



Senate

General Assembly

File No. 151

January Session, 2007

Senate Bill No. 1299

Senate, March 27, 2007

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT PROHIBITING CERTAIN CREDIT CARD, CHARGE CARD OR DEBIT CARD CONSUMER BILLING PRACTICES.

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

- 1 Section 1. (NEW) (*Effective October 1, 2007*) A provider of consumer
2 services, including, but not limited to, the provider of an exercise or
3 health club membership, shall not make or submit any charge to a
4 consumer's credit card, charge card or debit card account for future
5 services after such provider has been notified in writing by the
6 consumer of the consumer's intention to terminate such provider's
7 services.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2007</i>	New section
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GL Joint Favorable

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Consumer Protection, Dept.	GF - Cost	Potential 64,000	Potential 66,000
Comptroller Misc. Accounts (Fringe Benefits) ¹	GF - Cost	Potential 29,000	Potential 30,000

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill could result in a cost of approximately \$64,000 for a new Special Investigator position within the Department of Consumer Protection’s (DCP) Trade Practices Division. This bill prohibits certain customer service providers from making certain charges on credit/debit cards, which could result in additional complaints and administrative hearings related to cancellations of consumer contracts, requiring additional staff.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of complaints received.

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The estimated first year fringe benefit rate for a new employee as a percentage of average salary is 25.8%, effective July 1, 2006. The first year fringe benefit costs for new positions do not include pension costs. The state’s pension contribution is based upon the prior year’s certification by the actuary for the State Employees Retirement System (SERS). The SERS 2006-07 fringe benefit rate is 34.4%, which when combined with the non pension fringe benefit rate totals 60.2%.

OLR Bill Analysis

SB 1299

***AN ACT PROHIBITING CERTAIN CREDIT CARD, CHARGE CARD
OR DEBIT CARD CONSUMER BILLING PRACTICES.***

SUMMARY:

This bill prohibits any provider of consumer services, including a health or exercise club, from making or submitting any charge to a consumer's credit card, charge card, or debit card account for future services after getting written notice from the consumer of his or her intent to terminate the services.

EFFECTIVE DATE: October 1, 2007

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 19 Nay 0 (03/14/2007)