
OLR Bill Analysis

sHB 6403

AN ACT MAKING MINOR AND TECHNICAL CHANGES TO DEPARTMENT OF CONSUMER PROTECTION STATUTES.

SUMMARY:

This bill makes various unrelated changes in the Department of Consumer Protection (DCP) statutes.

These changes, among other things,

1. allow posting regulations and rosters online to fulfill certain publishing and distribution requirements;
2. allow permit and license applicants with lapsed licenses to apply for reinstatement to the appropriate DCP board;
3. extend certain consumer protections to buying clubs that offer services;
4. impose home improvement contractor penalties on people who propose or offer to do work without a certificate;
5. make condominium associations eligible for Home Improvement Guaranty Fund payouts;
6. provide a longer cancellation period for social referral contracts and adds contractor notification requirements; and
7. require drug wholesalers to obtain a separate certificate of registration or license for each location.

The bill also makes other minor and technical changes.

EFFECTIVE DATE: Upon passage

§§ 1-5 — ELECTRONIC POSTING

The bill gives DCP the option of posting certain regulations and rosters on its website to comply with its publishing and distribution requirements. Under current law, DCP must:

1. biennially, before July 1 of odd-numbered years, publish a pamphlet with the current liquor regulations and furnish it to anyone that requests it;
2. at least annually, before December 31, publish a pamphlet with the current gaming regulations and provide it to anyone who requests it;
3. annually, in September, place a roster with the names and addresses of all registered interior designers and architects with the secretary of the state and with each town's building department and library; and
4. annually, prepare a roster of all registered well drillers and distribute it to each town's local health director or his or her agent and the building inspector.

The bill also gives certain DCP boards the option of fulfilling their publishing and distribution requirements by posting the rosters and deletions on DCP's website. The law currently requires the boards for Electrical Work; Heating, Piping, Cooling and Sheet Metal Work; Plumbing and Piping Work; Elevator Installation, Repair and Maintenance; Fire Protection Sprinkler Systems; and Automotive Glass Work and Flat Glass Work to biennially furnish a copy of a roster with everyone licensed or registered by them to each town clerk. Each board must notify the clerk of any deletion from the roster within five days of the deletion.

§ 6 — WEIGHTS AND MEASURES ELECTRONIC RECORDING

The bill requires the DCP commissioner to maintain a record, rather than a written report, of the annual test of all scales, weights, and measures used in checking the receipt or disbursement of supplies in each institution that performs these tests. It requires the record to be made available to the supervisory board and executive officer of the

institution involved.

The bill allows DCP to charge a fee for calibrating testing equipment to registrants who do not reside in or have a Connecticut business place. Under current law, DCP is prohibited from charging anyone a fee for calibrating testing equipment.

§§ 7 AND 8 — GAMING STATUTES

The bill eliminates the requirement that DCP submit to the state treasurer before the tenth of each month (1) all gaming money in its possession and (2) a monthly report on all gaming receipts. The gaming information is available electronically through CORE-CT.

The bill allows any state resident to apply for a bazaar or raffle permit. Under current law, only voters in the municipality where the permit is sought may apply for the permit.

§ 9 — PUBLIC CHARITIES

The bill eliminates the DCP commissioner's authority to grant, for good cause, a six-month extension for charities to renew their registration. It instead extends the renewal registration deadline, by six months, from five to 11 months after the end of their fiscal year, thereby giving all charities the same amount of time to renew.

§ 10 — REAL ESTATE LICENSES

The bill changes the reinstated license expiration date from the next succeeding April 31 to (1) March 31 for real estate brokers and (2) May 31 for real estate salespersons.

§ 11 — NEW HOME CONSTRUCTION CONTRACTOR

The bill allows a new home construction certificate to be renewed after its one year expiration and clarifies that the renewal is valid for two years and costs the same \$240 as the original application. Under current law, a certificate cannot be restored unless it is renewed within a year of its expiration.

§§ 12 AND 25 — HOME IMPROVEMENT GUARANTY FUND

The bill requires the DCP commissioner to notify a contractor,

before issuing a payment out of the Home Improvement Guaranty Fund, that his or her rights to a hearing are not forfeited while complying with a payment schedule in accordance with a court judgment. By law, DCP already requires this notification for contractors who have already paid the owner.

Under current law, an application for payment out of the guaranty fund must include a copy of the court judgment against the contractor. It must also include a notarized affidavit, signed and sworn to by the owner affirming, among other things, that he or she has had a writ of execution for the judgment that failed to discover any liable bank accounts or real property owned by the contractor that could satisfy the judgment. The bill conforms the law to current DCP practice by replacing real property with personal property.

§ 13 — BUYING CLUBS

The bill requires buying clubs that sell leisure and entertainment services to provide the same statutory consumer protections as clubs that sell goods. These protections include the right to cancel a contract within three days after signing and related contractual agreements. Under current law, a buying club is a business that offers memberships, for more than \$200, to consumers for a fee that allows them to exclusively purchase consumer goods.

§§ 14 AND 26 — HOME IMPROVEMENT CONTRACTOR

The bill imposes existing home improvement contractor penalties on people who offer or propose to do work without the proper certificate. Violators may be guilty of a class B misdemeanor (punishable by up to 6 months imprisonment, up to \$1,000 fine, or both) and a civil penalty of up to \$500 for the first violation, up to \$750 for a second violation within three years of the prior violation, up to \$1,500 for a third or subsequent violation within three years of the prior violation (CGS § 20-427).

This bill specifies that a condominium association working as an agent for condominium owners has the same rights as a private owner under the Home Improvement Act, including access to the Home

Improvement Guaranty Fund. The bill also limits an association to one claim from the guaranty fund regardless of the number of units for which it acts as an agent.

§ 15 — REAL ESTATE APPRAISAL

Current law allows the DCP commissioner to adopt regulations relating to real estate appraisal schools but prohibit him from adopting regulations requiring DCP to approve instructors. The bill allows the regulations to require instructor approval.

§ 16 — ELEVATOR LICENSES

The bill eliminates the elevator craftsman license and elevator helper's license. There are currently no elevator craftsman or helper licensees.

§§ 17-19 — LICENSE EXPIRATION EXTENSION

The bill extends, from one to two years, the time certain licensees have to reinstate their license without retaking a licensing examination.

The affected licensees are electricians; plumbers; solar, heating, piping and cooling contractors and journeymen; elevator and fire protection sprinkler craftsmen; irrigation contractors and journeymen; gas hearth installer contractors and journeymen; television and radio service dealers; electronic technicians; and shorthand reporters.

Under the bill, the shorthand reporter board may, in its discretion, when someone applies and pays the fee, reinstate a license without examination if the application has a notarized letter stating, to the board's satisfaction, the applicant's related experience in shorthand reporting or similar work in the lapsed time. The applicant must pay all back license and late fees.

§ 20 — DCP BOARD LICENSE RENEWAL OR REINSTATEMENTS

The bill allows applicants whose licenses have lapsed beyond the time allowed for automatic reinstatement to apply for reinstatement to the appropriate DCP board. The application must include the proper fee, along with a notarized letter stating the applicant's related work

experience in his or her occupation or profession in the lapsed time. The applicant must pay all back license and late fees.

§ 21 — RADIO AND TELEVISION

The bill eliminates the \$40 temporary permit for television and radio service dealers, which is issued while the applicant seeks licensure. Currently, no one has such a permit.

§ 22 — BOUNCED CHECK

By law, DCP may impose a \$20 fine on any permit or license applicant whose check is returned as uncollectable. The bill also allows the DCP commissioner to require the applicant to pay DCP any fees a financial institution charges the department as a result of a returned check.

§ 23 — ITINERANT VENDORS

The bill makes a conforming change to the Itinerant Vender Guaranty Fund, increasing the amount vendors pay, from \$100 to \$200, to conform with the amount the fund receives (CGS § 21-28). Guaranty funds are used to offer repayment to consumers financially damaged as a result of problem transaction purchases from itinerant vendors.

§ 24 — SOCIAL REFERRAL SERVICE CONTRACT

Current law allows a consumer to cancel a social referral service (e.g., dating service) contract within three business days after the date the consumer receives it. The bill extends the cancellation period to three business days after the (1) contract receipt or (2) social referral service is made available to the consumer, whichever is later. By law, the contract must be delivered by certified or registered mail to a specified address in the contract.

The bill also requires this extended cancellation period to be printed on the (1) contract, near the signature line and (2) cancellation notice. By law, social referral services contracts must provide the cancellation policy in at least 10-point bold face type.

Social referral services provide dating, matrimonial, or personal referral services involving (1) an exchange of names, telephone numbers, addresses, and statistics; (2) a photograph or video selection process; (3) personal introductions provided by the seller at the seller's place of business; and (4) a social environment provided by such seller intended primarily as an alternative to singles' bars or club-type environments.

§§ 27-35 — REAL ESTATE BROKERS

The bill makes technical changes to the statutes dealing with real estate brokers and salespersons (1) by deleting a reference to time-shares, which are governed under another statute (CGS § 42-103cc) and (2) specifying that certain real estate records be filed with the secretary of Housing and Urban Development or any successor federal agency (currently the Consumer Financial Protection Bureau).

The bill conforms the law to practice by transferring certain administrative functions DCP already performs from the Real Estate Commission to the department.

Current law prevents anyone from referring to the Real Estate Commission in any advertisement, including making any representations that the commission has inspected or approved any property. Violators are subject to a fine between \$1,000 and \$5,000. The bill prohibits any such advertisement from referencing DCP and subjects violators to the same fine.

§§ 36-37 — DRUG CERTIFICATE OF REGISTRATION

By law, drug wholesalers must obtain a (1) certificate of registration for non-controlled substances or (2) license for controlled substances. The bill requires drug wholesalers to obtain a separate certificate or license and pay an annual \$190 fee for each location (1) inside the state and (2) existing outside of the state that distributes products in the state.

Current law requires a separate and additional fee for each business place or professional practice where the licensee uses, manufactures,

stores, distributes, analyzes, or dispenses controlled drugs. The bill imposes this additional fee on licensees that use, manufacture, store, distribute, analyze, or dispense medical devices or cosmetics. By law, wholesalers must annually pay \$190, laboratories pay \$80, and manufacturers pay between \$285 and \$940 depending on the number of pharmacists or qualified chemists they employ.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/12/2013)