

# General Law Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-693  
AN ACT CONCERNING CHANGES TO CONSUMER PROTECTION

**Title:** STATUTES.

**Vote Date:** 3/23/2021

**Vote Action:** Joint Favorable Substitute

**PH Date:** 2/18/2021

**File No.:** 355

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## **SPONSORS OF BILL:**

General Law Committee

## **REASONS FOR BILL:**

This bill will add additional protections to DCP regulations regarding health club memberships and automobile lemon laws. It changes the health club requirements to allowing members to cancel memberships by email and not certified mail or registered mail. In addition, the automatic renewal notice must be given to members 45 to 60 days prior to the renewal date. Regarding the automobile lemon law, it will require that manufacturers that buy back a vehicle stamp the title with Manufacturer buyback-lemon instead of Manufacturer buyback as it currently can do. The DCP also can impose a fine of \$10,000 for manufacturers who do not stamp the title appropriately within 10 days of receipt. In addition to the \$10,000 fine, DCP can fine \$1,000 per day until the manufacturer conforms to the date imposed by an arbitrator. Manufacturers will have the ability to appeal the fines under the Uniform Administrative Procedure Act.

Potential buyers must be notified if the seller has filed a Lemon Law application even if it is pending. Lemon Law fees will be paid to the DCP by March 31. Both changes to the DCP regulations will further protect the consumer.

## **SUBSTITUTE LANGUAGE**

Section 2 deletes the 45 to 60-day requirement and instead allows health clubs print the automatic renewal on the first page of the renewal on the contract.

Lemon-Law provisions lines 221, 232 changed the time that manufacturers can stamp the title from 10 days to within 30 days.

Section 3 and 4 added the ability for aggrieved manufacturers to ask for a hearing.

Section 3 allows DCP to adopt the necessary regulations implemented in this section.

**RESPONSE FROM ADMINISTRATION/AGENCY:**

**Michelle Seagull, Commissioner, Connecticut Department of Consumer Protection**

Commissioner Seagull supports this bill. This bill would revise various sections of CGS Chapters 420 and 743b, which address regulation of health clubs and new auto warranties to further protect consumers. It also makes statutory changes to better ensure that automobile dealers comply with the New Automobile Surcharge.

**NATURE AND SOURCES OF SUPPORT:**

**Connecticut Automotive Retailers Association**

CARA new car dealers are an important part of the administration of CT lemon law program. The DCP funds the administration of the lemon law program with a state fee that dealers collect at the time of the sale. We would like to offer support for Sec. 5 of the bill which requires the lemon law fee be submitted to the DCP in a lump sum by March 31<sup>st</sup> each year. This gives uniformity and guidance to the dealers responsible for collecting the fee.

**NATURE AND SOURCES OF OPPOSITION:**

**David Humphrey, ECP, PF Holdings Group, Inc.**

Mr. Humphrey gives partial support for this bill. He can support Section 1 of the bill; but cannot support Section 2. Section 2 appears to be intended to offer health club members safeguards against being taken advantage of as it relates to automatic renewals, the changes in Sec. 2 are unnecessary and overburdensome to the health club, given current statute already provides robust protection in favor of its members.

**Jeff Perkins, Associate Vice President of Government Relations, International Health, Racquet & Sportsclub Association**

Mr. Perkins is in opposition to this bill. The notification requirements imposed in SB693 would pose an administrative and financial challenge to health clubs in processing numerous renewals. Many smaller health clubs do not have the technology infrastructure to help meet the requirement. Mr. Perkins requests that SB693 be amended to remove the notification requirements for health clubs.

**Wayne Weikel, Senior Director, Alliance for Automotive Innovation**

Mr. Wiekel is in opposition to this bill. Lemon Laws are consumer protections statutes that provide safeguards above the automobiles warranty. The amount of time that the DCP can impose the fines is 10 days from receipt, one of our concerns is that delays in complying is not within the automakers control. Staff from the DCP have been gracious enough with their time to allow us to discuss some of our issues.

**Reported by: Bonnie Gray, Asst. Clerk**

**Date: 3/30/21**

