

# General Law Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-5314

**Title:** AN ACT CONCERNING CONSUMER AGREEMENTS AND CONSUMER BILLS.

**Vote Date:** 3/7/2023

**Vote Action:** Joint Favorable

**PH Date:** 2/7/2023

**File No.:** 152

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## **SPONSORS OF BILL:**

Rep. Carney, 23<sup>rd</sup> Dist., General Law

## **REASONS FOR BILL:**

This bill seeks to clarify the definition of contract services and processes of subscriptions and promotions, as well as their cancellation. It defines a consumer agreement, as well as any continuous service provision in such agreement, stating that the subscription services will continue until the consumer chooses to end the subscription. There is no automatic renewal allowed unless there is posted a toll-free number, an email address or actual address provided by the business, and should the agreement include an automatic renewal provision, the business must inform the consumer of this and will renew the subscription, giving the consumer directions how to cancel said subscription services and providing full services until cancellation. Should a free trial be offered, the business must provide the consumer with the post-free trial cost of a subscription, the duration and agreement must be in larger text or a different color for the consumer and must be understood by the buyer. Any business entering into such an agreement must have the consumer's consent before charging for such services and allow the termination of such agreement on-line, providing a link to the consumer. If the contact information for the consumer is not provided or found lacking, they are unable to terminate either automatic renewal or continuous services off-line.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

No response given

## **NATURE AND SOURCES OF SUPPORT:**

None expressed

## **NATURE AND SOURCES OF OPPOSITION:**

### **Christopher Gilrein, Executive Director, Northeast TechNet**

**Opposes.** This organization requests the committee look at models of other states regarding this subject matter, rather than putting together a myriad of state statutes legislating the service provider/consumer contract agreements.

### **Lisa McCabe, CTIA**

**Opposes.** There is concern that, regarding wireless services, the consumer would be left with no ability to communicate, and the wireless providers believe they should be able to talk directly to the consumer regarding cancelation of services. The legislation is specific to Connecticut, opening the possibility that there may be varying degrees of similar legislation across the country, creating a confusing situation for consumers. CTIA has a consumer code, used in all fifty states. This has been informative for customers who are seeking a wireless plan. The Code allows wireless providers the ability to deal with market changes and the consumer. AT&T and Verizon have strict industry principles. They cover the points in this bill, and CTIA feels that additional oversight is non-productive and will adversely affect wireless customers in Connecticut.

**Reported by: Kathleen Zabel**

**Date: March 22, 2023**