
OLR Bill Analysis

sSB 3 (File 182, as amended by Senate "A" and "B")*

AN ACT CONCERNING CONSUMER PROTECTION.

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Requires certain electronic or appliance manufacturers to make available, on fair and reasonable terms, products' repair manuals, functional parts, and tools; deems a violation of this requirement a CUTPA violation

§ 6 — MUNICIPAL INTERNET WEBSITES

Requires all municipalities, by July 1, 2026, to maintain a .gov internet domain and redirects other domains they use to that website or stop using them

BACKGROUND

SUMMARY

This bill makes various separate changes related to consumer protections, including on internet access, consumer fees, cameras and microphones in connected devices (e.g., cell phones), the right-to-repair, and municipal domain names. It also generally prohibits, after a set date, state agencies and municipalities from buying or using drones manufactured by certain foreign entities.

*Senate Amendment “A” (1) replaces the declaration of public policy concerning digital equity and broadband internet access with a study by the consumer counsel; (2) modifies the net equality program provisions; (3) differentiates the public entities under the drone provision and sets differing prohibition dates for them; (4) requires certain disclosures about a connected device’s camera or microphone, rather than its voice recognition feature; (5) adds the provision on municipal internet websites; and (6) makes various minor, technical, and conforming changes.

*Senate Amendment “B” replaces Senate Amendment “A” and primarily (1) amends the authorized topics of the consumer counsel study; (2) eliminates the provisions on the net equality program and net neutrality; (3) prohibits businesses that offer to sell, lease, or provide any good or service from advertising them to any person at a price that excludes any fees, charges, or costs that the person is required to pay to receive them (excluding taxes); (4) modifies the drone prohibition waiver reporting; (5) eliminates the streaming service cancellation provision from the underlying bill; (6) delays various effective dates; and (7) makes various minor, technical, and conforming changes.

EFFECTIVE DATE: Various; see below.

§ 1 — BROADBAND INTERNET ACCESS STUDY

Requires the consumer counsel to study the merits, feasibility, and available means of ensuring all state residents have access to broadband Internet access service and report to the General Law and Energy and Technology committees by January 30, 2025

This bill requires the consumer counsel to study the merits, feasibility, and available means of:

1. ensuring all state residents have access to broadband Internet

- access service,
2. ensuring all state residents are protected against digital discrimination and other unfair practices,
 3. securing public safety through appropriate outage reporting and restoration protocols,
 4. securing public safety by ensuring that consumers have reliable access to emergency response services and emergency alert systems in the event of emergencies or catastrophic disasters, and
 5. ensuring adequate enforcement of applicable consumer protection laws.

The bill requires the study to recommend any legislation needed to ensure that state laws are consistent with federal laws.

The bill requires the consumer counsel to report the study results to the General Law and Energy and Technology committees by January 30, 2025.

(The consumer counsel heads the Office of the Consumer Counsel, which advocates for consumer interests in matters that may affect Connecticut consumers with utility companies, electric suppliers, and certified telecommunications providers.)

EFFECTIVE DATE: Upon passage

§ 2 — TOTAL PRICE DISCLOSURE

Requires businesses advertising, displaying, or offering any consumer good or service to persons in the state to include all fees, charges, and costs, other than taxes, in the total price; prohibits deceptive fees

Total Price Disclosure Required

The bill prohibits businesses that offer to sell, lease, or provide any goods or services to any persons (e.g., individuals and entities) from advertising, displaying, or offering them for a price that does not include all fees, charges, or costs, excluding applicable taxes. It also prohibits businesses from requiring persons to pay a fee, charge, or cost

that is (1) not displayed to them before they select the good or service for purchase, lease, or receipt and (2) intentionally obscured, unclear, or misrepresented by the business to mislead the person.

Exceptions

However, the bill does not prohibit a business from omitting an applicable federal, state, or local tax, or mandatory fee imposed by governmental or quasi-governmental entities from the advertised or displayed price for a good or service as long as it is disclosed to the person before they purchase, lease, or receive the good or service.

The bill does not prohibit a business from imposing a mandatory gratuity or omitting it from any advertised or displayed price for a good or service, as long as it and the way it is calculated is disclosed to the person before they select the good or service for purchase, lease, or receipt.

Additionally, the bill does not prohibit businesses from imposing or omitting fees, charges, or other costs on the advertised, displayed, or offered price of goods or services if the additional cost:

1. depends on a person's selection;
2. cannot feasibly be calculated in full when the price is first advertised or displayed, including, costs for shipping or delivery or that vary according to the quantity or number of goods purchased, leased, or received;
3. is charged to the person to confirm their identity or payment information (up to \$1) and is immediately refunded;
4. is disclosed when the good or service is advertised or displayed to the person; and
5. is disclosed to the person before they purchase the good or service.

Lastly, these provisions do not apply to the following:

1. any transaction that is subject to the Connecticut Unfair Insurance Practices Act;
2. transactions or actions permitted under law as administered by a regulatory board or officer acting under statutory authority;
3. acts done by the publisher, owner, agent, or employee of a newspaper, periodical, radio, or television station that publish or disseminate an advertisement that did not have knowledge of incorrect information in the advertisement, as long as they do not have a direct financial interest in the product or service being sold; and
4. any transaction unless it involves a person residing in Connecticut or the offer, sale, rent, lease, or distribution of a good or service is in Connecticut.

Penalty

Under the bill, a violation of the total price disclosure requirement is an unfair or deceptive trade practice under the Connecticut Unfair Trade Practices Act (CUTPA; see BACKGROUND).

EFFECTIVE DATE: July 1, 2025

§ 3 — DRONES FROM CERTAIN FOREIGN ENTITIES PROHIBITED

Generally prohibits, beginning on varying dates, state agencies, municipalities, and entities who contract with either from purchasing or using a drone assembled or manufactured by a covered foreign entity (e.g., China or Russia); allows agencies and municipalities to waive the prohibition for certain reasons (e.g., exigent circumstances), between July 1, 2024, and December 31, 2034, if they meet certain reporting requirements after using a prohibited drone

The bill generally prohibits, beginning on varying dates shown in the table below, the Department of Emergency Services and Public Protection (DESPP) and state agencies with department heads, municipalities, and persons who contract with either, from purchasing and then operating a small unmanned aircraft system (i.e., drone) assembled or manufactured by a covered foreign entity.

It specifies this prohibition does not impair any contract entered into before these dates. The bill also prohibits state funds, including contract,

cooperative agreement, or grant funding, from being used to purchase or operate these drones after the dates that apply to state entities.

Table: Effective Dates of Prohibitions

<i>Covered Entity</i>	<i>Prohibited Action</i>	<i>Effective Date</i>
DESPP	Purchase	October 1, 2024
	Operate	October 1, 2026
State agencies, municipalities, and persons who contract with them	Purchase	October 1, 2025
	Operate	October 1, 2027

Covered Foreign Entities, Persons, and Drones

Under the bill, a “covered foreign entity” means:

1. any person on the federal Consolidated Screening List or Entity List (15 C.F.R. Part 744, Supp. 4);
2. the People’s Republic of China, the Russian Federation, and any of their governmental subdivisions, agencies, or instrumentalities;
3. any person domiciled in, or under the control or influence of, these countries; and
4. any affiliate or subsidiary of any foreign government or person described above.

A “person” means any individual, association, corporation, limited liability company, partnership, trust, government, governmental subdivision, agency, instrumentality, or other legal entity.

A “small unmanned aircraft system” (drone) means any unmanned, powered aircraft weighing less than 55 pounds, including anything attached to or carried by it, that is operated without the possibility of direct human intervention from within or on the aircraft. It also includes all (1) elements associated with the aircraft, (2) elements required for the operator to operate the aircraft safely and efficiently in the national airspace system, and (3) communication links and components that

control the aircraft.

Waiver

Between July 1, 2024, and December 31, 2034, the bill allows state agency heads, including the DESPP commissioner, and municipalities' chief law enforcement officers or fire department chiefs to waive the prohibitions. Each may do so if he or she determines the waiver is needed (1) because of exigent circumstances (i.e., significantly changed circumstances that were unforeseeable and pose an imminent threat to public health or safety); (2) to counter another drone; or (3) for a criminal investigation.

If a state agency or municipality uses a prohibited drone during this period, the person granting the waiver must provide a written statement within seven days disclosing the (1) reason the waiver was needed and (2) facts supporting the determination. The DESPP commissioner must certify his written statement while the state or municipal person making the waiver must submit the statement to the DESPP commissioner, on a form and in a way he prescribes.

The bill requires DESPP to maintain each written statement the commissioner creates and those submitted to the department. The commissioner must, upon request, disclose a copy of the written statement to any General Assembly member. The statement is also subject to disclosure under the Freedom of Information Act.

EFFECTIVE DATE: July 1, 2024

§ 4 — CONNECTED DEVICE'S DISCLOSURES, STATEMENT, AND PROHIBITIONS

Requires (1) providers (e.g., cellular phone manufacturers) to prominently display and disclose certain information about the device's camera or microphone before activating the device and (2) anyone who records and transmits any personally identifying information collected through a device's camera or microphone to use reasonable security measures; deems certain violations to be CUTPA violations

The bill establishes requirements for certain entities that provide, or collect information from, an Internet-connected device's camera or microphone (e.g., a cellular telephone, computer, home appliance, motor vehicle, tablet, television, toy, or video game console). It specifies

information they must disclose to consumers and measures they must take to protect personally identifiable information. It also prohibits, among other things, requiring providers to build features that allow law enforcement to monitor communications through the camera or microphone.

The bill makes certain violations of its requirements or prohibitions CUTPA violations.

Required Disclaimer and Statement

The bill requires providers to prominently display a (1) disclaimer when the initial consumer or someone on their behalf first sets up the device and (2) statement with certain disclosures. It also requires providers to give the initial consumer or the designated person, when first installing or setting up the connected device, the ability to decline to activate the camera or microphone.

A “provider” is (1) a manufacturer of Internet-connected devices and (2) any person who contracts with a manufacturer and receives access to certain items in any internet-connected device the manufacturer manufactures. Specifically, these items are any camera or microphone or image, video, spoken word, or other sound collected, recorded, stored, analyzed, interpreted, or transmitted by the camera or microphone.

The disclaimer must state the following: “This device transmits audio and/or video back to the manufacturer and/or a third party and may be recorded.”

The statement must disclose the following:

1. that the device includes a camera or microphone that will be enabled or turned on and might record the initial consumer;
2. that the device’ manufacturer or another provider might retain the initial consumer’s recordings;
3. which command or action activates or enables the camera or

microphone;

4. the categories of images, videos, or sounds that (a) the camera or microphone will look for, listen for, or record or (b) might be disclosed to any person other than the initial consumer;
5. the categories of individuals and entities to whom disclosures may be allowed; and
6. that the initial consumer must not be discriminated against if he or she declines to activate a camera or unless (a) the device is provided to the consumer as a condition of employment or (b) declining to activate the camera or microphone would make the device useless.

Personally Identifying Information

The bill requires providers to use and maintain reasonable security measures to protect any personally identifying information collected through an Internet-connected device's camera or microphone from any unauthorized access, acquisition, destruction, disclosure, modification, or use.

Under the bill, "personally identifying information" is an individual's birthday, mother's maiden name, driver's license number, Social Security number, health insurance identification number, financial account number, security code or personal identification number, or government-issued identification number that is not otherwise made directly available to the public.

Existing law similarly requires anyone who possesses another person's personal information to safeguard it from misuse by third parties. Willful violators may be subject to civil penalties of \$500 for each violation, up to \$500,000 for any single event (CGS § 42-471).

Prohibitions and Limitations

The bill prohibits providers from:

1. using or selling any recordings collected through a connected

device's camera or microphone for targeted advertising (i.e., displaying specific advertisements to a consumer based on obtained personal data or inferred based on consumer activities); and

2. being required to build specific features to allow a law enforcement agency or officer to monitor communications through a connected device's camera or microphone.

The bill also specifies that it does not:

1. impose any liability on a provider for any application functions that an initial consumer (a) downloads and installs or (b) chooses to use on a network of remote servers hosted on the Internet to store, manage, and process data;
2. authorize disclosure of any recording retained by a provider to another person, including a law enforcement agency or officer, unless another law or a court order authorizes it; or
3. modify, limit, or supersede any other privacy or security law.

CUTPA

The bill makes a violation of the provisions on providing a disclosure and statement, implementing and maintaining reasonable security measures, and prohibiting the use or sales of recordings, a CUTPA violation (see BACKGROUND).

EFFECTIVE DATE: July 1, 2025

§ 5 — RIGHT-TO-REPAIR

Requires certain electronic or appliance manufacturers to make available, on fair and reasonable terms, products' repair manuals, functional parts, and tools; deems a violation of this requirement a CUTPA violation

The bill requires electronic or appliance product manufacturers to make available certain resources needed to diagnose, maintain, or repair their products. Under it, manufacturers must make these resources available on fair and reasonable terms (see below) to the product's owners, service and repair facilities, and service dealers (i.e., anyone,

other than an authorized repair provider or manufacturer, in the business of installing, maintaining, repairing, or servicing any electronic or appliance product for pay).

The bill's requirements apply to certain electronic or appliance products that are first manufactured, sold, or used in Connecticut on or after July 1, 2025 ("products"). For these products, the manufacturer must make the following resources available if it makes them available to an "authorized repair provider" (see below):

1. documentation (e.g., product diagrams, manuals, reporting outputs, schematics, service code descriptions, or similar information);
2. functional parts (e.g., new or used replacement components); and
3. tools (e.g., hardware, software, or other apparatus to calibrate or repair a product, including updates).

The bill requires each manufacturer to make these resources available for different lengths of time, depending on the product's wholesale price to a retailer (or in any sale other than a direct sale). They must provide these resources as follows:

1. for at least three years after the last date it manufactured the product's model or type if the product's wholesale price is between \$50 and \$99.99 and
2. for at least five years afterward if the product's wholesale price is at least \$100.

The bill specifies that (1) the wholesale price described above must not exceed the manufacturer's suggested retail price for the product and (2) these time periods apply even if they exceed the product's warranty periods.

Under the bill, an "authorized repair provider" means a person (i.e., individual or entity) who is unaffiliated with a manufacturer and has an arrangement under which the:

1. manufacturer grants the person a license to use a trade name, service mark, or other proprietary identifier to offer diagnostic, maintenance, or repair services for products under the manufacturer's name or
2. person offers diagnostic, maintenance, or repair services for products on the manufacturer's behalf.

An authorized repair provider includes a manufacturer for its own electronic or appliance products, if the manufacturer (1) offers diagnostic, maintenance, or repair services for the product and (2) does not have an arrangement with an unaffiliated person to provide these services.

A "product" includes any antenna, electronic set, major home appliance (e.g., dishwasher, microwave, or air conditioner), or rotator that is sold through any method other than a direct retail sale. It does not include any alarm system; motor vehicle or any component used to maintain, manufacture, or repair it; or video game console.

An "electronic set" includes any audio or video recorder or playback equipment, computer system, fax machine, photocopier, radio, television, video camera, or video monitor that is normally used or sold for personal, family, household, or home office use. A "rotator" includes an electromechanical device, used in an antenna installation or repair, that is operated from a remote location to rotate an antenna on a horizontal plane.

Fair and Reasonable Terms

Under the bill, the product manufacturer must make the required resources available on fair and reasonable terms, meaning at costs and on terms that are equal to the most favorable costs and terms it offers to authorized repair providers, accounting for any incentives or preferences (e.g., discounts, rebates, convenient and timely means of delivery, means of enabling fully restored and updated functionality, or rights of use) it offers the provider.

Additionally, the manufacturer must provide for free (1)

documentation, including any relevant updates, and (2) tools, without imposing any barriers to accessing or using them in an efficient and cost-effective way. The manufacturer may, however, charge for its reasonable, actual costs to prepare and send physical versions of the tools and documentation, if requested.

If a manufacturer does not use an authorized repair provider, the bill instead requires it to make these resources available at a price that reflects the actual costs it incurred to prepare and deliver the resources, excluding any research and development costs.

Disclosure by Dealers or Services That Are Not Authorized Repairers

Under the bill, service dealers or service and repair facilities that are not authorized repair providers for a manufacturer must, before repairing a product, give the customer written notice disclosing:

1. that the dealer or facility is not an authorized repair provider for the product and
2. whether the dealer or facility uses any (a) used replacement parts or (b) replacement parts provided by a supplier other than the product manufacturer.

Liability

Under the bill, a manufacturer or authorized repair provider is generally not liable for any damage or injury caused to any electronic or appliance product, person, or property due to a diagnosis, maintenance, modification, or repair an owner or service dealer performs. This includes any (1) indirect, incidental, special, or consequential damages; (2) loss of data, privacy, or profits; or (3) inability to use, or reduced functionality of, the product.

However, this does not apply to any design defect or manufacturing flaw that existed before, or independent of, any of the actions listed above.

Obligations

The bill specifies that its right-to-repair provisions do not require an electronic or appliance product manufacturer to do the following:

1. disclose any trade secret or license any intellectual property, including any copyright or patent, unless the disclosure or license is needed to comply with these provisions;
2. make available any special documentation, tools, or parts that would disable or override antitheft security measures the owner sets on any product without the owner's authorization;
3. sell any part if the manufacturer no longer (a) provides the part or (b) makes the part available to authorized repair providers; or
4. allow distribution of the source code for an electronic or appliance product.

Under existing law and the bill, a "trade secret" is information, including a formula, pattern, compilation, program, device, method, technique, process, drawing, cost data, or customer list that (1) derives actual or potential independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other individuals who can get economic value from its disclosure or use and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (CGS § 35-51).

The bill also does not require a covered manufacturer that is also an authorized repair provider to make any documentation or tools available that:

1. it exclusively uses to perform free diagnostic services for customers remotely (e.g., using the Internet, email, telephone, or a chat function), unless the manufacturer also makes them available to any unaffiliated person, or
2. are exclusively used by machines that simultaneously repair several electronic or appliance products, as long as the manufacturer makes available alternative documentation and tools that are sufficient to diagnose, maintain, or repair the

product.

The right-to-repair provisions also do not apply to a manufacturer if it gives its customers a free replacement product that is readily available and equivalent to, or better than, the replaced product. It also does not apply to any dealer, distributor, importer, or manufacturer of any equipment designed and manufactured exclusively for off-road or non-road use, including any:

1. all-terrain sports, marine, racing, or recreational vehicle;
2. construction or compact construction equipment;
3. electric vehicle charging infrastructure equipment;
4. farm or utility tractor;
5. farm implement or farm machinery;
6. forestry, industrial, mining, outdoor power, garden, turf, or yard equipment;
7. fuel cell, generator set, or portable generator;
8. integrated, stand-alone, mobile, or stationary internal combustion engine;
9. power tool; or
10. road building or utility equipment.

Penalty

The bill deems a right-to-repair violation a CUTPA violation enforceable solely by the attorney general, but specifies CUTPA's provision for a private right of action, class actions, equitable relief, and jury trials does not apply to these violations (see BACKGROUND).

EFFECTIVE DATE: July 1, 2025

§ 6 — MUNICIPAL INTERNET WEBSITES

Requires all municipalities, by July 1, 2026, to maintain a .gov internet domain and redirect other domains they use to that website or stop using them

The bill requires all municipalities, by July 1, 2026, to maintain a .gov internet domain and register it with the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency. Municipalities (i.e., cities and towns) must redirect any other domains they use to the .gov domain or stop using them. The bill's requirements apply regardless of any municipal charter, special act, or home rule ordinance requiring otherwise.

EFFECTIVE DATE: Upon passage

BACKGROUND

CUTPA

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the Department of Consumer Protection (DCP) commissioner to issue regulations defining 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 violation of a restraining order.

Related Bills

SB 15 (File 67), favorably reported by the General Law Committee, prohibits individuals and legal entities from advertising, displaying, or offering pricing for (1) event tickets and (2) consumer goods or services on food delivery platforms, lodging platforms, or primary or secondary ticket platforms unless they disclose the total price, including all mandatory fees or charges, other than taxes.

sSB 227 (File 196), favorably reported by the Planning and Development Committee, has an identical provision requiring municipalities to maintain a .gov internet domain.

SB 231 (File 138), favorably reported by the Public Safety and Security Committee, requires the emergency services and public protection commissioner to administer a grant program for law enforcement units and fire departments to purchase drones.

sHB 5203 (File 323), favorably reported by the Transportation Committee, requires auto dealers to include in a vehicle's price all charges and fees that a buyer must pay to purchase the vehicle, except dealers may exclude taxes and other government-imposed charges.

sHB 5236 (File 103), § 25, favorably reported by the General Law Committee, among other things, allows DCP to impose a civil penalty of up to \$5,000 for CUTPA violations, after an administrative hearing.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 14 Nay 8 (03/12/2024)

Judiciary Committee

Joint Favorable

Yea 24 Nay 11 (04/22/2024)