



House of Representatives

File No. 607

General Assembly

January Session, 2001

(Reprint of File No. 199)

Substitute House Bill No. 6925
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 3, 2001

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1 Section 21a-79a of the general statutes is repealed and the following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 participate in the pilot program and [indicate in such
15 written request the retailer's willingness to] pay all costs associated

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

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

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

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:

OFA Fiscal Note

State Impact: None

Affected Agencies: Department of Consumer Protection

Municipal Impact: None

Explanation

State Impact:

The bill as amended modifies the current alternative retail pricing system pilot program used to test these systems, by extending the length of test audits and allowing retailers with more than one store in the state to test the system at multiple locations. The bill as amended 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 as amended 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.

House "A" allows DCP to select the participating retailers, rather than permitting them to opt into the pilot program, which results in no fiscal impact.

OLR Bill Analysis

sHB 6925 (as amended by House "A")*

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. By law, retailers who want to participate in the program must submit a written request to the Department of Consumer Protection (DCP) and pay all costs associated with a test audit. Participating retailers 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. It requires that participating retailers operate at least one store in Connecticut on October 1, 2001, rather than 1998, and print shelf tags meeting item and unit pricing requirements in effect on that date. It eliminates the requirement for participating retailers to designate a single store for auditing.

*House Amendment "A" restores language allowing DCP to select the participating retailer or retailers, and makes technical changes.

EFFECTIVE DATE: October 1, 2001

BACKGROUND***Electronic Pricing System***

An electronic pricing system uses the universal product coding (bar code) system, a scanner, and cash register to record and total a customer's purchases.

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 audit 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.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute
Yea 16 Nay 0