest a stop work order and fine within 15 days of receiving the stop work order notice. A request for a hearing

does not toll the stop work order or fine unless the commissioner orders it. The hearing must be held in accordance with the Uniform Administrative Procedure Act (UAPA).

Similarly, an unlicensed person may petition DCP within 15 days of receiving an order and the petition does not toll the order or fine unless ordered by the commissioner. But the petition must ask the commissioner to lift the order because of:

1. an error of fact or law;
2. newly discovered evidence that materially affects the basis for the order, if there are good reasons that it was not given to DCP at the time the person received the notice of violation; or
3. other good cause.

The bill deems DCP's decision or failure to issue a decision within 15 days of receiving a petition from an unlicensed person a final decision that can be appealed to court.

The bill allows DCP to apply to court for, and the attorney general to pursue, a temporary restraining order, temporary injunction, or permanent injunction to comply with the stop work order and other relief until the person obeys the stop work order. The bill makes violating the court's order contempt of court.

EFFECTIVE DATE: Upon passage, except the stop work order provisions are effective October 1, 2025.

## **§ 9 — MAJOR CONTRACTORS**

*Specifies that no additional proof is required beyond prequalification to qualify for the major contractor registration*

Currently, DCP must issue a major contractor registration to someone who is prequalified by the Department of Administrative Services for purposes of acting as a contractor or subcontractor on public works projects. The bill specifies that no additional proof, beyond demonstrating prequalification, is required in order to qualify for the major contractor registration.



EFFECTIVE DATE: July 1, 2025

## **§§ 10 & 11 — NEW HOME CONSTRUCTION GUARANTY FUND**

*Expands when a person may recover from the fund and increases the maximum award*

The bill allows a consumer to recover from the New Home Construction Guaranty Fund unpaid amounts under a binding arbitration decision, or court judgment, order, or decree against a proprietor, in addition to recovering from a new home construction contractor as currently allowed.

Under the bill, a proprietor is someone who has (1) an ownership interest in an entity that holds or held a new home construction contractor certificate of registration and (2) been found by a court to have violated the licensing laws related to new home construction contractors because of the conduct of an entity that holds a certificate or has held one within two years from when it entered a contract with an owner who was harmed by the individual's or entity's actions.

The bill also increases, from \$30,000 to \$50,000, the maximum award payable from the fund. The bill makes conforming changes to make the fund process applicable to claims involving proprietors. Beginning upon passage, the bill extends the provision that allows a consumer to apply for payment from the fund based on certain restitution orders against a contractor to the same circumstances and restitution orders involving proprietors.

The bill specifies that when DCP orders payment from the fund, the contractor and proprietor are liable for the debt to the fund.

The bill makes other technical and conforming changes to apply fund procedures to proprietors.

## **§§ 12-14 — COMMUNITY ASSOCIATION MANAGERS**

*Limits which licensees do not need to register as community association managers and requires managers to make certain disclosures*

### ***Registration***

The bill limits which occupational licensees providing their services to an association are not required to register as a community association

manager. Currently, anyone licensed under statute or court rules who provides services to an association under a license for pay is not considered to be providing association management services that require registration. The bill limits this registration exemption to licensed attorneys, certified public accountants, and insurance producers who provide services to an association for a fee. The bill specifies that a person providing administrative support services to a community association manager is not required to register as a community association manager.

### ***Disclosures***

The bill requires a community association manager who contracts with an association to provide association management services to disclose to the association in a clear, conspicuous writing:

1. whether the manager has an ownership or managerial interest in an entity that solicits business from the association or manager and
2. if the manager is required to provide construction oversight or project coordination services that are not within the scope of the services the manager provides under the contract, the amount the manager will charge for these services.

As with other violations by community association managers, violating this provision is a Connecticut Unfair Trade Practices Act (CUTPA) violation.

The bill also makes minor, technical, and conforming changes.

EFFECTIVE DATE: Upon passage, except the disclosure provisions are effective October 1, 2025.

### **§§ 15-19 — CLOSING-OUT SALES**

*Changes various requirements for licensing and conducting closing-out sales*

The bill eliminates requirements that (1) the person conducting a closing-out sale deposit with DCP the greater of \$500 or 1% of the wholesale cost of the inventory on hand in the place where the sale will

be conducted, up to \$5,000, and (2) DCP use the deposit to pay certain claims and fines or penalties related to the sale and return remaining funds to the licensee or the person designated by the licensee.

The bill eliminates requirements for filing closing-out sale license application documents under oath and that the application include the reasons for and character of the sale, an inventory of and information about the items on hand in the place where the sale will be conducted, and the names and residences of owners or partners related to the sale. The bill requires the application to be in a DCP-prescribed form and manner and include an attestation that the applicant is not delinquent on state or local taxes.

The bill eliminates related provisions that a sale cannot include any items other than those in the inventory and that an extension of the time period permitted for a sale must include a revised inventory.

If the applicant uses a promoter for the sale, the bill no longer requires submitting a copy of the applicant's agreement with the promoter, but instead requires including the promoter's name and license number in the application.

The bill eliminates a requirement that a licensee file a monthly report with DCP on items sold or disposed of as part of the sale.

It also eliminates a requirement to return a license to DCP, and a related process for dealing with a lost or destroyed license that cannot be returned to DCP upon the license's expiration.

By law, a person with a state license must also apply for a municipal closing-out sale license. The bill eliminates a requirement that town clerks, when all local license fees are paid, record the state license.

The bill also makes technical changes.

## **§§ 20-22 — MOBILE MANUFACTURED HOME PARKS**

*Requires mobile manufactured home park owners to maintain septic systems and related items in good working order*

The law imposes certain requirements on a mobile manufactured

home park owner related to the park's tenants, such as complying with relevant codes and laws; maintaining common areas; exterminating pests; maintaining any utilities provided; and maintaining water and sewer lines. The bill additionally requires the owner to maintain septic systems, leaching fields, and septic lines and connections in good working order and to make necessary arrangements for temporary septic service if there is an emergency.

As with certain other owner obligations, the bill provides that a (1) rental agreement cannot permit receipt of rent for any period when the park owner fails to comply with the bill's requirements related to septic systems and it materially affects the health and safety of residents or materially affects habitability and (2) tenant can file a lawsuit based on the owner's failure to perform his or her legal duties.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2025

## **§ 23 — TECHNICAL CHANGE**

*Makes technical and conforming changes*

The bill makes technical and conforming changes regarding the powers of DCP and boards and commissions.

## **§ 24 — DCP INVESTIGATIVE POWERS**

*Allows DCP to (1) inspect and document with audio or visual means when inspecting a premises for a suspected violation of a DCP-related law; and (2) be provided copies of certain documents upon request*

The law gives DCP authority to access premises, except for homes and apartments that do not have any boarders, at reasonable times in order to investigate a suspected violation of a DCP-related law. The bill specifies that this includes authority for DCP to (1) inspect and document by audio or visual means and (2) on request, be provided with copies of accounts, records, signs, and other documents related to a suspected violation unless prohibited by other law.

## **§ 25 — VENDING MACHINE OPERATORS**

*Makes minor changes to DCP procedures*

The bill makes minor changes by replacing various notice and hearing procedures related to vending machine operator licensees with those under the UAPA.

By law, a DCP order regarding preparation or transportation of food or beverages for vending machine use is rescinded when the conditions in the order are corrected. The bill specifies that DCP determines whether the conditions are corrected.

## **§ 26 — FROZEN DESSERT MANUFACTURER**

*Replaces various notice and hearing procedures for frozen dessert manufacturers with UAPA procedures*

The bill makes minor changes by replacing various notice and hearing procedures related to frozen dessert manufacturer licensees with those under the UAPA.

## **§ 27 — FOOD FACTORY, WAREHOUSE, OR ESTABLISHMENT REINSPECTION FEE**

*Changes DCP's reinspection fee from \$40 an hour to \$150 and eliminates a free inspection for the first reinspection*

The bill changes the fee DCP charges when it reinspects a food factory, warehouse, or establishment previously found to have violated the laws related to food, drugs, and cosmetics. It changes the reinspection fee to \$150 instead of (1) \$40 per hour or (2) no fee for a first reinspection that results in a determination of compliance.

EFFECTIVE DATE: October 1, 2025

## **§ 28 — BAKERIES, FOOD MANUFACTURING ESTABLISHMENTS, AND FOOD WAREHOUSES**

*Allows DCP to place conditions on the license of a bakery, food manufacturing establishment, or food warehouse and modifies the conditions for transporting certain food items*

The bill allows DCP to place conditions on the license of a bakery, food manufacturing establishment, or food warehouse for violating the laws governing these licensees, in addition to the actions already permitted by law.

The bill also makes minor changes by replacing various procedures

related to licensees with those under the UAPA.

Current law requires vehicles used to transport bakery, food manufacturing establishment, or food warehouse products to be sanitary and have the relevant name and address printed on both sides of the vehicle. The bill instead requires compliance with the sanitary transportation requirements of the regulation adopted under the federal Food Safety Modernization Act for any vehicle used in transporting food for human consumption, including those listed in current law.

It requires compartments containing any food for human consumption to be enclosed as required by DCP, not just unwrapped bakery, food manufacturing establishment, or food warehouse products.

## **§§ 29-32 — HEALTH CLUB CONTRACTS**

*Adds to provisions on cancellation and voiding health club contracts; requires a notice about the Health Club Guaranty Fund; allows DCP to place conditions and impose a civil penalty on a licensee; increases the maximum award from the fund; makes other changes regarding the fund*

### ***Written Statement of Cancellation***

The law allows a person to cancel a health club contract in writing within three business days. The bill requires a health club or its agent, within seven days of receiving a person's cancellation notice, to give the person a written statement that (1) confirms the cancellation and (2) states when the cancellation is effective.

### ***Contract Provisions***

The law requires health club contracts to include certain provisions addressing situations when a buyer moves, dies, or becomes disabled or the health club closes. The bill additionally requires a health club contract to include a provision giving the buyer the option to void the contract prospectively if the (1) health club no longer offers facilities or amenities substantially similar to those offered when the contract was initially entered into or (2) services under the contract are no longer available or are substantially unavailable because club operations have permanently discontinued or there is a substantial change in operations at the location the buyer primarily uses (the location the buyer

designated in the contract as the buyer's preferred location or, if none, the one the buyer most frequented in the prior calendar year).

### ***Contract Statement About Guaranty Fund***

The bill adds the following notice about the Connecticut Health Club Guaranty Fund to the required statement about the right to cancel that must be prominently placed at the top of a contract.

#### **"NOTICE OF GUARANTY FUND**

The Connecticut Health Club Guaranty Fund is administered by the Department of Consumer Protection to protect consumers who have a health club contract with a club that closes down or moves. If a health club is no longer operating at the location where you entered into the contract, you may be eligible for reimbursement through the fund. For further information, and to apply to the fund, please visit (insert Department of Consumer Protection's Internet web site address) or contact the department by phone at (insert Department of Consumer Protection's main telephone number)."

### ***Actions on License***

Currently, DCP can refuse to grant or renew, suspend, or revoke health club licenses due to violations of the laws and regulations governing them or conduct likely to mislead, deceive, or defraud a buyer, the public, or DCP. The bill also allows DCP to place conditions on a license and impose a civil penalty of up to \$1,000 per violation on a licensee.

### ***Guaranty Fund***

By law, the guaranty fund can make a payment to a buyer when (1) a club is no longer operating at the location where the buyer entered the contract; (2) the buyer's claim is due to a health club's failure to provide services, comply with contract obligations, remain open for the duration of the contract, or comply with the laws governing health club licenses; and (3) the club does not pay a claim.

The bill increases, from \$75,000 to \$125,000, the maximum amount the fund can pay related to the closing of a health club location. By law,

when the fund pays a claim against a health club, the club must repay the fund with interest. The bill replaces the current law that requires DCP to set the interest rate with a requirement for a 10% interest rate. It also specifies that when a health club repays the fund, the money is deposited into the fund.

EFFECTIVE DATE: October 1, 2025

### **§ 33 — DONATION BINS**

*Requires written notice from a public property owner in order to place a donation bin on the property*

The bill requires advance written notice, rather than permission, from the owner of public property or the owner's authorized agent in order to place a donation bin on the property. The bill also alters the requirements for the notice that must be placed on the bin by eliminating the requirement that if the donation benefits a nonprofit organization, it must state the percentage of the donated items or the proceeds from their sale that the nonprofit organization will receive from the bin's owner.

EFFECTIVE DATE: October 1, 2025

### **§ 34 — DEVICES THAT CONVERT CASH INTO PREPAID CARDS**

*Establishes conditions for using a device to convert cash into prepaid cards as a means to comply with the law's requirement to accept cash as payment in retail sales*

By law, a person conducting retail sales in the state, with certain exceptions, cannot (1) refuse to accept cash as payment, (2) post signs saying that cash is not accepted, or (3) charge a higher price for using cash. The bill allows a person to comply with this requirement by providing customers with a device to turn cash into a prepaid card as long as the person and the device vendor do not directly or indirectly require:

1. a fee for the initial receipt of the prepaid card or to use the card (including fees to check the card balance, deposit additional funds, or any recurring fees);
2. a minimum deposit above \$1;



3. an expiration date;
4. a limit on the number of card transactions; or
5. a consumer to give their personally identifiable information (including phone number, email address, or Social Security number) to obtain the card.

The bill also requires:

1. the device to provide a printed receipt indicating the amount deposited onto the card, when requested, and
2. a retail store to (a) accept cash during any time period when a device malfunctions at the store and (b) post a sign at a conspicuous location near the device stating that the store must accept cash if a device malfunctions.

The bill allows DCP to adopt regulations to implement these provisions.

## **§§ 35 & 36 — CUTPA REMEDIES**

*Eliminates the cap on DCP restitution orders, allows DCP to issue cease and desist orders, and allows a monetary settlement to be part of an assurance of voluntary compliance in CUTPA cases*

The bill makes changes to the remedies that may be imposed after DCP finds a CUTPA violation (see BACKGROUND). It also eliminates a requirement that DCP send a copy of a final decision finding a CUTPA violation by certified mail to the violator.

### ***Restitution***

As one of the remedies available to DCP after finding a CUTPA violation, DCP can order a person to pay restitution. The bill allows DCP to order any amount of restitution, not just amounts under \$10,000.

### ***Cease and Desist Orders***

The bill allows DCP to issue an order that a person cease and desist from actions DCP has reason to believe are CUTPA violations, before conducting administrative proceedings, if the public health, safety, or

welfare imperatively require emergency action. DCP must conclude based on the nature, severity, and duration of the anticipated harm that immediate correction or cessation of operations is necessary to prevent injury or serious illness. DCP must then conduct administrative proceedings promptly. When the record closes on the administrative proceeding or 45 calendar days after the order was issued, whichever is earlier, a party can appeal the order to court as a preliminary order (the order continues unless the court orders otherwise). The bill specifies that this does not limit DCP's ability to issue a final decision following a hearing or a party's ability to appeal a final decision to court.

The bill also makes minor and technical changes.

### ***Assurances of Voluntary Compliance***

By law, DCP can accept an assurance of voluntary compliance from a person who allegedly committed a CUTPA violation. Currently, an assurance can include restitution to an aggrieved person and an amount for DCP's investigatory costs. The bill allows a monetary settlement to be part of an assurance.

### **§§ 37-40 — HOME SOLICITATIONS**

*Makes minor changes to home solicitation sale cancellation provisions and disclosures, including increasing the required font size and adding a disclosure for electronic deliveries*

The bill redefines "business day" for purposes of provisions on the right to cancel a home solicitation sale within three business days and seller obligations within 10 business days of cancellation. Currently, a business day excludes Sundays, New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day. The bill also excludes Saturdays, Martin Luther King, Jr. Day, Lincoln Day, Juneteenth Independence Day, and any day the governor or U.S. president appoints or recommends as a day of thanksgiving, fasting, or religious observance.

The bill increases, from 10 to 12 point, the type required for the right to cancel statement that must be included in home solicitation sale contracts and the notice of cancellation form. It revises the contents of

the form to describe much of the same information in a different way.

The bill adds, as a condition of an effective home solicitation sale agreement, that the seller provide a business email address, if the seller has one, and include the following statement if the seller emails or uses another electronic delivery method to provide a digital copy of the agreement:

“PLEASE REVIEW IMPORTANT INFORMATION ABOUT YOUR RIGHT TO CANCEL THIS AGREEMENT IN THE ‘NOTICE OF CANCELLATION’ BEING PROVIDED TO YOU.”

The statement must be immediately adjacent to the body of the message and in at least 12-point type or the same size as the body of the message if the body is larger than 12-point type.

The bill also makes related technical and conforming changes.

EFFECTIVE DATE: July 1, 2025

#### **§ 41 — NEW MOTOR VEHICLE LEMON LAW**

*Requires manufacturers to submit evidence of a required change to motor vehicle titles under the Lemon Law to DCP and allows DCP to impose fines for failing to do so*

Under certain circumstances, the New Motor Vehicle Lemon Law requires a manufacturer to stamp “manufacturer buyback-lemon” on the title of a motor vehicle and give the Department of Motor Vehicles (DMV) a copy of the title within 30 days. The bill also requires the manufacturer to electronically submit evidence to DCP showing that the copy was submitted to DMV within that time period.

Currently, DCP can impose a fine of up to \$10,000 on a manufacturer who fails to stamp a title as required. The bill also allows DCP to impose this fine when the manufacturer does not submit a copy of the title and provide evidence of submission within the specified time.

EFFECTIVE DATE: July 1, 2025

#### **§ 42 — AUTOMATIC RENEWAL AND CONTINUOUS SERVICE**

*Adds a provision regarding consideration of whether records of consent to renewal or continuous service comply with certain laws*

The law prohibits a business that enters a consumer agreement that provides for automatic renewal or continuous service from charging a credit or debit card or other account unless the consumer affirmatively consents to the renewal or continuous service. The bill requires a court or agency to consider whether the business produced a record of consent that complied with the law regarding recording phone calls and eavesdropping when considering whether a business obtained the required consent.

The bill also makes various technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

#### **§§ 43-45 — MOTOR VEHICLE SALE OR LEASE FEES, CHARGES, AND COSTS**

*Requires disclosure of fees, charges, and costs in motor vehicle sales and leases*

Unless otherwise prohibited by law, the bill requires new car dealers, used car dealers, and repairer licensees that sell or lease motor vehicles to clearly and conspicuously disclose on the vehicle's side window in a DMV-approved form and in each written advertisement for the vehicle where the price is displayed, each fee, charge, or cost that:

1. a person must pay to purchase, lease, or otherwise receive the vehicle and
2. is associated with an add-on or service, such as a maintenance or service contract, vehicle identification number marking, door guard, mud flap, window visor, or floor mat.

The bill does not require disclosure on a side window if a licensee does not possess the vehicle in this state at the time it is sold or leased.

The bill requires each lease of a motor vehicle to have a signed order that is given to the lessee when executed and displays (1) a list of fees, charges, or costs of optional add-ons or services the lessee has agreed to purchase, with a clear and conspicuous disclosure that they are optional and not required by law, in a DMV-approved size, type, and form; and

(2) the fees, charges, and costs as described above.

The law already requires a similar order for the sale of a motor vehicle and the bill requires this same information in a separate section of the order that is prominently displayed in a size, typeface, and form approved by the DMV commissioner.

EFFECTIVE DATE: July 1, 2025

## **§ 46 — MECHANICAL CONTRACTOR ORGANIZATIONS**

*Eliminates mechanical contractor organization provisions*

The bill eliminates provisions regarding mechanical contractor organizations, including those on:

1. requirements for mechanical contractors to register;
2. DCP authority to investigate mechanical contractors and take action against their credentials, court orders to stop violations, and prohibited actions by mechanical contractors; and
3. fines for performing work without a registration certificate or providing unlicensed employees to do work.

Under current law, repealed by the bill, mechanical contractors are businesses that offer the services of their employees to the public for plumbing and piping or heating, piping, and cooling work. But they do not include licensed individuals or businesses that work exclusively on dwellings of up to four units; employ fewer than 10 licensed employees in these trades; or work on sewer, storm drain, or water lines.

EFFECTIVE DATE: October 1, 2025

## **BACKGROUND**

### **CUTPA**

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP 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 774 (File 370), favorably reported by the Transportation Committee, (1) requires car dealers to include their dealer conveyance or processing fee in the price they advertise or quote for a motor vehicle and (2) prohibits car dealers from pre-printing vehicle orders and invoices with optional fees.

SB 1248 (File 330), favorably reported by the General Law Committee, among other things, requires businesses that enter 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.

HB 5111, favorably reported by the General Law Committee, establishes a number of requirements for mobile manufactured home park ancillary fees, requires DCP to establish a complaint process for park residents, and extends the time before a new rental agreement that an owner must provide notice of a rent increase to a mobile manufactured home owner.

HB 5428, favorably reported by the General Law Committee, sets a maximum rent increase after termination of a rental agreement with a resident who owns a mobile home to match the increase in the consumer price index plus 1%, limits ancillary fees to \$15 annually, increases relocation expenses an owner must pay a resident to move when a park's land use changes, requires DCP to establish a complaint process for park residents, requires DCP to disclose certain park-related documents, and creates a reporting process related to fire hydrants in parks, among other things.

sHB 6052, favorably reported by the General Law committee, among other things, prohibits individuals with certain disqualifying offense convictions from engaging in any in-person solicitations, requires DCP to create and maintain a “no home solicitation sales” listing, and places additional requirements on sellers.

sHB 6889 (File 262), favorably reported by the Housing Committee, expands certain eviction protections for certain tenants, including residents in mobile manufactured home parks.

sHB 6963, favorably reported by the Planning and Development Committee, among other provisions, contains similar provisions on the New Home Construction Guarantee Fund and changes how amounts in the fund that exceed certain thresholds are used.

sHB 7078 (File 466), favorably reported by the Insurance and Real Estate Committee, (1) establishes a 2-hour minimum for real estate continuing education courses and allows a course to be offered at a real estate broker’s or franchise’s office, (2) makes a minor change in a law on registering a real estate team with DCP, and (3) replaces the term “real estate salesperson” with the term “real estate agent.”

## **COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea    22    Nay   0    (03/24/2025)