



# House of Representatives

General Assembly

**File No. 199**

*January Session, 2001*

Substitute House Bill No. 6925

*House of Representatives, April 10, 2001*

The Committee on General Law reported through REP. FOX of the 144th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING ALTERNATIVE RETAIL PRICING SYSTEMS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 21a-79a of the general statutes is repealed and the following  
2 is substituted in lieu thereof:

3 (a) Notwithstanding the provisions of section 21a-79 and any  
4 regulations adopted under said section, the Commissioner of  
5 Consumer Protection may, within available appropriations, establish a  
6 pilot program for the test audit of alternative electronic retail pricing  
7 systems that maintain and display the item and unit price of consumer  
8 commodities, as defined in subsection (a) of section 21a-79. [The  
9 commissioner shall select one or more retailers to participate in any  
10 such pilot program in accordance with the following requirements: (1)  
11 The] A retailer participating in the pilot program shall conduct  
12 business from one or more stores in this state on October 1, [1998; (2)  
13 the] 2001. The retailer shall submit to the commissioner a written  
14 [request to] statement indicating that such retailer will participate in

15 the pilot program and [indicate in such written request the retailer's  
16 willingness to] pay all costs associated with a test audit under such  
17 pilot program. [; and (3) the] The retailer shall implement a system to  
18 be test audited that, at a minimum, [(A)] (1) maintains the retailer's  
19 current item prices and unit prices for each product in an electronic  
20 database, [(B)] (2) prints shelf tags that meet all applicable  
21 requirements for item pricing and unit pricing in effect on October 1,  
22 [1998] 2001, and [(C)] (3) operates in such a way that [(i)] (A) price  
23 decreases are immediately transmitted directly to the point of sale, and  
24 [(ii)] (B) price increases are transmitted to the point of sale only after  
25 such shelf tags are posted and such posting has been verified in the  
26 electronic database.

27 (b) The commissioner may designate a private auditing organization  
28 to conduct any such test audit and shall charge the cost of such test  
29 audit to the [selected] retailer. No such test audit shall be conducted  
30 for a period exceeding [six months. The retailer shall designate one  
31 store in which the test audit will be conducted] twelve months. During  
32 the test audit, such store shall be exempt from the provisions of  
33 subdivision (1) of subsection (b) of section 21a-79 and any applicable  
34 regulations adopted under said section.

35 (c) The commissioner shall report the results of each test audit  
36 conducted under any such pilot program and any recommendations to  
37 the joint standing committee of the General Assembly having  
38 cognizance of matters relating to consumer protection not later than  
39 three months after the completion of such test audit. Such report shall  
40 include a copy of any audit report prepared by the commissioner or  
41 any such private auditing organization.

**GL**            *JOINT FAVORABLE SUBST.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** None

**Affected Agencies:** Department of Consumer Protection

**Municipal Impact:** None

**Explanation**

**State Impact:**

The bill modifies the current alternative retail pricing system pilot program used to test these systems, by: 1) extending the length of test audits, 2) permitting retailers to opt-in to the program, rather than being selected by the Department of Consumer Protection and 3) allowing retailers with more than one store in the state to test the system at multiple locations. The bill specifies that the retailers who participate in the audit are responsible for all costs, associated with it, thus there is no fiscal impact to the Department of Consumer Protection (DCP). To the extent that the bill permits additional retailers to participate in the audit, DCP may receive additional consumer complaints, which may result in a minimal, absorbable workload increase, which has no fiscal impact on the agency.

**OLR Bill Analysis**

sHB 6925

**AN ACT CONCERNING ALTERNATIVE RETAIL PRICING SYSTEMS.****SUMMARY**

This bill amends current law allowing the consumer protection commissioner to establish a pilot program to test alternative retail pricing systems. Stores participating in the test are exempt from a law requiring them to mark each consumer item with its retail price.

The bill extends the maximum length of test audits from six to 12 months, and allows retailers to choose to participate rather than requiring the Department of Consumer Protection (DCP) select them. Retailers who want to participate must write the commissioner that they will take part in the audit and pay all costs associated with it.

The bill requires that participating stores operate at least one store in Connecticut on October 1, 2001, and print shelf tags meeting item-pricing and unit-pricing requirements in effect on that date. It no longer requires participating retailers to designate only a single store for auditing.

EFFECTIVE DATE: October 1, 2001

**BACKGROUND*****Test Audit***

By law, stores participating in a test audit must implement a system that (1) keeps each product's current item and unit price in an electronic database, (2) prints shelf tags meeting applicable item- and unit-price requirements, and (3) operates in a way that transmits (a) price decreases immediately and directly to the point of sale, and (b) price increases to the point of sale only after new shelf tags printed by the system are posted and verified in the database.

The pilot program must operate within DCP's available appropriations. The commissioner may designate a private auditing organization to conduct the audits and charge participating retailers for it. He must report the results and any recommendations to the General Law Committee within three months after an audit is completed. His report must include a copy of any audit conducted by the commissioner or a private auditing organization.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute  
Yea 16 Nay 0