

Legislative History for Connecticut Act

PA 14-127

HB5263

House	1116-1135	20
Senate	3453, 3474, 3480-3481	4
General Law	290, 296-299, 310-311, <u>420, 423-424</u>	10
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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2014**

**VOL.57
PART 4
1027 - 1360**

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HOUSE OF REPRESENTATIVES

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DEPUTY SPEAKER SAYERS:

Have all the members voted? Have all the members voted? Please check the board to see that your vote has been properly cast.

If all the members have voted then the machine will be locked and the Clerk will take a tally.

The Clerk will announce the tally.

THE CLERK:

House Bill Number 5285.

Total number voting	140
Necessary for passage	71
Those voting Yea	140
Those voting Nay	0
Those absent and not voting	10

DEPUTY SPEAKER SAYERS:

The bill passes. Will the Clerk please call Calendar Number 109.

THE CLERK:

On Page 9, Calendar 109, Favorable Report of the Joint Standing Committee on General Law, Substitute House Bill Number 5263 AN ACT MAKING MINOR AND TECHNICAL CHANGES TO DEPARTMENT OF CONSUMER PROTECTION STATUTES.

DEPUTY SPEAKER SAYERS:

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Representative Baram, good afternoon, sir.

REP. BARAM (15th):

Good afternoon, Madam Speaker. I move for acceptance of the Joint Committee's Favorable Report and passage of the bill.

DEPUTY SPEAKER SAYERS:

The question before the Chamber is acceptance of the Joint Committee's Favorable Report and passage of the bill. Representative Baram, you have the floor, sir.

REP. BARAM (15th):

Thank you, Madam Speaker. This bill makes technical revisions to the consumer protection statutes. It removes some obsolete language from the lemon law governing a non-voting member of an arbitration panel.

It also removes the language not material from the charitable funds act, which will give the Consumer Protection Department greater discretion in assessing the public good.

And it finally corrects an error, by putting in an execution against personal property before making a claim against the New Home Guarantee Fund.

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This passed overwhelmingly. It's effective July 1, 2014. There is no fiscal note.

Madam Speaker, the Clerk has an amendment, LCO 3338. I would ask that the Clerk call the amendment and that I be granted leave of the Chamber to summarize.

DEPUTY SPEAKER SAYERS:

Will the Clerk please call LCO Number 3338, which will be designated House Amendment Schedule "A".

THE CLERK:

LCO Number 3338 designated House Amendment "A" offered by Representative Baram and Senator Doyle.

DEPUTY SPEAKER SAYERS:

The Representative seeks leave of the Chamber to summarize the Amendment. Is there any objection to summarization? Is there any objection? Hearing none, Representative Baram, you proceed with summarization.

REP. BARAM (15th):

Thank you, Madam Speaker. This Amendment removes Section 3 from the bill, which will keep existing language in place that requires that consumers receive written notice of their cancellation rights when a contract is more than six months and has an automatic renewal provision.

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I move adoption and passage of the bill.

DEPUTY SPEAKER SAYERS:

The question before the Chamber is adoption of House Amendment Schedule "A". Will you remark on the Amendment? Representative Carter of the 2nd.

REP. CARTER (2nd):

Thank you very much, Madam Speaker. A few questions, through you, to the proponent of the Amendment.

DEPUTY SPEAKER SAYERS:

Please prepare your question.

REP. CARTER (2nd):

Thank you, Madam Speaker. Through you, Madam Speaker, with this change of Section 3, I notice that it takes away a section in here where it says that if you have something for more than 31 days, automatic renewal on the contract, that they have to keep publishing a notice to the person with the bill.

Through you, Madam Speaker, if we take this section out is that in any way going to be harmful to the consumer?

Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

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REP. BARAM (15th):

Through you, Madam Speaker, no, it continues the rights of the consumers to receive written notice of their cancellation rights under the existing provisions.

DEPUTY SPEAKER SAYERS:

Representative Carter.

REP. CARTER (2nd):

Thank you very much, Madam Speaker. So just for clarification, through you, then this is continuing what current law is today?

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

This provision, again, will allow cancellation notices to go to consumers for contracts with an automatic renewal where the contract is six months or longer.

DEPUTY SPEAKER SAYERS:

Representative Carter.

REP. CARTER (2nd):

Thank you very much, Madam Speaker. It's my understanding this is an actually good thing that actually clears up some questions that were done in

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this bill and this will actually help some of our larger companies in the state while still maintaining adequate consumer protection, so I am supporting the amendment.

Thank you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative O'Neill of the 69th.

REP. O'NEILL (69th):

Thank you, Madam Speaker. If I may, just a few questions, if I could.

DEPUTY SPEAKER SAYERS:

Please prepare your questions, sir.

REP. O'NEILL (69th):

Thank you, Madam Speaker. If I could, what was the purpose of Section 3 originally? Why was it put in the bill? Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, it's my understanding the Department of Consumer Protection wanted more frequent notice for any contract that was renewed, even on a month-to-month basis and many of our larger companies, particularly cell phone companies objected

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to that because on a month-to-month basis a consumer has the right to make changes anyhow on a monthly basis because it's only 30 days.

And well before my time, we were advised that a prior Chair of General Law, along with the Attorney General's Office, came up with the existing language of 180 days as a compromise that everybody had been living with.

So our Committee felt that the existing language was sufficient to balance the rights of the companies and the consumer and so we decided to delete Section 3, which was sponsored by the Department of Consumer Protection.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker. I guess I'm a little confused because the underlying bill, the file copy had the 31-day timeframe, was that correct?

Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, that's correct. The file copy was again the bill that was being proposed by the Department of Consumer Protection, so they included that language in their proposed bill.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker. But was the file copy an error? Was it supposed to not contain Section 3?

Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

It was not an error. That was the proposal of the department, but once we realized the impact of it after talking to various interested parties and Legislators expressed their concern, we then decided to delete Section 3 and go back to the old language in the existing statute.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker. My understanding is that the file copy is what was voted on by the

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Committee, was reported as a Joint Favorable Report.

Is that correct?

Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, that's correct. At that point the Committee, I don't think, realized the impact of the proposed language.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

REP. O'NEILL (69th):

Okay, thank you, Madam Speaker. So was there a meeting or something like that of the General Law Committee to discuss this, because the impression I'm getting is that there was a subsequent decision after the JF deadline to change it.

So was there some sort of a meeting where it was decided to make this change on the floor?

Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, there were extensive discussions among colleagues of both parties along with some of the interested providers and lobbyists and it was discussed among most of the members of the Committee, but not at a formal meeting.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

REP. O'NEILL (69th):

Okay. But then it sounds like then, but there is some sort of a consensus which has evolved subsequent to the bill being reported out by the Committee. That's what I'm gathering from the comments that are being made. Is that correct? Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, that is correct. After talking to, I think almost all members of the Committee, there is absolute consensus, if not unanimity.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker. And I probably could do this on a computer, but perhaps the Chair of the Committee could enlighten me, was there testimony presented by the providers at the time of the public hearing? Did they voice their concerns about this before the bill was reported out? Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, my recollection is that this provision was identified after the meeting and it came to our attention and thus all the discussion and the change in language.

But during the Committee meetings, this provision sort of sailed by under the radar screen and was not noticed or appreciated in terms of its impact.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker. Yeah, I guess I would have to say I've seen this happen before that no one really appreciated what was going on until the public hearing had come and gone, and even the JF deadline

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had come and gone, and so I guess it's a good Amendment, since it's something that everyone now seems to agree to that's studied the issue in depth.

I guess one more question, is the department on board with this now? Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, again, my understanding is that there is consensus and the Ranking Member, Representative Carter has conveyed his support for this Amendment.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

REP. O'NEILL (69th):

Well, from the earlier conversation it was my understanding that this was actually a department bill. Is that correct? Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, that's correct.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

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REP. O'NEILL (69th):

And is the department part of the consensus, I guess is what my question is? Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, the department would probably like the existing language to remain as it is with the 31-day renewal provision, but they understand the concern.

DEPUTY SPEAKER SAYERS:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Madam Speaker, and I appreciate the efforts of the Chair of the General Law Committee to reach out to members and to interested parties and to offer this Amendment as a way to avoid doing something that would be disruptive to the interests of people in the State of Connecticut and I guess in thinking about it as we're talking about it, I'm not quite sure what the department's original purpose was, or what they were hoping to accomplish.

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So, I guess this is a worthy Amendment worth supporting. Thank you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Will you remark further? Will you remark further on the Amendment that is before us? If not, I will try your minds. All those in favor please signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER SAYERS:

Those opposed, nay? The ayes have it. The Amendment is adopted.

Will you remark further on the bill as amended? Will you remark further on the bill as amended? If not, will staff and guests please come to the Well of the House. Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker. I have just a question for the proponent, if I may.

DEPUTY SPEAKER SAYERS:

Please prepare your question.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker. I'd like to know, a number of my constituents have written to me recently

because they've had contracts from electricity providers that have expired and new rates have kicked in. They've also had contracts that automatically renewed and they didn't know that they could cancel them.

I wondered if these provisions, if these provisions applied to suppliers of electricity or any other utility?

Through you.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker. I do not believe that they do. I believe that utility companies are regulated under PURA and have their own regulations for shut-off notices and the like.

DEPUTY SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker. So I infer then that any change in those regulations have to come through, can they come through legislation or do they have to come through new regulation? Through you, Madam Speaker.

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DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, I think it can happen either way. There can be regulatory changes or statutory changes.

DEPUTY SPEAKER SAYERS:

Representative Lavielle.

REP. LAVIELLE (143rd):

Thank you, Madam Speaker. I conclude from that that at least that is not, this language here, this particular statutory change does not apply there.

I appreciate it. Thank you very much, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Carter.

REP. CARTER (2nd):

Thank you very much, Madam Speaker. A few questions through you, to the proponent of the bill, please.

DEPUTY SPEAKER SAYERS:

Please prepare your question.

REP. CARTER (2nd):

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Through you, Madam Speaker, looking at Section 1, Line 14 through 18, we have removed the ability to have an expert as a non-voting member of the arbitration panel when they're giving oral testimony.

I would like to know, through you, Madam Speaker, what the reasoning was for removing this, which seems like a protection provision?

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, it is my understanding that the panel still consults an expert, but the expert under existing law was sitting as a non-voting member of the panel, and so no longer in practice do they consider the expert is a member of the panel. They just consider him as an expert who is addressing the panel and wanted to make the language comport with the practice that's taking place.

DEPUTY SPEAKER SAYERS:

Representative Carter.

REP. CARTER (2nd):

Thank you. Through you, Madam Speaker, when this expert is, I guess this expert's retrained, excuse me, retained, is this expert paid by the state or this

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expert paid by private funds? Through you, Madam
Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Thank you, Madam Speaker. I'm not exactly sure
who pays for the expert. My guess would be it would
be the state.

DEPUTY SPEAKER SAYERS:

Representative Carter.

REP. CARTER (2nd):

Thank you, Madam Speaker. So by having the
expert not part of the oral testimony, but they're
still consulted (inaudible) does this change the
amount that we pay for this from the state, or any
fiscal note?

Through you, Madam Speaker.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

Through you, Madam Speaker, I'm not exactly sure,
but I would suspect that the state continues to pay
the expert.

DEPUTY SPEAKER SAYERS:

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Representative Carter.

REP. CARTER (2nd):

Thank you very much, Madam Speaker. I'm very supportive of this bill. I think that the technical changes make sense, and I would encourage my colleagues to vote for it as well and I'll be listening to the debate. Thank you.

DEPUTY SPEAKER SAYERS:

Thank you. Will you remark further on the bill as amended? Will you remark further on the bill as amended?

If not, will staff and guests please come to the Well of the House. Will the members take your seats and the machine will be opened.

THE CLERK:

The House of Representatives is voting by Roll.

Members to the Chamber please.

The House of Representatives is voting by Roll.

Members to the Chamber please.

DEPUTY SPEAKER SAYERS:

Have all the members voted? Have all the members voted? Members please check the board to determine if your vote has been properly cast.

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If all the members have voted, the machine will be locked and the Clerk will take a tally. The Clerk will announce the tally.

THE CLERK:

House Bill Number 5263 as amended by House "A".

Total number voting	143
Necessary for passage	72
Those voting Yea	143
Those voting Nay	0
Those absent and not voting	7

DEPUTY SPEAKER SAYERS:

The bill as amended passes. Will the Clerk please call Calendar Number 165.

THE CLERK:

On Page 38, Calendar Number 165, Favorable Report of the Joint Standing Committee on Finance, Revenue and Bonding, House Bill Number 5477 AN ACT CONCERNING A STATE-WIDE PLATFORM FOR THE DISTRIBUTION OF ELECTRONIC BOOKS.

DEPUTY SPEAKER SAYERS:

Representative Baram.

REP. BARAM (15th):

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GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
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SENATE

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May 7, 2014

SENATOR LOONEY:

Thank you, Mr. President. Moving now to Calendar Page 7, Calendar 345, House Bill 5443, move to place on the Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Mr. President. Moving to Calendar Page 9, Calendar 417, House Bill 5410, move to place on the Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Mr. President. Moving to Calendar Page 10 where there are three items. The first, Calendar 420, House Bill 5258, move to place on the Consent Calendar.

THE CHAIR:

(The President in the Chair.)

So ordered, sir.

THE CHAIR:

Oh, thank you, Madam President. Madam President, Calendar Page 10, Calendar 421, Calendar 5263 move to place on the Consent Calendar.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

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Calendar 334, House Bill 5339.

Calendar 336, House Bill 5056.

On Page 7, Calendar 345, House Bill 5443.

On Page 9, Calendar 417, House Bill 5410.

On Page 10, Calendar 420, House Bill 5258.

Calendar 421, House Bill 5263.

Calendar 424, House Bill 5439.

On Page 11, Calendar 429, House Bill 5581.

On Page 12, Calendar 445, House Bill 5418.

Calendar 438, House Bill 5336.

On Page 13, Calendar 453, House Bill 5133.

Calendar 446, House Bill 5150.

Calendar 452, House Bill 5531.

On Page 14, Calendar 457, House Bill 5516.

Calendar 455, House Bill 5325.

Calendar 456, House Bill 5440.

Calendar 459, House Bill 5321.

Calendar 461, House Bill 5140.

On Page 15, Calendar 468, House Bill 5450.

Calendar 465, House Bill 5341.

On Page 16, Calendar 474, House Bill 5337.

Calendar 469, 5538.

Calendar 473, House Bill 5328.

On Page 17, Calendar 496, House Bill 5115.

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May 7, 2014

SENATOR LOONEY:

If we might pause for just a moment to verify a couple of additional items.

Madam President, to verify an additional item, I believe it was placed on the Consent Calendar and Calendar Page 30, on Calendar Page 30, Calendar 592, Substitute for House Bill 5476.

THE CHAIR:

It is, sir.

SENATOR LOONEY:

It is on? Okay. Thank you. Thank you, Madam President. If the Clerk would now, finally, Agenda Number 4, Madam President, Agenda Number 4 one additional item ask for suspension to place up on Agenda Number 4 and that is, ask for suspension to place on the Consent Calendar an item from Agenda Number 4.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President, and that item is Substitute House Bill Number 5566 from Senate Agenda Number 4.

Thank you, Madam President. If the Clerk would now, if we might call for a vote on the Consent Calendar.

THE CHAIR:

Mr. Clerk. Will you please call for a Roll Call Vote on the Consent Calendar. The machine will be opened.

THE CLERK:

An immediate Roll Call has been ordered in the Senate.

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SENATE

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May 7, 2014

An immediate Roll Call on Consent Calendar Number 2 has been ordered in the Senate.

THE CHAIR:

If all members have voted, all members have voted, the machine will be closed. Mr. Clerk will you please call the tally.

THE CLERK:

Consent Calendar Number 2.

Total number voting	36
Necessary for adoption	19
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

The Consent Calendar passes. Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Two additional items to take up before the, our final vote on the implementer. If we might stand for just, for just a moment.

The first item to mark Go is, Calendar, to remove from the Consent Calendar, Calendar Page 22, Calendar 536, House Bill 5546. If that item might be marked Go.

And one additional item, Madam President, and that was from Calendar, or rather from Agenda Number 4, ask for suspension to take it up for purposes of marking it Go, that is House Bill, Substitute for House Bill 5417. Thank you, Madam President.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

**JOINT
STANDING
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**GENERAL
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HB 5260

COMMISSIONER WILLIAM RUBENSTEIN: Good afternoon, Senator Doyle, Representative Baram -- Baram, Senator Witkos, and members of the General Law Committee. It's really a pleasure to be here today and especially to be outside the legislative office building among -- among our constituents. It's -- it's particularly good to be here today.

Your agenda today includes seven bills that were proposed by the Department of Consumer Protection so I want to start by thanking you for raising those bills for a public hearing. I'm providing you with the opportunity to testify today.

So, let me begin. I'll run through these bills in -- in order and just (inaudible) and, hopefully, we'll be able to go from there. Let me begin with Senate Bill 205, which is AN ACT THAT REALLY IS MAKING MINOR AND TECHNICAL CORRECTIONS AND CHANGES RATHER TO THE REAL ESTATE APPRAISAL AND APPRAISAL MANAGEMENT COMPANY STATUTES.

The Department of Consumer Protection has the responsibility for licensing and -- and oversight of real estate appraisals and appraisal management companies. That -- those statutory provisions are in chapter 400g of the General Statutes. And the purpose of this bill before you is to make minor and technical changes to these statutes really solely as a result of a compliance review that was conducted by the appraisal subcommittee of the Federal Financial Institutions Examination Council.

This body is established and charged with auditing every state statutory and regulatory structure, be a federal law referred to as Title XI of the Financial Institutions Reform

This proposal would improve the investigatory ability of the Commissioner, would permit less costly investigations. It will enhance compliance efforts across the range of the Commissioner's regulatory responsibilities, all while providing a more customary and less intrusive method of response by those under investigation and without increasing the visitorial authority of -- of the Commissioner.

HB 5263 Fifth of the bill that I would like to address is AN ACT THAT MAKING MINOR AND TECHNICAL CHANGES TO DEPARTMENT OF CONSUMER PROTECTION STATUTES, and this is a number of different statutes that are involved -- involved in this bill, so I'll just kind of run through them quickly section by section.

Section 1 of the bill deals with our lemon law program. It's really a technical conformance requirement. The proposal eliminates antiquated language that states that an expert shall sit as a non-voting member of the arbitration panel. This language should be removed from the statutes because previous legislation back in 2007 amended the hearing process by, among other things, eliminating arbitration panels. So we only have a single arbitrator now and not panels.

Although the expert will not be a member of the panel under this new elimination, the statutory scheme still provides for the expert to provide input at the lemon law hearings and advise the arbitrator. We're just eliminating a -- a requirement that we cannot comply with under the existing law.

Section 2 makes a minor change within the Charitable Funds Act. Under present law the

Commissioner is given authority to accept a written assurance of compliance from a respondent when a violation of act -- of the act is alleged. That's how we settle many of these cases. However, as drafted the statute states that such written assurance may only be accepted if the violation is not material, language of the statute.

This designation does not advance the ability to quickly, efficiently, and appropriately resolve many complaints under the department's investigatory authority of charitable solicitations. By removing the term not material from the statute, DCP will have greater flexibility in resolving complaints in an appropriate manner, that is, there's a greater number of -- of violations in which we could bring the party into compliance on a voluntary basis without seeking the formal procedures of -- of consent orders or court actions.

We think that's an appropriate power that -- that will improve compliance and improve effectiveness of our enforcement efforts.

Section 3 of the act makes several minor changes within the trial offers and automatic renewal statutes. Essentially what this provision is -- is meant to do is to assure the customers who are on automatic renewal programs are given appropriate prior notice of -- of the expiration of their current contract and the automatic renewal of a new contract.

Right now there's a loop hole where if the renewal period is less than -- is -- is more than -- is -- is more than 31 days, consumers get that notice, but if it's a 30-day renewal period, then consumers don't get the notice under the statute.

We think it's fair that consumer always get the notice when an automatic renewal is -- is about to happen. Consumers should make knowing choices if they want to sit back and - and allow the automatic renewal to go into place they should, but -- but they should be notified.

Section 4 makes a one-word change within a new home improvement guarantee fund statute. In this change, it may sound familiar to the committee. It's because the identical change was made last legislative session within the home improvement guarantee fund. It's the same language this time in this fund that we changed last session.

Specifically we propose a minor change to replace the term real property with personal property when attempting to satisfy a judgment against a contractor. This change clarifies the steps a consumer must undertake in order to have access to the guarantee fund when a judgment is rendered against a new home contractor. It makes access to -- to that fund easier, but only in appropriate circumstances.

Finally, Sections 5 through 7 are offered to respond to frustration the department often hears from charitable organizations in their desire to conduct numerous fundraising events throughout the year. Under present law the number of times per year an organization may obtain a liquor permit for fundraising events is specified in statute and differs from type of organization to type of organization.

The department proposes to increase the number of permits that all charitable may -- may obtain to 12 per year. Presently six permits

may be issued to a non-commercial organizations, eight to charitable organizations, and one to non-profit corporations conducting wine -- wine auctions. We, you know, we -- we would like to offer the opportunity for all these organizations to conduct 12 of these events a year.

So the next bill I want to address, 6, it's AN ACT CONCERNING THE PHARMACY PRACTICE ACT AND COUNTERFEIT DRUGS. Now this bill makes several substantive changes to the Pharmacy Practice Act and the Pure Food and Drug Statutes, which fall under our jurisdiction.

HB 5262

First, we -- we propose to amend section 20-619 of the Pharmacy Practice Act after having discussions with our sister agency, the Department of Social Services. As currently drafted, this statute provides requirements for filling prescriptions by pharmacies, but it has essentially put into place two systems within the pharmacy; one for filling prescriptions based on reimbursement criteria under DSS programs, such as Medicaid and ConnPACE, and second for all others.

While separate statutory requirements may certainly make sense for DSS reimbursement issues, both agencies agree that this is more appropriate to place those requirements within the DSS statutory authority. The bill, therefore, removes the DSS specific requirements from DCP's Pharmacy Practice Act, while companion DSS agency bill has been submitted to the Legislature to provide statutory authority in its appropriate chapters.

This statutory change reflects our belief that the practice of pharmacy protocols should be uniformly applied regardless of whether a

not confiscating the product. You're taking it off the shelf until we can clear up to give somebody the opportunity to demonstrate that it's not a counterfeit good.

But -- but to the extent that -- that we have evidence that it's, you know, counterfeit, you know, we -- we shouldn't allow the folks to sell out their stock while we're figuring that out.

SENATOR WITKOS: When we -- when we have it taken off the shelf, do we take possession of that or does it stay in possession of the owner and it's held until a determination is made?

COMMISSIONER WILLIAM RUBENSTEIN: It generally stays in the possession of the owner. We -- we issue a -- an off-shelf order. We tag it, and then it's embargoed by the -- by the owner.

SENATOR WITKOS: So it's going to impact the knock-off market for the ladies' Coach bags in the state I think soon as that goes forward.

On the technical changes, 5263, for the automatic renewals. If we remove all the language for the renewals, is it an open-ended where -- I just want to -- I'm pretty sure it doesn't, but I want to make sure that people can cancel any time. There should be a finite period you have until X amount of days after and then, you know, you're in it for a year.

Because a lot of -- we've heard before this committee that businesses operate on contracts and when they're going for financing to enhance their business practices, they look at -- their -- their financial institutions will look at contracts whether it's just been renewed so they know that they have that for

another customer for X amount of period of time.

Would this remove that ability for these businesses to say and show this as an asset of their company?

COMMISSIONER WILLIAM RUBENSTEIN: No. What -- what it does is it requires a notice in advance of the ending of the prior contract, to give the consumer notice that they have a decision to make if they want to make that decision. But it -- it doesn't allow them to -- if -- if they allow the renewal to go through after having knowledge does allow them to get out of the contract in the next period.

So -- so what we're trying to capture is -- are -- are folks who -- who roll the -- the renewal over on a -- on a 30-day period instead of a 31 or six-month period. So if people are -- are trying to demonstrate look, we have a customer locked in for a year and the renewal period is from year to year, this -- this bill doesn't affect that at all actually.

SENATOR WITKOS: Okay.

And my last set of questions have to do with the home heating fuel delivery. I'm assuming when you get a lot of complaints from -- from folks that might move up the pecking order of maybe an investigation being done on a certain locations or facilities.

And if folks are calling up to complain about how they were charged an additional fee because they ordered 100 gallons of oil, would there be any type of an operation by the Department of Consumer Protection to maybe make a couple phone calls themselves to see

HB 5260

Department of Consumer Protection



Testimony of William M. Rubenstein
Commissioner of Consumer Protection

HB 5258 HB 5261
SB 206 HB 5263
HB 5262 HB 5260

General Law Committee Public Hearing
February 25, 2014

Senator Doyle, Representative Baram, Senator Witkos, Representative Carter and distinguished members of the General Law Committee, I am William Rubenstein, Commissioner of Consumer Protection. Your agenda today includes seven bills that were introduced by my Department, so let me begin by thanking you for agreeing to raise these bills for the consideration of the committee and for providing me with the opportunity to testify in support of these important proposals.

S B No. 205 (RAISED) AN ACT MAKING MINOR AND TECHNICAL CHANGES TO REAL ESTATE APPRAISER AND APPRAISAL MANAGEMENT COMPANY STATUTORY DEFINITIONS.

The Department of Consumer Protection has responsibility for licensing and oversight of Real Estate Appraisers and Appraisal Management Companies with statutory authority provided in chapter 400g. The purpose of this bill before you is to make minor and technical changes to these statutes solely as a result of a compliance review conducted by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. This body is established and charged with auditing every state's statutory and regulatory structure, via a federal law referred to as Title XI of the "Financial Institutions Reform, Recovery and Enforcement Act of 1989." Following an audit of Connecticut's statutes in these areas, the Appraisal Subcommittee provided a detailed compliance review report to the Department. While the audit stated that Connecticut is "substantially" in compliance with federal requirements, it recommended that our statutes be

Clearly, that process is inefficient to the Department, as well as to the establishment that is the subject of such investigation. Permitting the Commissioner throughout his jurisdictional authority to conduct such inquires by compelling production of documents, rather than through the proscribed method of "entering the establishment to inspect records" will allow for more productive and less costly investigations and is consistent with contemporary investigatory procedures.

This proposal would improve the investigatory ability of the Commissioner, permit less costly investigations and enhance compliance efforts across the range of the Commissioner's regulatory responsibilities, all while providing a more customary and less intrusive method of response by those under investigation.

H.B. No. 5263 (RAISED) AN ACT MAKING MINOR AND TECHNICAL CHANGES TO DEPARTMENT OF CONSUMER PROTECTION STATUTES

This bill makes a number of minor and technical changes to Department of Consumer Protection statutes. Section 1 of the bill makes a technical and conforming change in the New Automobile Warranties statute, commonly known as the "lemon law" program. The proposal eliminates antiquated language stating that "an expert shall sit as a nonvoting member of the arbitration panel." This language should be removed from the statute as previous legislation (Public Act 07-212) amended the hearing process by, among other things, eliminating the arbitration panel. Although the expert will not be a member of the arbitration panel, the statutory scheme still provides for the expert to provide input at the lemon law hearing.

Section 2 makes a minor change within the Charitable Funds Act. Under present law, the Commissioner is given authority to accept a written assurance of compliance from a respondent when a violation of the act is alleged, however, as drafted the statute states that such a written assurance may only be accepted if the violation is "not material." This designation does not advance the ability to quickly, efficiently and appropriately resolve many complaints under the Department's investigatory authority. By removing the term "not material" from the statute, DCP will have greater flexibility in resolving complaints in an appropriate manner.

Section 3 makes several minor changes within the "trial offers and automatic renewals" statutes in an effort to provide improved consumer protections from unwanted "renewals" of certain services. Under present law, a business that sells consumer products or services pursuant to a written contract that contains a provision for automatic renewal of the contract, must provide the consumer a written notice that the recipient may cancel the contract---but only when the renewal is for a period of time of "more than thirty one days." This 31 day period allows businesses to escape the mandatory consumer notice if the renewal period is 30 days or less. Consequently, many consumers do not receive notice, and nevertheless are surprised to learn that the contract has been renewed. We seek to remove that period of time reference throughout the statute, to close this loophole, and ensure that consumers are made aware of businesses

attempting to automatically renew a contract without the consumer receiving notice and given an opportunity to non-renew.

Section 4 makes a one word change within the New Home Guaranty Fund statute. If this change sounds familiar to the committee, that is because an identical change was made in the last legislative session within the Home Improvement Guaranty Fund. Specifically, we proposed a minor change to replace the term "real" property with "personal" property when attempting to satisfy a judgment against a contractor. This change clarifies the steps a consumer must undertake in order to have access to the Guaranty Fund when a judgment is rendered against a new home contractor.

Finally, sections 5 through 7 are offered to respond to frustration the Department often hears from charitable organizations in their desire to conduct numerous fundraising events throughout the year. Under present law, the number of times per year that an organization may obtain a liquor permit for fundraising events is specified in statute, and differs from organization to organization based on the way they are established. The Department proposes to increase the number of permits that all charitable organizations may obtain to twelve (12) per year. Presently, six permits may be issued to "noncommercial organizations," eight to "charitable organizations," and one to "nonprofit corporations conducting the sale of wine at an auction."

We are pleased to offer the changes contained in this bill to provide additional consumer protections, and to assist charitable organizations in their efforts

H.B. No. 5262 (RAISED) AN ACT CONCERNING THE PHARMACY PRACTICE ACT AND COUNTERFEIT DRUGS.

This bill makes several substantive changes to the Pharmacy Practice Act and the Pure Food and Drug statutes which fall under the jurisdiction of the Department of Consumer Protection. First, we propose amending Sec. 20-619 of the Pharmacy Practice Act after having had discussions with our sister agency, the Department of Social Services. As currently drafted, this statute, which provides requirements for filling prescriptions by pharmacies, has essentially put in place two systems within a pharmacy: one for filling prescriptions based on reimbursement criteria pertaining to DSS's programs such as Medicaid and ConnPACE, and second one for "all others." While separate statutory requirements may certainly make sense for DSS reimbursement issues, both agencies agree that it is more appropriate to place those requirements within DSS statutory authority. This bill therefore removes DSS-specific requirements from DCP's Pharmacy Practice Act, while a companion DSS agency bill has been submitted to the legislature to provide statutory authority in its appropriate chapters. This statutory change reflects our belief that the practice of pharmacy protocols should be uniformly applied, regardless of whether a prescription is subject to DSS reimbursement issues, or not. DSS can impose its own requirements "over-the-top" of the standard pharmacy protocols if it desires