OLR Bill Analysis

HB 5703

AN ACT CONCERNING ACCEPTABLE FORMS OF CURRENCY AS PAYMENT IN LOCAL BUSINESSES.

SUMMARY

With exceptions, this bill prohibits retailers from (1) refusing cash as a form of payment, (2) posting signs stating that cash is not accepted, or (3) charging a higher price to customers who pay with cash. Taking any of these prohibited actions is a violation of the Connecticut Unfair Trade Practices Act (see BACKGROUND).

The bill’s prohibitions apply to retailers selling goods or services in person, except for transactions:

1. at parking lots and parking garages;

2. at wholesale clubs that sell consumer goods and services through a membership model;

3. at retail stores selling consumer goods exclusively through a membership model that requires payment through an affiliated mobile device application;

4. for consumer goods rentals, services, or accommodations that typically require posting collateral; and

5. for consumer goods or services provided exclusively to employees and others authorized to be on the employer’s premises.

The bill also explicitly exempts transactions conducted by telephone, mail, or the internet.

Under the bill, the Department of Consumer Protection (DCP) commissioner may adopt regulations to implement the bill’s
provisions.

EFFECTIVE DATE: October 1, 2019

BACKGROUND

Connecticut Unfair Trade Practices Act

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the DCP commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than $10,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney’s fees; and impose civil penalties of up to $5,000 for willful violations and $25,000 for a violation of a restraining order.

COMMITTEE ACTION

General Law Committee

Joint Favorable
Yea 15  Nay 1  (03/21/2019)