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## OLR Bill Analysis

sSB 1357 (File 831, as amended by Senate "A")\*

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

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[BACKGROUND](#)

**SUMMARY**

This bill makes various changes to the consumer protection statutes, as described in the section-by-section analysis below.

\*Senate Amendment "A" (1) allows a person to apply to the Real Estate Guaranty Fund based on an administrative decision; (2) removes a provision requiring an examination within two years of applying for a real estate license unless given a hardship extension; (3) increases the time a health club has to give a buyer a statement after the buyer cancels, from seven days in the underlying bill to 10 business days; (4) excludes from the provisions governing accepting cash for retail transactions (a) those that are conducted in person at a location where no individual is employed and (b) health care and professional services; (5) adds provisions on assurances of voluntary compliance in Connecticut Unfair Trade Practice Act (CUTPA) cases, seller and lessor express warranties under the Uniform Commercial Code, expert witnesses, charitable organizations, recording real estate listing agreements, and umbilical

cord blood information; (6) changes provisions on motor vehicles prices and disclosure of fees; and (7) makes technical changes.

EFFECTIVE DATE: Upon passage unless noted below.

## **§§ 1-4 — ARCHITECTS**

*Prohibits non-architects from using certain architecture-related terms; 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 allows licensed architects to use the title “architect” or various words or items that indicate the person practices architecture. The bill specifies that using the terms “architectural design,” “architectural services,” and “architectural drawings” is prohibited unless used by a licensed architect.

The law allows certain people to perform certain architecture-related 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 one. This applies to the following individuals:

1. licensed professional engineers practicing engineering and incidental architectural work they are qualified to do;
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 under the Public Utilities Regulatory Authority's jurisdiction;
7. federal officers or employees practicing architecture for the federal government; and
8. someone who makes 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 do so. Currently, failing to comply for more

than 26 weeks after the 12-month period can result in license suspension, revocation, or renewal denial. The bill also allows a civil penalty of up to \$1,000.

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

*Makes changes regarding applicants to, 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 starts an action that might result in a payment from the fund to give the commission or DCP written notice about the action; (2) making the notice toll the time to apply for payment from the fund; and (3) allowing the commission or DCP to 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 or administrative 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 application hearing requirement.

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 set an interest rate reflecting market rates.

The bill also makes technical changes.

## **§§ 6 & 7 — 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 credentials*

Currently, DCP must let someone who did not participate in an apprenticeship program 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 lets someone 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 requiring applicants to submit evidence that he or she successfully completed the exam within two years before filing an initial 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 doing 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 get an apprentice registration certificate as required by

law; or

4. failing to get a permit as required by law.

If DCP finds that a person has not corrected the violations listed in a notice, the bill allows DCP to issue a stop work order requiring the person to stop practicing the credentialed 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 stays in effect until (1) the person complies with the requirements in the notice and (2) DCP issues an order releasing the order after a hearing or decision.

Under the bill, DCP may fine someone 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 after receiving notice. Money from fines must be deposited in the consumer protection enforcement account (which funds DCP's enforcement of licensing and registration laws).

A person with a credential who receives a notice can request in writing an administrative hearing to contest a stop work order and fine within 15 days after 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 following the Uniform Administrative Procedure Act (UAPA).

Similarly, a person without a credential may petition DCP within 15 days after 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



when 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.

## **§ 8 — 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 to act as a contractor or subcontractor on public works projects. The bill specifies that no additional proof, beyond demonstrating prequalification, is required to qualify for the major contractor registration.

EFFECTIVE DATE: July 1, 2025

## **§§ 9 & 10 — NEW HOME CONSTRUCTION GUARANTY FUND**

*Expands when someone 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 for 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 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 allowing 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.

## **§§ 11-13 — 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 also 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 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 not within the scope of the services the manager provides under the contract, how much the manager will charge for them.

As with other violations by community association managers, violating this provision is a CUTPA violation.

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

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

## **§§ 14-18 — 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 held, 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 where the sale will be held, and the names and residences of owners or partners related to the sale. The bill requires the application to be done in a form and way set by DCP and include an attestation that the applicant is not delinquent on state or local taxes.

The bill also 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 when it expires.

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.

## **§§ 19-21 — 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; exterminating pests; and maintaining common areas, any utilities provided, and 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 specifies 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

## **§ 22 — TECHNICAL CHANGE**

*Makes technical and conforming changes*

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

## **§ 23 — 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 given copies of certain documents upon request*

The law authorizes DCP to access premises, except for homes and apartments that do not have any boarders, at reasonable times 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 given copies of accounts, records, signs, and other documents related to a suspected violation unless prohibited by other law.

## **§ 24 — 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 on 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 that occurred.

## **§ 25 — 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.

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

*Changes DCP's reinspection fee from \$40 an hour to \$150 and adds a fee for a 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) free for a first reinspection that results in a determination of compliance.

EFFECTIVE DATE: October 1, 2025

## **§ 27 — 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 put conditions on the license of a bakery, food manufacturing establishment, or food warehouse for violating the laws governing them, 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.

**§§ 28-31 — 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 someone to cancel a health club contract in writing within three business days. The bill requires a health club or its agent, within 10 business days after receiving the person's cancellation notice, to give them a written statement (1) confirming the cancellation and (2) stating when it 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 suspend, revoke, or refuse to grant or renew 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 must be deposited into the fund.

EFFECTIVE DATE: October 1, 2025

## **§ 32 — 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 put a donation bin on the property. The bill also changes 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

### **§ 33 — 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, someone 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 them 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 for the funds deposited on the prepaid card;
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 get the card.

The bill also requires:

1. the device to produce a printed receipt with 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 excludes from these provisions (1) retail transactions that are conducted in person at a location where no individual is employed to assist a person with the purchase of goods or services and (2) services offered by health care providers and professionals (services requiring licensure or other legal authorization).

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

### **§§ 34 & 35 — ASSURANCE OF VOLUNTARY COMPLIANCE IN CUTPA CASES**

*Allows a monetary settlement to be part of an assurance of voluntary compliance in CUTPA cases and eliminates a requirement that DCP send a copy of a final decision by certified mail*

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.

The bill also eliminates a requirement that DCP send a copy of a final decision finding a CUTPA violation by certified mail to the violator and makes minor and technical changes.

### **§§ 36-39 — 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 provisions on the right to cancel a home solicitation sale within three business days and seller obligations within 10 business days after 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 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

#### **§ 40 — 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

**§ 41 — 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 with 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 on recording phone calls and eavesdropping when considering whether a business obtained the required consent.

The bill also excludes agreements with entities regulated by DCP as home improvement contractors from these provisions governing automatic renewal or continuous service and makes various technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

**§§ 42 & 43 — MOTOR VEHICLES PRICES AND CERTAIN ADD-ON FEES**

*Requires fees, charges, and costs for add-on consumer goods or services to be included in the total price and separately stated in the advertised or quoted price of a motor vehicle*

***Advertising***

Currently, a car dealer must include in the advertised price of a motor vehicle, the federal tax, delivery costs, dealer preparation fees, and other charges and, in at least eight-point bold type, state (1) the amount of the dealer conveyance or processing fee and (2) that the advertised price does not include the dealer conveyance or processing fee, state or local taxes, and registration fees.

The bill also requires the amount of a fee, charge, or cost for add-on consumer goods or services to be included in the advertised price and separately stated as “Additional Fees, Charges and Costs” in at least eight-point bold type.

The bill also makes technical and conforming changes.

***Quoted Prices***

Currently, a car dealer quoting a sale price must separately state the dealer conveyance fee. The bill requires the quote to (1) include any fee, charge, or cost for an optional add-on consumer good or service and (2) separately state the amount of each of these fees, charges, and costs, and that they are negotiable.

The bill prohibits printing the dealer's order and invoice forms with fees, charges, and costs for optional add-on consumer goods or services before a discussion with a prospective buyer.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

## **§§ 44 & 45 — SELLER AND LESSOR EXPRESS WARRANTIES UNDER THE UNIFORM COMMERCIAL CODE**

*Changes which sellers and lessors create express warranties under the UCC, adds an express warranty from a seller's or lessor's promise to repair or replace, and makes additional changes*

### **Sellers**

The bill changes which sellers under the Uniform Commercial Code (UCC) create express warranties that goods provided to a buyer will conform to (1) the seller's affirmation of fact or promise made to the buyer about the goods, (2) a description of the goods, and (3) a sample or model.

Currently, these provisions apply to a seller, who is a person who sells or contracts to sell goods. Under the bill, they apply to a person in the business of selling or transferring ownership of goods or contracting to do so. It includes wholesalers, distributors, retailers, and manufacturers. Manufacturers are sellers involved in designing, assembling, or preparing goods before they are sold or distributed to consumers at retail.

The bill adds that a seller's affirmation of fact or promise to repair or replace defective goods is an express warranty that the goods will be repaired or replaced.

The bill allows a buyer, or a buyer's successor in interest, to bring a

claim for breach of an express warranty regardless of whether the buyer or buyer in interest bought the goods directly from or under a sales contract with the seller.

### **Lessors**

The bill changes which lessors under the UCC create express warranties that goods will conform to their representations from the seller and that they will conform to a sample or model.

Currently, these provisions apply a lessor, who is a person who transfers the right to possess and use goods under a lease and can include a sublessor. The bill instead applies these provisions to someone engaged in the business of leasing or distributing goods on the condition of their return, or contracting to do so. It includes wholesalers, distributors, retailers, and manufacturers. Manufacturers are lessors involved in designing, assembling, or preparing goods before they are leased or distributed to consumers.

The bill adds that a lessor's promise to repair or replace defective goods is an express warranty that the goods will be repaired or replaced.

The bill allows a lessee, or a lessee's successor in interest, to bring a claim for breach of an express warranty regardless of whether the lessee or lessee in interest leased the goods directly from or under a contract with the lessor.

EFFECTIVE DATE: October 1, 2025

### **§ 46 — TECHNICAL CHANGE**

*Makes a technical change*

The bill makes a technical change by correcting a statutory citation.

### **§ 47 — EXPERT WITNESSES**

*Expands when public officials, state employees, and their immediate family members can work as expert witnesses for the attorney general*

Generally, by law, public officials and state employees, their immediate family members, and their businesses cannot enter contracts with the state valued at \$100 or more unless the contract is awarded

through an open and public process or involves state employment, certain work with the technical education or higher education system, or a court appointment.

The bill adds an exemption for work with the attorney general as an expert witness related to litigation or administrative proceedings. The attorney general must file with the Office of State Ethics, in a form and manner set by the office, a disclosure of the (1) expert witnesses' name, qualifications, and scope of services and (2) date of entering the contract, its start and end date, and its value, if known by the attorney general. The disclosure must occur within 30 days of the earlier of when the expert witness is disclosed or required to be disclosed to an opposing party in the litigation or administrative proceeding related to using the expert witness.

Under the bill, an expert witness is someone (1) qualified to testify on scientific, technical, or another specialized matter based on knowledge, skill, experience, training, or education and (2) retained to provide testimony including expert opinions.

EFFECTIVE DATE: October 1, 2025

## **§§ 48-54 — CHARITABLE ORGANIZATIONS**

*Makes a number of changes to the laws on charitable organizations and solicitations*

The bill:

1. specifies that a political action committee organization is not a charitable organization subject to registration and other requirements applicable to charitable organizations (§ 48);
2. eliminates a requirement that charitable organizations file with DCP any contracts they have with a fund-raising counsel 15 days before the counsel performs any material services and instead requires the organization to retain a copy of the contract for at least seven years after it expires and give it to DCP on request (§ 50);
3. increases, from \$20,000 to \$50,000, the amount of the bond that a

fund-raising counsel must file with DCP if the counsel has custody or control of contributions from solicitations (§ 50);

4. requires paid solicitors to file financial reports about a solicitation campaign with DCP sooner, within 45 instead of 90 days after the campaign's completion (§ 51);
5. prohibits a charitable organization or person conducting its affairs from engaging in nonfinancial conduct unrelated to the organization's charitable purpose or that jeopardizes or interferes with the ability to achieve that purpose (the law already prohibits engaging in financial transactions under these circumstances) (§ 52);
6. eliminates a requirement that an organization not expend an unreasonable amount of money on solicitation (§ 52); and
7. makes clarifying, minor, and technical changes.

EFFECTIVE DATE: October 1, 2025

## **§ 55 — RECORDING REAL ESTATE LISTING AGREEMENTS**

*Changes a requirement for recording certain real estate listing agreements*

The bill makes a change to the types of real estate listing agreements that were required to be rerecorded (with notice recorded in the town where the residential property subject to the agreement is located) prior to June 30, 2024. Under current law, one type of agreement subject to these requirements was one that binds future holders of interests in the property. The bill instead applies these requirements to agreements that bind future owners of interests in the property.

## **§ 56 — UMBILICAL CORD BLOOD INFORMATION**

*Eliminates a requirement for certain health care providers to provide information about umbilical cord blood*

The bill eliminates a requirement that a health care provider who provides pregnancy-related health care services to a woman during the last trimester of pregnancy give her information to make an informed and voluntary choice about banking or donating umbilical cord blood.



EFFECTIVE DATE: October 1, 2025

## **§ 56 — MECHANICAL CONTRACTOR ORGANIZATIONS**

*Eliminates mechanical contractor organization provisions*

The bill eliminates certain provisions on 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**

### ***Legislative History***

The Senate referred the bill (File 569) to the Judiciary Committee, which reported a substitute that eliminated the bill's CUTPA provisions that removed the monetary cap on DCP restitution orders, allowed DCP to issue cease and desist orders, and allowed monetary settlements as part of an assurance of voluntary compliance.

### ***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***

sSB 3, as amended by Senate "A," and passed by the Senate, 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.

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 (File 584), 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 (File 587), favorably reported by the Appropriations and

General Law committees, 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 (File 616), 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 6858 (File 349), favorably reported by the General Law Committee, contains similar provisions on expert witnesses, charitable organizations, recording real estate listing agreements, and umbilical cord blood information.

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 (File 810), which passed the House as amended by House Amendment "A," 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.

## **COMMITTEE ACTION**

### General Law Committee

Joint Favorable Substitute

Yea 22    Nay 0    (03/24/2025)

### Judiciary Committee

Joint Favorable Substitute

Yea 36    Nay 1    (04/25/2025)

