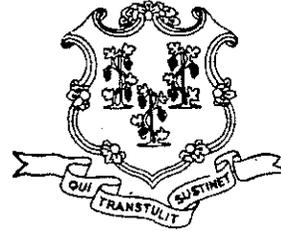
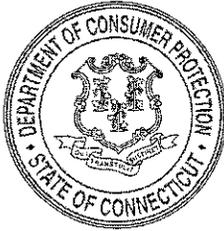


Department of Consumer Protection



Testimony of Jonathan A. Harris Commissioner-designee of Consumer Protection

General Law Committee Public Hearing, March 5, 2015

Senate Bill 975, "An Act Making Minor and Technical Changes to
Department of Consumer Protection Statutes"

Chairmen Leone and Baram, Ranking Members Witkos and Carter, and
Honorable Members of the General Law Committee, thank you for the opportunity to
offer testimony in support of SB 975, "An Act Making Minor and Technical Changes to
Department of Consumer Protection Statutes."

This bill was submitted to you by my agency, so let me begin by thanking you for
agreeing to raise this bill and for considering the various proposals it contains.

Over the last several sessions, we have submitted similar "minor and technical"
bills and they have for the most part received your support, so let me thank you for that,
as well. This year's bill, similar to previous years, includes a variety of minor statutory
changes that strive to modernize, update, streamline and otherwise improve agency work-

flow and consumer satisfaction with the work and duties of the Department of Consumer Protection. With that introduction, I'll begin to summarize the proposals:

Section 1 of the bill proposes a change in the Sealed Ticket statute. Under current law, distributors of sealed tickets are required to have a physical office in the state. This requirement for an in-state office does not exist for manufacturers of sealed tickets. The Department feels that the requirement for distributors to have a physical office in the state places an unnecessary obstacle to healthy competition within the marketplace to allow more distributors to sell tickets to the organizations in Connecticut that are lawfully able to offer and profit from the sale of sealed tickets. We feel that competition among distributors is likely to benefit organizations by increasing their choices of games and the customer service they will receive. We support existing language that requires distributors to have a "physical office," but don't feel it must be located in state. Presently, DCP's Gaming Division conducts inspections of out-of-state sealed ticket manufacturing facilities and believes distributors can and should be treated in a similar manner. Nonprofit organizations will benefit from this modest change.

Sections 2 and 3 propose to make a minor change in the process of taking applications and issuing permits for bazaars and raffles. Last year a DCP bill significantly amended this work-flow process and this year we propose one small additional change that will make more sense to applicants and be beneficial to municipalities. Specifically, we propose that charitable organizations wishing to conduct a bazaar or raffle would be required to submit only one application to DCP (rather than duplicate apps) and to pay to DCP only the amount due to the state. DCP would review and approve the application and forward it to the municipality where the event will take

place. Upon final approval by the municipality, the applicant will go to the municipal office, pay the amount owed to the municipality and receive the permit. There is no change to the statutory permit fees charged and this change ensure that the municipalities will receive all fees they are owed immediately, rather than to rely on DCP to forward their funds at some time in the future. DCP believes this change is a win-win-win for our agency, municipalities and the public. (We note a drafting error in Section 2 and would request deletion of the two sentences contained in lines 45-51).

Section 4 proposes a minor expansion of permitted activities under the Golf Ball drop statute. Currently, the law allows eligible charitable organizations to conduct golf ball drops by the use of helicopters, hot air balloons and other aircraft. DCP has received requests from organizations to conduct such raffles using less expensive and less dangerous methods, such as using a payloador or crane from where the golf balls would be dropped. DCP seeks to amend this statute to accommodate these requests and to promote safer conduct of golf ball drop raffles.

Section 5 proposes a technical amendment in the fire sprinkler layout license statute. Some years back, language was inserted into the statute that did not accomplish its apparent intended purpose and has caused confusion ever since. Specifically, we propose to strike language that references plumbing and piping journeypersons and contractors and sprinkler fitter journeymen. Those tradespersons are unaffected by this technical correction because the Department has always read the statute to require them and/or any member of the public to have first received a level III certification from the national Institute for Certification in Engineering Technologies as a requirement to be issued an automatic fire sprinkler system layout technician's license. The only actual

exemption under the current statute is for professional engineers licensed pursuant to Chapter 391.

Sections 6 and 7 make minor and technical changes within the statutes covering the Home Improvement Guaranty Fund and the New Home Guaranty Fund. Current law uses the term “court judgment” or simply “judgment” when referencing the requirement a consumer must obtain in order to gain access to one of the Guaranty Funds that DCP administers. We seek to add conforming language that some courts commonly use, such in bankruptcy and probate proceedings, but including the terms “order” and “decree” whenever the term “judgment” is found within these statutes. DCP considers these simply technical, conforming changes that will not otherwise have an impact on the Guaranty Funds. We propose one additional minor change in the New Home Guaranty Fund statute, and that is to remove the need for consumers to submit a “certified” copy of court judgments with their application to the fund. “Certified copies” are sometimes difficult to consumers to obtain, and are really no longer required by DCP as on-line tools exist to confirm the existence of such judgments. We would note that a DCP bill passed in 2012 similarly removed the need for a “certified” copy of judgments within the Home Improvement Guaranty Fund statute which has resulted in no processing problems, and has improved efficiency in processing applications and thus increased consumer satisfaction. Due to a drafting error in the bill before you, “certified” remains in the statute. Therefore we would request that “certified” be deleted in lines 147 and 183 of the bill.

Section 8 removes one subsection within the Real Estate Appraiser statute. This change is proposed based on an audit of Connecticut’s Real Estate Appraisal laws

conducted by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. They determined that the existing statute's reciprocity language was not in compliance with federal guidelines, viewing it as overly restrictive. We therefore propose to comply with the federal audit by deleting the one offending subsection. DCP concurs that the remaining language will continue to ensure that reciprocity is granted only to those license-holders from other states that have substantially the same or higher Real Estate Appraiser licensing requirements.

Finally, Section 9 proposes a minor change within the Unfair Trade Practices Act. This proposal would increase the amount of restitution that the Commissioner of Consumer Protection may direct a respondent to pay a consumer from the current \$5,000 to \$10,000. The current dollar amount limit was last increased in a 1993 public act from \$2,000 to \$5,000. The Department believes this increase in the ability for the Commissioner to order restitution is reasonable and will be an important tool in providing increased consumer protections. We believe now is the right time to make this change.

Thank you again for the opportunity to summarize the proposed changes to Department of Consumer Protection statutes contained in this bill. I would be happy to answer any questions you may have.

I look forward to working with you as you consider advancing the bill. Feel free to contact me or DCP's Legislative Program Manager, Gary Berner if you have any questions or comments.

