



# Senate

General Assembly

**File No. 94**

February Session, 2018

Substitute Senate Bill No. 194

*Senate, March 28, 2018*

The Committee on General Law reported through SEN. LEONE of the 27th Dist. and SEN. WITKOS of the 8th Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING DEPARTMENT OF CONSUMER PROTECTION LICENSE STREAMLINING.***

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

1 Section 1. Section 21a-190b of the general statutes is repealed and  
2 the following is substituted in lieu thereof (*Effective from passage*):

3 (a) Every charitable organization not exempted by section 21a-190d  
4 shall annually register with the department prior to conducting any  
5 solicitation or prior to having any solicitation conducted on its behalf  
6 by others. Application for registration shall be in a form prescribed by  
7 the commissioner and shall include [payment of] a nonrefundable  
8 application fee of fifty dollars. Such application shall include: (1) A  
9 registration statement, (2) an annual financial report for such  
10 organization for the preceding fiscal year that is prepared in  
11 accordance with the provisions of subsection (a) of section 21a-190c, as  
12 amended by this act, and (3) an audited financial statement as required  
13 by subsection (b) of section 21a-190c, as amended by this act. [Two

14 authorized officers] An authorized officer of the organization shall  
15 [sign the registration statement and shall] certify that the statements  
16 therein are true and correct to the best of their knowledge. A chapter,  
17 branch or affiliate in this state of a registered parent organization shall  
18 not be required to register provided the parent organization files a  
19 consolidated annual registration for itself and its chapter, branch or  
20 affiliate. Each charitable organization shall annually renew its  
21 registration not later than eleven months after the end of such  
22 organization's fiscal year.

23 (b) In the event the department determines that the application for  
24 registration does not contain the documents required in subsection (a)  
25 of this section or is not in accordance with the regulations adopted by  
26 the commissioner pursuant to this chapter, the department shall notify  
27 the charitable organization of such noncompliance not later than ten  
28 days after the department's receipt of such application for registration.  
29 [An application for registration shall be deemed to be approved if the  
30 charitable organization is not notified of noncompliance by the  
31 department not later than ten days after the department's receipt of the  
32 application for registration.] Any such charitable organization may  
33 request a hearing on its noncompliant status [not later than seven days  
34 after receipt of such noncompliance notice. Such hearing shall be held  
35 not later than seven days after the department's receipt of such request  
36 and a determination as to the organization's compliance status shall be  
37 rendered no later than three days after such hearing] in accordance  
38 with the provisions of chapter 54.

39 (c) In addition to the application fee required pursuant to subsection  
40 (a) of this section, a charitable organization shall pay a late fee of  
41 twenty-five dollars for each month, or part thereof, that such  
42 application for registration is late. The commissioner may, upon  
43 written request and for good cause shown, waive or reduce any late  
44 fee under this section.

45 (d) In the event that a charitable organization fails to register in  
46 accordance with the provisions of this section, such organization shall

47 include in its application for registration an annual financial report for  
48 each of the previous years in which such organization was required to  
49 file an application for registration or an annual financial report.

50 (e) Any charitable organization registered in accordance with this  
51 section on September 30, 2005, shall be deemed to be registered  
52 pursuant to this section until the last day of the fifth month after the  
53 close of the fiscal year in effect on September 30, 2005.

54 Sec. 2. Section 21a-190c of the general statutes is repealed and the  
55 following is substituted in lieu thereof (*Effective from passage*):

56 (a) Every charitable organization required to register pursuant to  
57 section 21a-190b, as amended by this act, shall annually file with the  
58 department, as part of such organization's application for registration,  
59 a financial report for its most recently completed fiscal year, which  
60 report shall include a financial statement and such other information  
61 as the commissioner may require and shall be certified by [two  
62 authorized officers] an authorized officer of the organization. [, one of  
63 whom shall be the chief fiscal officer of the organization.] The  
64 information contained in such report shall be available to the public.  
65 Such [officers] officer shall certify that such report is true and correct to  
66 the best of their knowledge. The commissioner shall prescribe the form  
67 of the report and may prescribe standards for its completion. The  
68 commissioner may accept, under such conditions as said commissioner  
69 may prescribe, a copy or duplicate original of financial statements,  
70 reports or returns filed by the charitable organization with the Internal  
71 Revenue Service or another state having requirements similar to the  
72 provisions of sections 21a-190a to 21a-190l, inclusive, or a statement  
73 attesting that said documents have been filed with the Internal  
74 Revenue Service or another state having requirements similar to the  
75 provisions of sections 21a-190a to 21a-190l, inclusive. The  
76 commissioner may require a charitable organization to submit to the  
77 department an updated financial report for the charitable  
78 organization's most recently completed fiscal year, which report shall  
79 include a financial statement.

80 (b) A charitable organization with gross revenue in excess of five  
81 hundred thousand dollars in the year covered by the report shall  
82 include with its financial statement an audit report of a certified public  
83 accountant. For purposes of this section, gross revenue shall not  
84 include grants or fees from government agencies or the revenue  
85 derived from funds held in trust for the benefit of the organization.  
86 The commissioner may, upon written request and for good cause  
87 shown, waive the audit report requirement under this subsection.

88 (c) Every charitable organization required to file an annual report  
89 and every charitable organization subject to the provisions of  
90 subdivision (6) of section 21a-190d shall keep true fiscal records which  
91 shall be available to the department for inspection upon request. Such  
92 organization shall retain such records for no less than three years after  
93 the end of the fiscal year to which they relate.

94 Sec. 3. Section 20-457 of the general statutes is repealed and the  
95 following is substituted in lieu thereof (*Effective from passage*):

96 (a) Each person engaged in providing association management  
97 services shall (1) exhibit his certificate of registration upon request by  
98 any interested party, (2) state in any advertisement the fact that he is  
99 registered, and (3) include his registration number in any  
100 advertisement.

101 (b) No person shall: (1) Present or attempt to present, as his own, the  
102 certificate of another, (2) knowingly give false evidence of a material  
103 nature to the commission or department for the purpose of procuring a  
104 certificate, (3) represent himself falsely as, or impersonate, a registered  
105 community association manager, (4) use or attempt to use a certificate  
106 which has expired or which has been suspended or revoked, (5) offer  
107 to provide association management services without having a current  
108 certificate of registration under sections 20-450 to 20-462, inclusive, (6)  
109 represent in any manner that his registration constitutes an  
110 endorsement of the quality of his services or of his competency by the  
111 commission or department. In addition to any other remedy provided  
112 for in sections 20-450 to 20-462, inclusive, any person who violates any

113 provision of this subsection shall be fined not more than one thousand  
114 dollars or imprisoned for not more than one year or be both fined and  
115 imprisoned. A violation of any of the provisions of sections 20-450 to  
116 20-462, inclusive, shall be deemed an unfair or deceptive trade practice  
117 under subsection (a) of section 42-110b.

118 (c) Certificates issued to community association managers shall not  
119 be transferable or assignable.

120 (d) All certificates issued under the provisions of sections 20-450 to  
121 20-462, inclusive, shall expire annually on the thirty-first day of  
122 January. A holder of a certificate of registration who seeks to renew his  
123 or her certificate shall, when filing an application for renewal of the  
124 certificate, submit documentation to the department which establishes  
125 that he or she has passed any examination and completed any  
126 educational coursework, as the case may be, required for certification  
127 under this chapter. The fee for renewal of a certificate shall be two  
128 hundred dollars.

129 [(e) A community association manager whose certificate has expired  
130 more than one month before his application for renewal is made shall  
131 have his registration restored upon payment of a fee of fifty dollars in  
132 addition to his renewal fee. Restoration of a registration shall be  
133 effective upon approval of the application for renewal by the  
134 commission.

135 (f) A certificate shall not be restored unless it is renewed not later  
136 than one year after its expiration.]

137 [(g)] (e) Failure to receive a notice of expiration or a renewal  
138 application shall not exempt a community association manager from  
139 the obligation to renew.

140 Sec. 4. Subsection (h) of section 7-169h of the 2018 supplement to the  
141 general statutes is repealed and the following is substituted in lieu  
142 thereof (*Effective from passage*):

143 [(h) (1) The department may issue a permit to sell sealed tickets to

144 any organization or group specified in subsection (c) of section 7-169  
145 which holds a bingo permit issued in accordance with the provisions  
146 of section 7-169. Such permit shall be renewed annually.

147 (2) The department may issue a permit to sell sealed tickets to any  
148 organization or group specified in subsection (c) of section 7-169 which  
149 holds a club permit or nonprofit club permit under the provisions of  
150 chapter 545. Such permit shall be renewed annually.]

151 [(3)] (h) The department may issue a permit to sell sealed tickets to  
152 any organization or group specified in section 7-172, [which holds a  
153 permit to operate a bazaar, issued in accordance with the provisions of  
154 sections 7-170 to 7-186, inclusive.]

155 [(4) The department may issue a permit to sell sealed tickets to any  
156 charitable, civic, educational, fraternal, veterans' or religious  
157 organization, volunteer fire department or grange authorizing such  
158 organization to sell sealed tickets in conjunction with any social  
159 function or event sponsored or conducted by such organization. Any  
160 such organization shall have been organized for not less than two  
161 years prior to the date of its application for such permit. Such permit  
162 shall be renewed annually.]

163 Sec. 5. Section 21a-4 of the 2018 supplement to the general statutes is  
164 repealed and the following is substituted in lieu thereof (*Effective July*  
165 *1, 2018*):

166 (a) The Commissioner of Consumer Protection may refund to any  
167 permittee the fee paid by him for any permit issued by said  
168 commissioner and returned to him prior to its use, provided  
169 application for such refund shall be made not later than sixty days  
170 after the effective date of such permit.

171 (b) The Commissioner of Consumer Protection may impose a fine of  
172 twenty dollars on any applicant for a permit or license issued by the  
173 Commissioner of Consumer Protection who issues to the  
174 commissioner a check drawn on the account of such applicant in

175 payment of a permit or license fee and whose check is returned to the  
176 Department of Consumer Protection as uncollectible. In addition, the  
177 commissioner may require the applicant to pay to the department any  
178 fees charged by a financial institution to the department as a result of  
179 such returned check.

180 (c) The Commissioner of Consumer Protection may impose a fine on  
181 any applicant who fails to renew a license, permit, certificate or  
182 registration not later than the expiration date of such license, permit,  
183 certificate or registration. The amount of the fine shall be equal to ten  
184 per cent of the renewal fee but shall not be less than ten dollars or  
185 more than one hundred dollars.

186 (d) Notwithstanding any other provision of the general statutes,  
187 each applicant whose license has lapsed for a period longer than the  
188 length of time allowing automatic reinstatement may apply for  
189 reinstatement to the appropriate board. Upon receipt of such  
190 application and payment of the fee, the department may, at its  
191 discretion, reinstate a lapsed license without examination, provided  
192 such application for reinstatement is accompanied by a notarized letter  
193 and supporting documentation attesting to the applicant's related  
194 work experience in their occupation or profession from the time he or  
195 she had let such license lapse. Such applicant, upon approval by the  
196 department, shall pay all back license and late fees in order for such  
197 license to be reinstated.

198 (e) When a license, permit, certification or registration has lapsed for  
199 a period longer than the length of time allowing automatic  
200 reinstatement, or the general statutes are silent as to the period of time  
201 during which reinstatement of the license, permit, certification or  
202 registration is permissible, an applicant may apply for reinstatement to  
203 the department. Upon receipt of such application and payment of the  
204 corresponding application fee, the department may, if application was  
205 made not later than three years after the date allowing automatic  
206 reinstatement, reinstate the lapsed license, permit, certification or  
207 registration without examination. The applicant, prior to reinstatement

208 by the department, shall pay all back license and late fees, unless the  
 209 applicant attests that he or she has not worked in the applicable  
 210 occupation or profession in this state while the license, permit,  
 211 certification or registration was lapsed, in which case the applicant  
 212 shall pay the current year's renewal fee for reinstatement. If the license,  
 213 permit, certification or registration lapse is three years or more, the  
 214 applicant shall apply for a new license, permit, certification or  
 215 registration.

216 (f) Unless expressly provided otherwise by law, application fees for  
 217 a license, permit, certification or registration within the purview of the  
 218 Department of Consumer Protection shall be nonrefundable.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	21a-190b
Sec. 2	<i>from passage</i>	21a-190c
Sec. 3	<i>from passage</i>	20-457
Sec. 4	<i>from passage</i>	7-169h(h)
Sec. 5	<i>July 1, 2018</i>	21a-4

**GL**      *Joint Favorable Subst.*



The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do 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.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Consumer Protection, Dept.	GF - Potential Revenue Loss	Under 1,000	Under 1,000

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

This bill changes the fee for lapsed Community Association Manager Registrations from \$50 to \$20 and results in a potential revenue loss of under \$1,000. In FY 17, there were 14 people who paid the \$50 fee which would have resulted in a revenue loss of \$420 if the fee was \$20.

**The Out Years**

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

**OLR Bill Analysis****sSB 194*****AN ACT CONCERNING DEPARTMENT OF CONSUMER PROTECTION LICENSE STREAMLINING.*****SUMMARY**

This bill makes various changes in Department of Consumer Protection (DCP) licenses, permits, certifications, and registrations. It makes all application fees for DCP credentials nonrefundable unless the law expressly makes it refundable.

The bill also:

1. makes various changes to how a charitable organization must apply for a registration and appeal decisions on noncompliance;
2. allows these organizations to attest that certain financial documents have been filed with the IRS or another state, rather than submit them to DCP;
3. modifies the late fee and lapsed certificate reinstatement timeframe for community association manager certificates, making them uniform with other DCP credentials without specific amounts or timeframes; and
4. allows qualified organizations to sell sealed tickets without holding other charitable gaming permits, certain alcohol permits, or certain social events.

**EFFECTIVE DATE:** Upon passage, except the provision making all applications fees for DCP credentials nonrefundable is effective July 1, 2018.

**CHARITABLE ORGANIZATIONS**

**Authorized Officers**

The bill (1) reduces, from two to one, the number of authorized officers a charitable organization needs to certify the information in the initial and renewal applications and (2) eliminates the requirement that one of the officers be the organization's chief financial officer. The bill also eliminates the specific requirement that the registration statement be signed. As under current law, the officer must still certify the statement is true.

**Application Approval and Appeal**

By law, if DCP determines that an organization's application does not contain the required documents or comply with the implementing regulations, it must notify the organization of its noncompliance within 10 days of receiving the application. The bill eliminates a provision that deems an organization's registration approved if DCP does not provide notice within this timeframe.

The bill also changes the procedures for an organization to request a hearing on noncompliance by requiring hearings to be conducted in accordance with the Uniform Administrative Procedure Act. Current law requires (1) the organization to request a hearing within seven days after receiving the noncompliance notice and (2) DCP to hold a hearing within seven days after receiving the organization's request and provide a determination within three days after the hearing.

**Annual Financial Reports**

The bill allows the commissioner to (1) accept a statement attesting that the organization's financial statements, reports, or returns have been filed with the Internal Revenue Service or another state, instead of providing the actual documents and (2) require an organization to submit an updated financial report for the most recently completed fiscal year, including a financial statement.

**COMMUNITY ASSOCIATION MANAGER CERTIFICATE OF REGISTRATION****Late Fees**

The bill lowers the late fee from \$50 to \$20, by eliminating the current \$50 late fee and instead requiring association managers to pay 10% of the renewal fee, as is the case for other DCP credentials without a specific late fee (CGS § 21a-4(c)). By law, the renewal fee for association managers is \$200.

The bill also eliminates the one month grace period that allowed an association manager to renew his or her registration without paying the late fee.

***Lapsed Certificate Reinstatement***

The bill extends, from one to three years after expiration, the deadline by which an association manager must apply to DCP to reinstate his or her certificate. The bill does this by eliminating the one year limit specific to association managers and instead imposes the general limit of three years for credentials without specific limits (CGS § 21a-4(e)).

**SEALED TICKETS**

The bill allows DCP to issue a permit to sell sealed tickets to any organization or group that qualifies for a bazaar or raffle permit. It does so by eliminating requirements that, in order to be issued a permit, an organization or group must:

1. hold a bingo permit;
2. hold an alcoholic liquor club or nonprofit club permit; and
3. sponsor or conduct a social function and be organized.

Under the bill, DCP may issue a permit to sell sealed tickets to the following organizations or groups, which qualify for a bazaar or raffle permits under current law: veterans'; religious; civic; fraternal; educational and charitable organizations; volunteer fire companies; political parties and their town committees; and sponsoring municipalities acting through a designated centennial, bicentennial, or other centennial celebration committee.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/15/2018)