

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

sSB-193

## AN ACT CONCERNING REVISIONS TO DEPARTMENT OF CONSUMER PROTECTION STATUTES.

As Amended by Senate "A" (LCO 5594), Senate "B" (LCO 4558)  
House Calendar No.: 567  
Senate Calendar No.: 77

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Consumer Protection, Dept.	GF - Cost	30,765	30,765
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	11,177	11,177
Consumer Protection, Dept.	GF - Revenue Gain	See Below	See Below
Consumer Protection, Dept.	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

This bill makes various changes to the Department of Consumer Protection (DCP) statutes and results in costs and revenue gains to the department.

**Section 1** allows the DCP Commissioner to impose a civil penalty of not more than \$500 to any inspection violation concerning food, drug, or cosmetic devices licensed or registered in the state. Previously, the

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<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 36.33% of payroll in FY 19 and FY 20.

Commissioner could revoke or suspend the license or registration of the establishment. It is expected that 10 fines per year will occur. If the fines are all levied at the maximum \$500, this would generate \$5,000 in general fund revenue.

**Section 3** allows the DCP Commissioner to impose a fine of up to \$250 if a non-credential holder fails to respond to a complaint filed against them. In FY 2017 there were approximately 175 cases where this fine could have been imposed. Therefore, it is anticipated this will result in a revenue gain of less than \$50,000 annually.

**Section 7** allows two-thirds of members of a limited liability company that practices professional engineering or land surveying to be licensees and results in a potential revenue gain to DCP to the extent that this results in additional licenses.

**Section 11** requires a nonresident pharmacy to pay a filing fee for any change of name, management, officers, or directors and results in a potential revenue gain to DCP to the extent that such changes occur.

**Section 12** allows the DCP commissioner to issue citations when inquiring into any suspected violation and results in a potential revenue gain to the extent that citations are issued.

**Sections 501-507** requires cottage food operations to be licensed annually by DCP and results in a revenue gain and a cost to the state. The license fee is determined by the Commissioner of DCP but cannot be more than \$100. It's estimated that 100 licenses will be issued in the first year and up to 500 licenses once the program is in full operation. The Department would be required to inspect the premises of every cottage food operation prior to licensure and would require a part-time Consumer Protection Inspector (\$30,765 salary and \$11,177 fringe benefits) to carry out the inspections.

Senate Amendment "A" strikes the underlying bill and its associated fiscal impact and results in a potential revenue gain to DCP described in sections 1-12.

Senate Amendment "B" requires cottage food operations to be licensed annually by DCP and results in a revenue gain and cost to the state described in sections 501-507.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*