



Senate

General Assembly

File No. 204

January Session, 2023

Substitute Senate Bill No. 1058

Senate, March 23, 2023

The Committee on General Law reported through SEN. MARONEY of the 14th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE ATTORNEY GENERAL'S
RECOMMENDATIONS REGARDING CONSUMER PROTECTION AND
FINANCIAL REPORTING BY CHARITABLE ORGANIZATIONS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-230 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) As used in this section:

4 (1) "Precipitating event" means (A) a civil preparedness emergency
5 declaration issued by the Governor pursuant to chapter 517, (B) a
6 transportation emergency declaration issued by the Governor pursuant
7 to section 3-6b, or (C) any major disaster or emergency declaration
8 issued by the President of the United States;

9 (2) "Unconscionably excessive price" means an increased price at
10 which a vendor leases, rents or sells an item during a precipitating event
11 if (A) such increased price is grossly disproportionate to the price at
12 which the vendor leased, rented or sold such item (i) immediately before

13 the precipitating event, or (ii) while the precipitating event was
14 reasonably anticipated, and (B) the increased price is not attributable to
15 additional costs incurred by the vendor in leasing, renting or selling the
16 item during the precipitating event; and

17 (3) "Vendor" means a person, corporation or firm, including, but not
18 limited to, a distributor, manufacturer, retailer, supplier or wholesaler.

19 (b) No [person, firm or corporation] vendor shall [increase the price
20 of] lease, rent or sell, or offer to lease, rent or sell, any item [which such
21 person, firm or corporation sells or offers for sale at retail] in the chain
22 of distribution at an unconscionably excessive price at any location in
23 an area which is the subject of any [disaster emergency declaration
24 issued by the Governor pursuant to chapter 517, any transportation
25 emergency declaration issued by the Governor pursuant to section 3-6b
26 or any major disaster or emergency declaration issued by the President
27 of the United States, until the period of emergency or disaster is declared
28 by] precipitating event until the Governor or the President, as
29 applicable, declares such precipitating event to be at an end. [Nothing
30 in this section shall prohibit the fluctuation in the price of items sold at
31 retail which occurs during the normal course of business. Any person,
32 firm or corporation which violates any provision of this section shall be
33 fined not more than ninety-nine dollars.]

34 (c) Any violation of the provisions of this section shall be deemed an
35 unfair or deceptive trade practice under subsection (a) of section 42-
36 110b, and any action brought on behalf of the state to enforce the
37 provisions of this section shall be brought in the judicial district of
38 Hartford. The Attorney General shall have (1) exclusive authority to
39 enforce the provisions of this section on behalf of the state, and (2) for
40 the purposes of this section, the authority to (A) order an investigation
41 or examination pursuant to section 42-110d, as amended by this act, or
42 (B) take such other enforcement action under sections 42-110e to 42-
43 110q, inclusive, as the Attorney General deems necessary.

44 Sec. 2. Subsection (b) of section 51-164n of the general statutes is
45 repealed and the following is substituted in lieu thereof (*Effective July 1,*

46 2023):

47 (b) Notwithstanding any provision of the general statutes, any person
48 who is alleged to have committed (1) a violation under the provisions of
49 section 1-9, 1-10, 1-11, 2-71h, 4b-13, 7-13, 7-14, 7-35 or 7-41, subsection (c)
50 of section 7-66, section 7-83, 7-147h, 7-148, 7-148f, 7-148o, 7-283, 7-325, 7-
51 393, 8-12, 8-25, 8-27, 9-63, 9-322, 9-350, 10-185, 10-193, 10-197, 10-198, 10-
52 230, 10-251, 10-254, 10a-35, 12-52, 12-54, 12-129b or 12-170aa, subdivision
53 (3) of subsection (e) of section 12-286, section 12-286a, 12-292, 12-314b or
54 12-326g, subdivision (4) of section 12-408, subdivision (3), (5) or (6) of
55 section 12-411, section 12-435c, 12-476a, 12-476b, 12-476c, 12-487, 13a-71,
56 13a-107, 13a-113, 13a-114, 13a-115, 13a-117b, 13a-123, 13a-124, 13a-139,
57 13a-140, 13a-143b, 13a-253, 13a-263 or 13b-39f, subsection (f) of section
58 13b-42, section 13b-90 or 13b-100, subsection (a) of section 13b-108,
59 section 13b-221 or 13b-292, subsection (a) or (b) of section 13b-324,
60 section 13b-336, 13b-337, 13b-338, 13b-410a, 13b-410b or 13b-410c,
61 subsection (a), (b) or (c) of section 13b-412, section 13b-414 or 14-4,
62 subdivision (2) of subsection (a) of section 14-12, subsection (d) of
63 section 14-12, subsection (f) of section 14-12a, subsection (a) of section
64 14-15a, section 14-16c, 14-20a or 14-27a, subsection (f) of section 14-34a,
65 subsection (d) of section 14-35, section 14-43, 14-44j, 14-49, 14-50a, 14-58
66 or 14-62a, subsection (b) of section 14-66, section 14-66a or 14-67a,
67 subsection (g) of section 14-80, subsection (f) or (i) of section 14-80h,
68 section 14-97a or 14-98, subsection (a), (b) or (d) of section 14-100a,
69 section 14-100b, 14-103a, 14-106a, 14-106c, 14-145a or 14-146, subsection
70 (b) of section 14-147, section 14-152, 14-153, 14-161 or 14-163b, subsection
71 (f) of section 14-164i, section 14-213b or 14-219, subdivision (1) of section
72 14-223a, subsection (d) of section 14-224, section 14-240, 14-250, 14-253a,
73 14-261a, 14-262, 14-264, 14-266, 14-267a, 14-269, 14-270, 14-272b, 14-274,
74 14-275 or 14-275a, subsection (c) of section 14-275c, section 14-276,
75 subsection (a) or (b) of section 14-277, section 14-278, 14-279 or 14-280,
76 subsection (b), (e) or (h) of section 14-283, section 14-283d, 14-283e, 14-
77 283f, 14-283g, 14-291, 14-293b, 14-296aa, 14-298a, 14-300, 14-300d, 14-
78 300f, 14-319, 14-320, 14-321, 14-325a, 14-326, 14-330 or 14-332a,
79 subdivision (1), (2) or (3) of section 14-386a, section 15-15e, 15-25 or 15-
80 33, subdivision (1) of section 15-97, subsection (a) of section 15-115,

81 section 16-15, 16-16, 16-44, 16-256e, 16-278 or 16a-15, subsection (a) of
82 section 16a-21, section 16a-22, subsection (a) or (b) of section 16a-22h,
83 section 16a-106, 17a-24, 17a-145, 17a-149 or 17a-152, subsection (b) of
84 section 17a-227, section 17a-465, subsection (c) of section 17a-488, section
85 17b-124, 17b-131, 17b-137, 19a-33, 19a-39 or 19a-87, subsection (b) of
86 section 19a-87a, section 19a-91, 19a-102a, 19a-102b, 19a-105, 19a-107,
87 19a-113, 19a-215, 19a-216a, 19a-219, 19a-222, 19a-224, 19a-286, 19a-287,
88 19a-297, 19a-301, 19a-309, 19a-335, 19a-336, 19a-338, 19a-339, 19a-340,
89 19a-425, 19a-442, 19a-502, 19a-565, 20-7a, 20-14, 20-153a, 20-158, 20-231,
90 20-233, 20-249, 20-257, 20-265, 20-324e, 20-329c or 20-329g, subsection (b)
91 of section 20-334, section 20-341l, 20-366, 20-482, 20-597, 20-608, 20-610,
92 20-623, 21-1, 21-38, 21-39, 21-43, 21-47, 21-48 or 21-63, subsection (d) of
93 section 21-71, section 21-76a or 21-100, subsection (c) of section 21a-2,
94 subdivision (1) of section 21a-19, section 21a-20 or 21a-21, subdivision
95 (1) of subsection (b) of section 21a-25, section 21a-26 or 21a-30,
96 subsection (a) of section 21a-37, section 21a-46, 21a-61, 21a-63, 21a-70b
97 or 21a-77, subsection (b) or (c) of section 21a-79, section 21a-85 or 21a-
98 154, subdivision (1) of subsection (a) of section 21a-159, section 21a-278b,
99 subsection (c), (d) or (e) of section 21a-279a, section 21a-421eee, 21a-
100 421fff, 21a-421hhh, subsection (a) of section 21a-430, section 22-12b, 22-
101 13, 22-14, 22-15, 22-16, 22-26g, 22-30, 22-34, 22-35, 22-36, 22-38, 22-39, 22-
102 39f, 22-49, 22-54, 22-61j or 22-61l, subdivision (1) of subsection (n) of
103 section 22-61l, subsection (f) of section 22-61m, subdivision (1) of
104 subsection (f) of section 22-61m, section 22-84, 22-89, 22-90, 22-96, 22-98,
105 22-99, 22-100 or 22-111o, subsection (d) of section 22-118l, section 22-167,
106 subsection (c) of section 22-277, section 22-278, 22-279, 22-280a, 22-318a,
107 22-320h, 22-324a or 22-326, subsection (b), subdivision (1) or (2) of
108 subsection (e) or subsection (g) of section 22-344, subsection (a) or (b) of
109 section 22-344b, section 22-344c, subsection (d) of section 22-344d,
110 section 22-344f, 22-350a, 22-354, 22-359, 22-366, 22-391, 22-413, 22-414,
111 22-415, 22-415c, 22a-66a or 22a-246, subsection (a) of section 22a-250,
112 section 22a-256g, subsection (e) of section 22a-256h, section 22a-363 or
113 22a-381d, subsections (c) and (d) of section 22a-381e, section 22a-449,
114 22a-450, 22a-461, 23-4b, 23-38, 23-45, 23-46 or 23-61b, subsection (a) or
115 subdivision (1) of subsection (c) of section 23-65, section 25-37 or 25-40,

116 subsection (a) of section 25-43, section 25-43d, 25-135, 26-18, 26-19, 26-
117 21, 26-31, 26-40, 26-40a, 26-42, 26-43, 26-49, 26-54, 26-55, 26-56, 26-58 or
118 26-59, subdivision (1) of subsection (d) of section 26-61, section 26-64,
119 subdivision (1) of section 26-76, section 26-79, 26-87, 26-89, 26-91, 26-94,
120 26-97, 26-98, 26-104, 26-105, 26-107, 26-114a, 26-117, subsection (b) of
121 section 26-127, 26-128, 26-128a, 26-131, 26-132, 26-138, 26-139 or 26-141,
122 subdivision (1) of section 26-186, section 26-207, 26-215, 26-217 or 26-
123 224a, subdivision (1) of section 26-226, section 26-227, 26-230, 26-231, 26-
124 232, 26-244, 26-257a, 26-260, 26-276, 26-280, 26-284, 26-285, 26-286, 26-
125 287, 26-288, 26-290, 26-291a, 26-292, 26-294, 27-107, 28-13, 29-6a, 29-16,
126 29-17, 29-25, 29-143o, 29-143z or 29-156a, subsection (b), (d), (e), (g) or
127 (h) of section 29-161q, section 29-161y or 29-161z, subdivision (1) of
128 section 29-198, section 29-210, 29-243 or 29-277, subsection (c) of section
129 29-291c, section 29-316 or 29-318, subsection (b) of section 29-335a,
130 section 29-381, 30-19f, 30-48a or 30-86a, subsection (b) of section 30-89,
131 subsection (c) or (d) of section 30-117, section 31-3, 31-10, 31-11, 31-12,
132 31-13, 31-14, 31-15, 31-16, 31-18, 31-23, 31-24, 31-25, 31-32, 31-36, 31-38,
133 31-40, 31-44, 31-47 or 31-48, subsection (b) of section 31-48b, section 31-
134 51, 31-51g, 31-52, 31-52a, 31-53 or 31-54, subsection (a) or (c) of section
135 31-69, section 31-70, 31-74, 31-75, 31-76, 31-76a, 31-89b or 31-134,
136 subsection (i) of section 31-273, section 31-288, 31-348, 33-624, 33-1017,
137 34-13d or 34-412, subdivision (1) of section 35-20, subsection (a) of
138 section 36a-57, subsection (b) of section 36a-665, section 36a-699, 36a-
139 739, 36a-787, 38a-2 or 38a-140, subsection (a) or (b) of section 38a-278,
140 section 38a-479qq, 38a-479rr, 38a-506, 38a-548, 38a-626, 38a-680, 38a-713,
141 38a-733, 38a-764, 38a-786, 38a-828, 38a-829, 38a-885, 42-133hh, [42-230,]
142 42-470 or 42-480, subsection (a) or (c) of section 43-16q, section 45a-283,
143 45a-450, 45a-634 or 45a-658, subdivision (13) or (14) of section 46a-54,
144 section 46a-59, 46a-81b, 46b-22, 46b-24, 46b-34, 46b-38d, 47-34a, 47-47 or
145 47-53, subsection (i) of section 47a-21, subdivision (1) of subsection (k)
146 of section 47a-21, section 49-2a, 49-8a, 49-16, 52-143 or 52-289, subsection
147 (j) of section 52-362, section 53-133, 53-199, 53-212a, 53-249a, 53-252, 53-
148 264, 53-280, 53-290a, 53-302a, 53-303e, 53-311a, 53-314, 53-321, 53-322, 53-
149 323 or 53-331, subsection (b) of section 53-343a, section 53-344,
150 subsection (b) or (c) of section 53-344b, subsection (b) of section 53-345a,

151 section 53-377, 53-422 or 53-450 or subsection (i) of section 54-36a, or (2)
152 a violation under the provisions of chapter 268, or (3) a violation of any
153 regulation adopted in accordance with the provisions of section 12-484,
154 12-487 or 13b-410, or (4) a violation of any ordinance, regulation or
155 bylaw of any town, city or borough, except violations of building codes
156 and the health code, for which the penalty exceeds ninety dollars but
157 does not exceed two hundred fifty dollars, unless such town, city or
158 borough has established a payment and hearing procedure for such
159 violation pursuant to section 7-152c, shall follow the procedures set
160 forth in this section.

161 Sec. 3. Subsections (c) to (f), inclusive, of section 42-110d of the
162 general statutes are repealed and the following is substituted in lieu
163 thereof (*Effective from passage*):

164 (c) In addition to other powers conferred upon the commissioner,
165 said commissioner may execute in writing and cause to be served by
166 certified mail an investigative demand upon any person suspected of
167 using, having used or about to use any method, act or practice declared
168 by section 42-110b to be unlawful or upon any person from whom said
169 commissioner wants assurance that section 42-110b has not, is not or
170 will not be violated. Such investigative demand shall contain a
171 description of the method, act or practice under investigation, provide
172 a reasonable time for compliance, and require such person to furnish
173 under oath or otherwise, as may be specified in said demand, a report
174 in writing setting forth relevant facts or circumstances together with
175 documentary material. Notwithstanding subsection (f) of this section,
176 responses to investigative demands issued under this subsection may
177 be withheld from public disclosure during the full pendency of the
178 investigation.

179 (d) Said commissioner, in conformance with sections 4-176e to 4-185,
180 inclusive, whenever [he] the commissioner has reason to believe that
181 any person has been engaged or is engaged in an alleged violation of
182 any provision of this chapter, shall mail to such person, by certified mail,
183 a complaint stating the charges and containing a notice of a hearing, to

184 be held upon a day and at a place therein fixed at least fifteen days after
185 the date of such complaint. The person so notified shall have the right
186 to file a written answer to the complaint and charges therein stated and
187 appear at the time and place so fixed for such hearing, in person or
188 otherwise, with or without counsel, and submit testimony and be fully
189 heard. Any person may make application, and upon good cause shown
190 shall be allowed by the commissioner to intervene and appear in such
191 proceeding by counsel or in person. The testimony in any such
192 proceeding, including the testimony of any intervening person, shall be
193 under oath and shall be reduced to writing by the recording officer of
194 the hearing and filed in the office of the commissioner. The
195 commissioner or [his] the commissioner's authorized representatives
196 shall have the power to require by subpoena the attendance and
197 testimony of witnesses and the production of any documentary material
198 at such proceeding. If upon such hearing the commissioner is of the
199 opinion that the method of competition or the act or practice in question
200 is prohibited by this chapter, the commissioner shall make a report in
201 writing to the person complained of in which [he] the commissioner
202 shall state [his] the commissioner's findings as to the facts and shall
203 forward by certified mail to such person an order to cease and desist
204 from using such methods of competition or such act or practice, or, if
205 the amount involved is less than ten thousand dollars, an order directing
206 restitution, or both. The commissioner may apply for the enforcement
207 of any cease and desist order, order directing restitution or consent
208 order issued under this chapter to the superior court for the judicial
209 district of Hartford, or to any judge thereof if the same is not in session,
210 for orders temporarily and permanently restraining and enjoining any
211 person from continuing violations of such cease and desist order, order
212 directing restitution or consent order. Such application for a temporary
213 restraining order, temporary and permanent injunction, order directing
214 restitution and for such other appropriate decree or process shall be
215 brought and the proceedings thereon conducted by the Attorney
216 General.

217 (e) In addition to any injunction issued pursuant to subsection (d) of
218 this section, the court may make such additional orders or judgments as

219 may be necessary to restore to any person in interest any moneys or
220 property, real or personal, which may have been acquired by means of
221 any practices prohibited by this chapter, including the appointment of a
222 receiver or the revocation of a license or certificate authorizing the
223 person subject to the order or injunction to engage in business in this
224 state, or both.

225 (f) The commissioner or the Attorney General or their employees
226 shall disclose, in accordance with the provisions of the Freedom of
227 Information Act, as defined in section 1-200, all records concerning the
228 investigation of any alleged violation of any provision of this chapter,
229 including, but not limited to, any complaint initiating an investigation
230 and all records of the disposition or settlement of a complaint. For
231 purposes of this section, "disposition" shall include the following action
232 or nonaction with respect to any complaints or investigations: [(A)] (1)
233 No action taken because of [(i)] (A) a lack of jurisdiction, [; (ii)] (B)
234 unsubstantiated allegations, or [(iii)] (C) a lack of sufficient information
235 to draw a conclusion, as determined by the commissioner, after
236 investigation; [(B)] (2) referral to another state agency, or to a federal or
237 local agency, or to law enforcement authorities; [(C)] (3) an acceptance
238 of an assurance of voluntary compliance in accordance with the
239 provisions of section 42-110j; and [(D)] (4) formal action taken, including
240 the institution of administrative proceedings pursuant to subsection (d)
241 of this section or court proceedings pursuant to section 42-110m, 42-110o
242 or 42-110p. The commissioner may withhold such records from
243 disclosure during the pendency of an investigation or examination held
244 in accordance with subsection (a) of this section, but in no event shall
245 the commissioner withhold any such records longer than a period of
246 eighteen months after the date on which the initial complaint was filed
247 with the commissioner or after the date on which the investigation or
248 examination was commenced, whichever is earlier. Nothing herein shall
249 be deemed to affect the rights of litigants, including parties to
250 administrative proceedings, under the laws of discovery of this state.

251 Sec. 4. Subsection (c) of section 35-42 of the general statutes is
252 repealed and the following is substituted in lieu thereof (*Effective July 1,*

253 2023):

254 (c) (1) All documentary material furnished to the Attorney General,
255 [his or her] the Attorney General's deputy or any assistant attorney
256 general designated by the Attorney General, pursuant to a demand
257 issued under subsection (a) of this section, shall be held in the custody
258 of the Attorney General, or the Attorney General's designee, and shall
259 not be available to the public. Such documentary material shall be
260 returned to the person furnishing such documentary material, or, if such
261 person furnishes such documentary material in an electronic format,
262 erased, upon the termination of the Attorney General's investigation or
263 final determination of any action or proceeding commenced thereunder.

264 (2) All documentary material or other information furnished
265 voluntarily to the Attorney General, [his or her] the Attorney General's
266 deputy or any assistant attorney general designated by the Attorney
267 General, for suspected violations of the provisions of this chapter, and
268 the identity of the person furnishing such documentary material or
269 other information, shall be held in the custody of the Attorney General,
270 or the Attorney General's designee, and shall not be available to the
271 public. Such documentary material or other information shall be
272 returned to the person furnishing such documentary material or other
273 information, or, if such person furnishes such documentary material or
274 other information in an electronic format, erased, upon the termination
275 of the Attorney General's investigation or final determination of any
276 action or proceeding commenced thereunder.

277 Sec. 5. Subsection (d) of section 4-61dd of the general statutes is
278 repealed and the following is substituted in lieu thereof (*Effective July 1,*
279 *2023*):

280 (d) The Attorney General may summon witnesses, require the
281 production of any necessary books, papers or other documents and
282 administer oaths to witnesses, where necessary, for the purpose of an
283 investigation pursuant to this section or for the purpose of investigating
284 a suspected violation of subsection (a) of section 4-275 until such time as
285 the Attorney General files a civil action pursuant to section 4-276.

286 Service of a subpoena ad testificandum, subpoena duces tecum and a
287 notice of deposition, may be made by: (1) Personal service or service at
288 the usual place of abode; or (2) registered or certified mail, return receipt
289 requested, a duly executed copy thereof addressed to the person to be
290 served at such person's principal place of business in this state, or, if
291 such person has no principal place of business in this state, at such
292 person's principal office or such person's residence. Upon the
293 conclusion of the investigation, the Attorney General shall where
294 necessary, report any findings to the Governor, or in matters involving
295 criminal activity, to the Chief State's Attorney. In addition to the exempt
296 records provision of section 1-210, the Auditors of Public Accounts and
297 the Attorney General shall not, after receipt of any information from a
298 person under the provisions of this section or sections 4-276 to 4-280,
299 inclusive, disclose the identity of such person without such person's
300 consent unless the Auditors of Public Accounts or the Attorney General
301 determines that such disclosure is unavoidable, and may withhold
302 records of such investigation, during the pendency of the investigation.
303 All documentary material or other information furnished to the
304 Attorney General, [his or her] the Attorney General's deputy or any
305 assistant attorney general designated by the Attorney General, pursuant
306 to a demand issued under this subsection for the purpose of
307 investigating a suspected violation of subsection (a) of section 4-275,
308 shall be returned to the person furnishing such documentary material
309 or other information, or, if such person furnished such documentary
310 material or other information in an electronic format, erased, upon the
311 termination of the Attorney General's investigation or final
312 determination of any action or proceeding commenced thereunder.

313 Sec. 6. Section 36a-701b of the general statutes is repealed and the
314 following is substituted in lieu thereof (*Effective October 1, 2023*):

315 (a) For purposes of this section, (1) "breach of security" means
316 unauthorized access to or unauthorized acquisition of electronic files,
317 media, databases or computerized data, containing personal
318 information when access to the personal information has not been
319 secured by encryption or by any other method or technology that

320 renders the personal information unreadable or unusable; and (2)
321 "personal information" means an individual's (A) first name or first
322 initial and last name in combination with any one, or more, of the
323 following data: (i) Social Security number; (ii) taxpayer identification
324 number; (iii) identity protection personal identification number issued
325 by the Internal Revenue Service; (iv) driver's license number, state
326 identification card number, passport number, military identification
327 number or other identification number issued by the government that is
328 commonly used to verify identity; (v) credit or debit card number; (vi)
329 financial account number in combination with any required security
330 code, access code or password that would permit access to such
331 financial account; (vii) medical information regarding an individual's
332 medical history, mental or physical condition, or medical treatment or
333 diagnosis by a health care professional; (viii) health insurance policy
334 number or subscriber identification number, or any unique identifier
335 used by a health insurer to identify the individual; [or] (ix) biometric
336 information consisting of data generated by electronic measurements of
337 an individual's unique physical characteristics used to authenticate or
338 ascertain the individual's identity, such as a fingerprint, voice print,
339 retina or iris image; or (x) precise geolocation data, as defined in section
340 42-515; or (B) user name or electronic mail address, in combination with
341 a password or security question and answer that would permit access
342 to an online account. "Personal information" does not include publicly
343 available information that is lawfully made available to the general
344 public from federal, state or local government records or widely
345 distributed media.

346 (b) (1) Any person who owns, licenses or maintains computerized
347 data that includes personal information, shall provide notice of any
348 breach of security following the discovery of the breach to any resident
349 of this state whose personal information was breached or is reasonably
350 believed to have been breached. Such notice shall be made without
351 unreasonable delay but not later than sixty days after the discovery of
352 such breach, unless a shorter time is required under federal law, subject
353 to the provisions of subsection (d) of this section. If the person identifies
354 additional residents of this state whose personal information was

355 breached or reasonably believed to have been breached following sixty
356 days after the discovery of such breach, the person shall proceed in good
357 faith to notify such additional residents as expediently as possible. Such
358 notification shall not be required if, after an appropriate investigation
359 the person reasonably determines that the breach will not likely result
360 in harm to the individuals whose personal information has been
361 acquired or accessed.

362 (2) If notice of a breach of security is required by subdivision (1) of
363 this subsection:

364 (A) The person who owns, licenses or maintains computerized data
365 that includes personal information, shall, not later than the time when
366 notice is provided to the resident, also provide notice of the breach of
367 security to the Attorney General; and

368 (B) The person who owns or licenses computerized data that includes
369 personal information, shall offer to each resident whose personal
370 information under clause (i) or (ii) of subparagraph (A) of subdivision
371 (2) of subsection (a) of this section was breached or is reasonably
372 believed to have been breached, appropriate identity theft prevention
373 services and, if applicable, identity theft mitigation services. Such
374 service or services shall be provided at no cost to such resident for a
375 period of not less than [twenty-four months] two years. Such person
376 shall provide all information necessary for such resident to enroll in
377 such service or services and shall include information on how such
378 resident can place a credit freeze on such resident's credit file.

379 (c) Any person that maintains computerized data that includes
380 personal information that the person does not own shall notify the
381 owner or licensee of the information of any breach of the security of the
382 data immediately following its discovery, if the personal information of
383 a resident of this state was breached or is reasonably believed to have
384 been breached.

385 (d) Any notification required by this section shall be delayed for a
386 reasonable period of time if a law enforcement agency determines that

387 the notification will impede a criminal investigation and such law
388 enforcement agency has made a request that the notification be delayed.
389 Any such delayed notification shall be made after such law enforcement
390 agency determines that notification will not compromise the criminal
391 investigation and so notifies the person of such determination.

392 (e) Any notice to a resident, owner or licensee required by the
393 provisions of this section may be provided by one of the following
394 methods, subject to the provisions of subsection (f) of this section: (1)
395 Written notice; (2) telephone notice; (3) electronic notice, provided such
396 notice is consistent with the provisions regarding electronic records and
397 signatures set forth in 15 USC 7001; (4) substitute notice, provided such
398 person demonstrates in the notice provided to the Attorney General that
399 the cost of providing notice in accordance with subdivision (1), (2) or (3)
400 of this subsection would exceed two hundred fifty thousand dollars,
401 that the affected class of subject persons to be notified exceeds five
402 hundred thousand persons or that the person does not have sufficient
403 contact information. Substitute notice shall consist of the following: (A)
404 Electronic mail notice when the person has an electronic mail address
405 for the affected persons; (B) conspicuous posting of the notice on the
406 web site of the person if the person maintains one; and (C) notification
407 to major state-wide media, including newspapers, radio and television.

408 (f) (1) In the event of a breach of login credentials under
409 subparagraph (B) of subdivision (2) of subsection (a) of this section,
410 notice to a resident may be provided in electronic or other form that
411 directs the resident whose personal information was breached or is
412 reasonably believed to have been breached to promptly change any
413 password or security question and answer, as applicable, or to take
414 other appropriate steps to protect the affected online account and all
415 other online accounts for which the resident uses the same user name or
416 electronic mail address and password or security question and answer.

417 (2) Any person that furnishes an electronic mail account shall not
418 comply with this section by providing notification to the electronic mail
419 account that was breached or reasonably believed to have been

420 breached if the person cannot reasonably verify the affected resident's
421 receipt of such notification. In such an event, the person shall provide
422 notice by another method described in this section or by clear and
423 conspicuous notice delivered to the resident online when the resident is
424 connected to the online account from an Internet protocol address or
425 online location from which the person knows the resident customarily
426 accesses the account.

427 (g) Any person that maintains such person's own security breach
428 procedures as part of an information security policy for the treatment of
429 personal information and otherwise complies with the timing
430 requirements of this section, shall be deemed to be in compliance with
431 the security breach notification requirements of this section, provided
432 such person notifies, as applicable, residents of this state, owners and
433 licensees in accordance with such person's policies in the event of a
434 breach of security and in the case of notice to a resident, such person
435 also notifies the Attorney General not later than the time when notice is
436 provided to the resident. Any person that maintains such a security
437 breach procedure pursuant to the rules, regulations, procedures or
438 guidelines established by the primary or functional regulator, as defined
439 in 15 USC 6809(2), shall be deemed to be in compliance with the security
440 breach notification requirements of this section, provided (1) such
441 person notifies, as applicable, such residents of this state, owners, and
442 licensees required to be notified under and in accordance with the
443 policies or the rules, regulations, procedures or guidelines established
444 by the primary or functional regulator in the event of a breach of
445 security, and (2) if notice is given to a resident of this state in accordance
446 with subdivision (1) of this subsection regarding a breach of security,
447 such person also notifies the Attorney General not later than the time
448 when notice is provided to the resident.

449 (h) Any person that is subject to and in compliance with the privacy
450 and security standards under the Health Insurance Portability and
451 Accountability Act of 1996 and the Health Information Technology for
452 Economic and Clinical Health Act ("HITECH") shall be deemed to be in
453 compliance with this section, provided that (1) any person required to

454 provide notification to Connecticut residents pursuant to HITECH shall
455 also provide notice to the Attorney General not later than the time when
456 notice is provided to such residents if notification to the Attorney
457 General would otherwise be required under subparagraph (A) of
458 subdivision (2) of subsection (b) of this section, and (2) the person
459 otherwise complies with the requirements of subparagraph (B) of
460 subdivision (2) of subsection (b) of this section.

461 (i) All documents, materials and information provided in response to
462 an investigative demand issued pursuant to subsection (c) of section 42-
463 110d, as amended by this act, in connection with the investigation of a
464 breach of security as defined by this section shall be exempt from public
465 disclosure under subsection (a) of section 1-210, provided the Attorney
466 General may make such documents, materials or information available
467 to third parties in furtherance of such investigation.

468 (j) Failure to comply with the requirements of this section shall
469 constitute an unfair trade practice for purposes of section 42-110b and
470 shall be enforced by the Attorney General.

471 (k) Any civil penalties collected for failure to comply with the
472 requirements of this section may be deposited into the privacy
473 protection guaranty and enforcement account established pursuant to
474 section 42-472a, as amended by this act.

475 Sec. 7. Subsections (d) to (h), inclusive, of section 42-471 of the general
476 statutes are repealed and the following is substituted in lieu thereof
477 (*Effective July 1, 2023*):

478 (d) [For] (1) Except as provided in subdivision (2) of this subsection,
479 for persons who hold a license, registration or certificate issued by, or a
480 charter subject to the supervision of, a state agency other than the
481 Department of Consumer Protection, this section shall be enforceable
482 only by such other state agency pursuant to such other state agency's
483 existing statutory and regulatory authority.

484 (2) The provisions of subdivision (1) of this subsection shall not apply

485 to actions undertaken by the Attorney General.

486 (e) [Any person or entity that violates the provisions of this section
487 shall be subject to a civil penalty of five hundred dollars for each
488 violation, provided such civil penalty shall not exceed five hundred
489 thousand dollars for any single event. It shall not be a violation of this
490 section if such violation was unintentional.] A violation of this section
491 shall constitute an unfair trade practice under subsection (a) of section
492 42-110b.

493 (f) The provisions of this section shall not apply to any agency or
494 political subdivision of the state.

495 (g) If a financial institution has adopted safeguards that comply with
496 the standards established pursuant to Section 501(b) of the Gramm-
497 Leach-Bliley Act of 1999, 15 USC 6801, then such compliance shall
498 constitute compliance with the provisions of this section.

499 (h) Any civil penalties received pursuant to this section [shall] may
500 be deposited into the privacy protection guaranty and enforcement
501 account established pursuant to section 42-472a, as amended by this act.

502 Sec. 8. Section 42-472a of the general statutes is repealed and the
503 following is substituted in lieu thereof (*Effective October 1, 2023*):

504 (a) There is established a "privacy protection guaranty and
505 enforcement account" which shall be a nonlapsing account within the
506 General Fund. The account may contain any moneys required by law to
507 be deposited in the account. The account shall be used by the
508 Commissioner of Consumer Protection: (1) For the reimbursement of
509 losses (A) sustained by individuals injured by a violation of the
510 provisions of section 42-470, 42-471, as amended by this act, 42-471a, [or]
511 42-472b, 52-571h or 53-454 or any regulation adopted pursuant to
512 section 42-472d, or (B) pursuant to the claims process established in
513 subsections (f) and (g) of this section; (2) for the assignment of restitution
514 ordered by a court of competent jurisdiction as the result of a violation
515 of the provisions of section 21-120, 21-121, subsection (e) of section 42-

516 470, section 53a-127, 53a-129b, 53a-129c, 53a-129d, 53a-129e or 53a-130,
517 18 USC 1028 or 18 USC 1028A, where such restitution is owed to a victim
518 who is a resident of this state on the date of such order or the date of
519 such violation; and [(2)] (3) for the enforcement of the provisions of (A)
520 section 36a-701b, as amended by this act, 42-470, 42-471, as amended by
521 this act, 42-471a or 42-472b or any regulation adopted by the
522 Commissioner of Consumer Protection pursuant to section 42-472d, or
523 (B) section 53-454 by the Attorney General.

524 (b) Payments received pursuant to subsection (g) of section 36a-701b,
525 as amended by this act, section 42-470, 42-471, as amended by this act,
526 42-471a, [or] 42-472b or 54-36o or any regulation adopted pursuant to
527 section 42-472d, shall be credited to the privacy protection guaranty and
528 enforcement account until the balance in said account equals two
529 hundred fifty thousand dollars, and any portion of such balance that
530 exceeds such amount shall be deposited in the General Fund. Any
531 money in the privacy protection guaranty and enforcement account
532 may be invested or reinvested and any interest arising from such
533 investments shall be credited to said account.

534 (c) Whenever an individual obtains a court judgment against any
535 person or entity for a violation of section 42-470, 42-471, as amended by
536 this act, 42-471a, [or] 42-472b, 52-571h or 53-454 or any regulation
537 adopted pursuant to section 42-472d, such individual may, upon the
538 final determination of, or expiration of time for appeal in connection
539 with any such judgment, apply to the Commissioner of Consumer
540 Protection for an order directing payment out of [said] the privacy
541 protection guaranty and enforcement account of the amount unpaid
542 upon the judgment for actual damages and costs taxed by the court
543 against the person or entity, exclusive of punitive damages. The
544 application shall be made on forms provided by the commissioner and
545 shall be accompanied by a certified copy of the court judgment, order or
546 decree obtained against the person or entity, together with a notarized
547 affidavit, signed and sworn to by the individual, affirming that the
548 individual: (1) Has complied with all the requirements of this
549 subsection; (2) has obtained a judgment, order or decree stating the

550 amount thereof and the amount owing thereon at the date of
551 application; and (3) except for a judgment obtained by the individual in
552 small claims court, has caused to be issued a writ of execution upon such
553 judgment, and the officer executing the same has made a return
554 showing that no bank accounts or real property of the person or entity
555 liable to be levied upon in satisfaction of the judgment could be found,
556 or that the amount realized on the sale of them or of such of them as
557 were found, under the execution, was insufficient to satisfy the actual
558 damage portion of the judgment, or stating the amount realized and the
559 balance remaining due on the judgment after application thereon of the
560 amount realized. A true and attested copy of such executing officer's
561 return, when required, shall be attached to such application and
562 affidavit.

563 (d) Whenever an individual who is a victim of identity theft receives
564 an order of restitution for a violation of section 21-120, 21-121,
565 subsection (e) of section 42-470, section 53a-127g, 53a-129b, 53a-129c,
566 53a-129d, 53a-129e or 53a-130, 18 USC 1028 or 18 USC 1028A, where
567 such victim is a resident of this state on the date of such order or the date
568 of such violation, such victim may apply to the Commissioner of
569 Consumer Protection for an order directing payment out of the privacy
570 protection guaranty and enforcement account. Such victim shall make
571 such application on forms provided by the commissioner, and such
572 application shall be accompanied by: (1) A copy of the court judgment,
573 order or decree obtained against the person who, or entity that,
574 committed such identity theft; and (2) a notarized affidavit, signed and
575 sworn to by such victim, affirming that such victim (A) has complied
576 with the requirements established in this subsection, and (B) has been
577 awarded an order of restitution, and stating (i) the amount of such
578 judgment, order or decree, and (ii) the amount owing on such judgment,
579 order or decree on the date of such application.

580 [(d)] (e) Upon receipt of such application made pursuant to
581 subsection (c) or (d) of this section together with such certified copy of
582 the court judgment, notarized affidavit and true and attested copy of the
583 executing officer's return, when applicable and required, the

584 [commissioner] Commissioner of Consumer Protection or the
585 commissioner's designee shall inspect such documents for their veracity
586 and upon a determination that such documents are complete and
587 authentic, and a determination that the individual has not been paid, the
588 commissioner shall order payment out of [said] the privacy protection
589 guaranty and enforcement account of the amount unpaid upon the
590 judgment for actual damages and costs taxed by the court against the
591 person or entity, exclusive of punitive damages.

592 [(e)] (f) Whenever an individual is awarded an order of restitution
593 against any person or entity for loss or damages sustained by reason of
594 a violation of section 42-470, 42-471a, [or] 42-472b, 52-571h or 53-454 or
595 any regulation adopted pursuant to section 42-472d in a proceeding
596 brought by the Attorney General at the request of the [commissioner]
597 Commissioner of Consumer Protection pursuant to section 42-470 or 42-
598 471, as amended by this act, or in a proceeding brought by the Attorney
599 General, such individual may, upon the final determination of [,] or
600 expiration of time for appeal in connection with any such order of
601 restitution, apply to the commissioner for an order directing payment
602 out of [said] the privacy protection guaranty and enforcement account
603 of the amount unpaid upon the order of restitution. The commissioner
604 may issue such order upon a determination that the individual has not
605 been paid.

606 (g) (1) Subject to the provisions of subdivision (2) of this subsection,
607 in the event that an individual who is a victim of identity theft, as
608 defined in section 53a-129a, would not otherwise qualify for payment
609 from the privacy protection guaranty and enforcement account
610 pursuant to subsection (c) or (d) of this section, such individual may
611 apply to the Commissioner of Consumer Protection for an order
612 directing payment out of the privacy protection guaranty and
613 enforcement account in the amount incurred or lost by such individual
614 due to such identity theft within the prior three years in an amount not
615 to exceed (A) five thousand dollars to reimburse such individual for
616 reasonable costs, including, but not limited to, documented lost wages
617 or costs to resolve or mitigate the effects of such identity theft, and (B)

618 fifteen thousand dollars for actual losses.

619 (2) An individual who submits an application to the commissioner
620 pursuant to subdivision (1) of this subsection shall attest to the
621 commissioner, on a form provided by the commissioner, that (A) the
622 individual is a victim of identity theft, as defined in section 53a-129a,
623 and (B) the person or persons who committed such identity theft (i)
624 cannot reasonably be determined or identified, or (ii) have been
625 identified, but such person or persons have not been prosecuted due to
626 any reason other than the noncooperation of such individual except
627 where such noncooperation is due to domestic violence as defined in
628 subsection (b) of section 46b-1.

629 (h) (1) Upon receipt of an application made pursuant to subsection
630 (g) of this section and any supporting evidence required by the
631 Commissioner of Consumer Protection, the commissioner or the
632 commissioner's designee shall inspect such application and supporting
633 evidence for their veracity and issue an order directing payment out of
634 the privacy protection guaranty and enforcement account upon a
635 reasonable determination that (A) the individual who submitted such
636 application is likely a victim of identity theft, as defined in section 53a-
637 129a, and (B) the person or persons who committed such identity theft
638 (i) cannot reasonably be determined or identified, or (ii) have been
639 identified, but such person or persons have not been prosecuted due to
640 any reason other than the noncooperation of such individual except
641 where such noncooperation is due to domestic violence as defined in
642 subsection (b) of section 46b-1.

643 (2) The amount of the payment made pursuant to subdivision (1) of
644 this subsection shall be in the amount incurred or lost by the individual
645 due to the identity theft within the prior three years, which amount shall
646 not exceed (A) five thousand dollars to reimburse such individual for
647 reasonable costs, including, but not limited to, time spent and efforts
648 made to resolve or mitigate the effects of such identity theft, and (B)
649 fifteen thousand dollars for actual losses.

650 [(f)] (i) Before the [commissioner] Commissioner of Consumer

651 Protection shall issue any order directing payment out of the privacy
652 protection guaranty and enforcement account to an individual pursuant
653 to subsections (a) to (g), inclusive, and (j) to (q), inclusive, of this section,
654 the commissioner shall first notify the person or entity of the
655 individual's application for an order directing payment out of the
656 account and of the person or entity's right to a hearing to contest the
657 disbursement in the event that the person or entity has already paid the
658 individual. Such notice shall be given to the person or entity not later
659 than fifteen days after the receipt by the commissioner of the
660 individual's application for an order directing payment out of said
661 account. If the person or entity requests a hearing in writing by certified
662 mail not later than fifteen days after receipt of the notice from the
663 commissioner, the commissioner shall grant such request and shall
664 conduct a hearing in accordance with the provisions of chapter 54. If the
665 commissioner receives no written request by certified mail from the
666 person or entity for a hearing not later than fifteen days after the
667 person's or entity's receipt of such notice, the commissioner shall
668 determine that the individual has not been paid, and the commissioner
669 shall issue an order directing payment out of said account for the
670 amount unpaid upon the judgment for actual damages and costs taxed
671 by the court against the person or entity, exclusive of punitive damages,
672 or for the amount unpaid upon the order of restitution.

673 [(g)] (j) The [commissioner] Commissioner of Consumer Protection
674 or the commissioner's designee may proceed against any person or
675 entity for an order of restitution arising from loss or damages sustained
676 by any individual by reason of such person's or entity's violation of any
677 of the provisions of section 42-470, 42-471, as amended by this act, 42-
678 471a or 42-472b or any regulation adopted pursuant to section 42-472d.
679 Any such proceeding shall be held in accordance with the provisions of
680 chapter 54. In the course of such proceeding, the commissioner or the
681 commissioner's designee shall decide whether to order restitution
682 arising from such loss or damages, and whether to order payment out
683 of [said] the privacy protection guaranty and enforcement account. The
684 commissioner or the commissioner's designee may hear complaints of
685 all individuals submitting claims against a single person or entity in one

686 proceeding.

687 [(h)] (k) No application for an order directing payment out of [said]
688 the privacy protection guaranty and enforcement account shall be made
689 later than three years from the final determination of or expiration of
690 time for appeal in connection with any judgment or order of restitution
691 or, for an application made pursuant to subsection (g) of this section,
692 more than three years after the date of the loss or damages.

693 [(i)] (l) Whenever an individual satisfies the [commissioner]
694 Commissioner of Consumer Protection or the commissioner's designee
695 that it is not practicable to comply with the requirements of subdivision
696 (3) of subsection (c) of this section and that the individual has taken all
697 reasonable steps to collect the amount of the judgment or the unsatisfied
698 part thereof and has been unable to collect the same, said commissioner
699 or said designee may, in [his or her] said commissioner's or designee's
700 discretion, dispense with the necessity for complying with such
701 requirement.

702 [(j)] (m) In order to preserve the integrity of [said] the privacy
703 protection guaranty and enforcement account, the [commissioner]
704 Commissioner of Consumer Protection, in [his or her] the
705 commissioner's sole discretion, may order payment out of said account
706 of an amount less than the actual loss or damages incurred by the
707 individual or less than the order of restitution awarded by the
708 commissioner or the Superior Court.

709 [(k)] (n) If the money deposited in [said] the privacy protection
710 guaranty and enforcement account is insufficient to satisfy any duly
711 authorized claim or portion thereof, the [commissioner] Commissioner
712 of Consumer Protection shall, when sufficient money has been
713 deposited in the account, satisfy such unpaid claims or portions thereof,
714 in the order that such claims or portions thereof were originally
715 determined.

716 [(l) When] (o) Except as provided in subsection (h) of this section,
717 when the [commissioner] Commissioner of Consumer Protection has

718 caused any sum to be paid from [said] the privacy protection guaranty
719 and enforcement account to an individual, the commissioner shall be
720 subrogated to all of the rights of the individual up to the amount paid
721 plus reasonable interest, and prior to receipt of any payment from said
722 account, the individual shall assign all of this right, title and interest in
723 the claim up to such amount to the commissioner, and any amount and
724 interest recovered by the commissioner on the claim shall be deposited
725 in said account.

726 [(m)] (p) If the [commissioner] Commissioner of Consumer
727 Protection orders the payment of any amount as a result of a claim
728 against any party, said commissioner shall determine if the person or
729 entity is possessed of assets liable to be sold or applied in satisfaction of
730 the claim on [said] the privacy protection guaranty and enforcement
731 account. If the commissioner discovers any such assets, the Attorney
732 General shall take any action necessary for the reimbursement of said
733 account.

734 [(n)] (q) If the [commissioner] Commissioner of Consumer Protection
735 orders the payment of an amount as a result of a claim against any party,
736 said commissioner may enter into an agreement with the party whereby
737 the party agrees to repay [said] the privacy protection guaranty and
738 enforcement account in full in the form of periodic payments over a set
739 period of time.

740 Sec. 9. Subsection (a) of section 42-520 of the general statutes is
741 repealed and the following is substituted in lieu thereof (*Effective July 1,*
742 *2023*):

743 (a) A controller shall: (1) Limit the collection of personal data to what
744 is adequate, relevant and reasonably necessary in relation to the
745 purposes for which such data is processed, as disclosed to the consumer;
746 (2) except as otherwise provided in sections 42-515 to 42-525, inclusive,
747 not process personal data for purposes that are neither reasonably
748 necessary to, nor compatible with, the disclosed purposes for which
749 such personal data is processed, as disclosed to the consumer, unless the
750 controller obtains the consumer's consent; (3) establish, implement and

751 maintain reasonable administrative, technical and physical data
752 security practices to protect the confidentiality, integrity and
753 accessibility of personal data appropriate to the volume and nature of
754 the personal data at issue; (4) not process sensitive data concerning a
755 consumer without obtaining the consumer's consent, or, in the case of
756 the processing of sensitive data concerning a known child, without
757 processing such data in accordance with COPPA; (5) not process
758 personal data in violation of the laws of this state and federal laws that
759 prohibit unlawful discrimination against consumers; (6) provide an
760 effective mechanism for a consumer to revoke the consumer's consent
761 under this section that is at least as easy as the mechanism by which the
762 consumer provided the consumer's consent and, upon revocation of
763 such consent, cease to process the data as soon as practicable, but not
764 later than fifteen days after the receipt of such request; and (7) not
765 process the personal data of a consumer for purposes of targeted
766 advertising, or sell the consumer's personal data without the consumer's
767 consent, under circumstances where a controller has actual knowledge,
768 [and] or wilfully disregards, that the consumer is at least thirteen years
769 of age but younger than sixteen years of age. A controller shall not
770 discriminate against a consumer for exercising any of the consumer
771 rights contained in sections 42-515 to 42-525, inclusive, including
772 denying goods or services, charging different prices or rates for goods
773 or services or providing a different level of quality of goods or services
774 to the consumer.

775 Sec. 10. Section 53-289a of the general statutes is repealed and the
776 following is substituted in lieu thereof (*Effective October 1, 2023*):

777 (a) As used in this section, "service charge" means any additional fee
778 or charge that is designated as an "administrative fee", "service fee" or
779 "surcharge" or by using another substantially similar term.

780 (b) No person shall advertise the prices of tickets to any
781 entertainment event, including, but not limited to, any place of
782 amusement, arena, stadium, theater, performance, sport, exhibition or
783 athletic contest given in this state for which a service charge is imposed

784 for the sale of a ticket at the site of the event, without conspicuously
785 disclosing in such advertisement, whether displayed at the site of the
786 event or elsewhere, the total price for each ticket and what portion of
787 each ticket price, stated in a dollar amount, represents a service charge.

788 (c) If a price is charged for admission to a place of entertainment, the
789 operator of the place of entertainment shall print or endorse on the face
790 of each ticket to an entertainment event at such place of entertainment
791 (1) the price established for such ticket, or (2) if such operator, or such
792 operator's agent, sells or resells such ticket at auction, the final auction
793 price of such ticket.

794 (d) (1) Any person that facilitates the sale or resale of a ticket to an
795 entertainment event shall (A) disclose the total price of such ticket,
796 which total price shall include all service charges required to purchase
797 such ticket, and (B) disclose, in a clear and conspicuous manner, to the
798 purchaser of such ticket the portion of the total ticket price, expressed
799 as a dollar amount, that is attributable to service charges charged to such
800 purchaser for such ticket.

801 (2) The disclosures required under subdivision (1) of this subsection
802 shall be displayed in the ticket listing before the ticket is selected for
803 purchase. The total ticket price shall not increase during the ticket
804 purchasing process, except a reasonable fee may be charged for delivery
805 of a nonelectronic ticket if (A) such fee is based on the delivery method
806 selected by the ticket purchaser, and (B) such delivery fee is disclosed to
807 such purchaser before such purchaser purchases such ticket.

808 (3) No disclosure required under this subsection shall be (A) false or
809 misleading, (B) presented more prominently than the total ticket price,
810 or (C) displayed in a font size that is as large or larger than the font size
811 in which the total ticket price is displayed.

812 Sec. 11. Section 42-284 of the general statutes is repealed and the
813 following is substituted in lieu thereof (*Effective October 1, 2023*):

814 As used in this section and sections [42-284] 42-285 to 42-288,

815 inclusive, as amended by this act:

816 (1) "Automated dialing system or recorded message device" means a
817 device that (A) automatically dials a telephone number and plays a
818 recorded message once a connection is made, or (B) makes a connection
819 to an end user by means of an automated system that is used to dial a
820 telephone number and transmit a voice communication;

821 [(1)] (2) "Consumer" means an actual or prospective purchaser, lessee
822 or recipient of goods or services;

823 (3) "Consumer goods or services" means articles or services that are
824 purchased, leased, exchanged or received primarily for personal, family
825 or household purposes, and includes, but is not limited to, warranties,
826 gift cards, stocks, bonds, mutual funds, annuities and other financial
827 products;

828 (4) "Marketing or sales solicitation" means the initiation of a
829 communication, including, but not limited to, a communication made
830 using a telephone call or message, an automated dialing system or
831 recorded message device, a call using soundboard technology, an over-
832 the-top message or a text or media message, to encourage the purchase
833 or rental of, or investment in, property, goods or services that is
834 transmitted to any consumer residing in this state, but does not include
835 the initiation of any such communication (A) to any such consumer with
836 such consumer's prior express written consent, or (B) to any such
837 consumer in response to a visit made by such consumer to an
838 establishment selling, leasing or exchanging consumer goods or services
839 at a fixed location;

840 (5) "Over-the-top message" means a text-based communication on a
841 platform that uses existing Internet services to deliver messages;

842 [(2)] (6) "Person" means [a natural person] an individual, corporation,
843 trust, partnership, incorporated or unincorporated association and any
844 other legal entity; [and]

845 (7) "Prior express written consent" means a written agreement

846 bearing (A) the signature of a consumer residing in this state whom a
847 telemarketer or telephone solicitor calls or contacts that clearly and
848 conspicuously authorizes the telemarketer or telephone solicitor to
849 deliver, or cause to be delivered, to such consumer advertisements or
850 telemarketing messages by using a telephone system, an automated
851 dialing system or recorded message device, a call using soundboard
852 technology, an over-the-top message or a text or media message, and (B)
853 the telephone number to which such consumer authorizes such
854 telemarketer or telephone solicitor to deliver, or cause to be delivered,
855 such advertisements or telemarketing messages;

856 (8) "Soundboard technology" means a technology that allows an
857 individual to communicate with a call recipient in real-time by playing
858 a recorded audio message instead of using the individual's voice;

859 [(3)] (9) "Telemarketer" means any person who initiates the sale, lease
860 or rental of consumer goods or services, or offers gifts or prizes with the
861 intent to sell, lease or rent consumer goods by: (A) Telephonic means;
862 [or] (B) use of television, radio or printed advertisement, postcard or
863 other written notice with requests that the consumer contact the seller
864 by telephone to inquire about goods or services and such advertisement,
865 postcard or notice does not contain the price or a description of the
866 goods or services; (C) automated dialing system or recorded message
867 device; (D) soundboard technology; (E) over-the-top message; or (F) text
868 or media message;

869 (10) "Telephone solicitor" means any individual, association,
870 corporation, partnership, limited partnership, limited liability company,
871 nonprofit corporation or other business entity, or a subsidiary or affiliate
872 thereof, doing business in this state that makes, or causes to be made, a
873 telephonic sales call;

874 (11) "Telephonic sales call" (A) means a telephone call made to a
875 consumer residing in this state by or on behalf of a telephone solicitor
876 regardless of whether such call is made using an automated dialing
877 system or recorded message device or soundboard technology, or an
878 over-the-top message or a text or media message, for the purpose of (i)

879 engaging in a marketing or sales solicitation, (ii) soliciting an extension
880 of credit for consumer goods or services, (iii) obtaining information that
881 will or may be used for a marketing or sales solicitation or an exchange
882 or extension of credit for consumer goods or services, (iv) encouraging
883 such consumer to share any personally identifying information or
884 purchase or invest in any property, goods, services or other thing of
885 value if such consumer did not previously express any interest in
886 sharing such personally identifying information or purchasing or
887 investing in such property, goods, services or other thing of value, or (v)
888 soliciting such consumer to donate any money, property, goods,
889 services or other thing of value if such consumer did not previously
890 express any interest in donating such money, property, goods, services
891 or other thing of value, and (B) does not include a telephone call or
892 message described in subparagraph (A) of this subdivision if such call
893 is made or message is sent (i) in response to a request or inquiry made
894 by a consumer residing in this state, including a call or message
895 concerning an item that such consumer purchased from the telephone
896 solicitor during the twelve-month period preceding such call or
897 message, (ii) a call made or message sent by a nonprofit organization to
898 a consumer residing in this state who is on a list of bona fide or active
899 members of such nonprofit organization, (iii) a call or message that is
900 limited to polling or soliciting votes or the expression of an idea or
901 opinion, (iv) a call made or message sent as part of a business-to-
902 business contact, (v) a call made or message sent to a consumer residing
903 in this state who granted prior express written consent to receiving such
904 call or message, (vi) a call made or message sent primarily in connection
905 with an existing debt or contract, payment or performance of which has
906 not been completed at the time of such call or message, (vii) a call made
907 or message sent to an existing customer of a telephone solicitor unless
908 such customer previously informed the telephone solicitor, orally or in
909 writing, that such customer no longer wishes to receive such calls or
910 messages from such telephone solicitor, or (viii) a call made or message
911 sent for a religious, charitable, political or other noncommercial
912 purpose; and

913 (12) "Text or media message" (A) means a message that consists of

914 text or any image, sound or other information that is transmitted by or
915 to a device that is identified as the device that sent or received such text,
916 image, sound or information by using a ten-digit telephone number or
917 a N11 service code, (B) includes a short message and multimedia
918 message service that contains written, audio, video or photographic
919 content and is sent electronically to a mobile telephone or mobile
920 electronic device telephone number, and (C) does not include electronic
921 mail sent to an electronic mail address.

922 Sec. 12. Subsection (b) of section 42-285 of the general statutes is
923 repealed and the following is substituted in lieu thereof (*Effective October*
924 *1, 2023*):

925 (b) The contract shall include, but shall not be limited to, the
926 following information:

927 (1) The telemarketer's legal name, address, [and] telephone number,
928 [of the telemarketer] headquarters location and home state or country
929 for entity registration purposes;

930 (2) A list of all prices or fees being charged including any handling,
931 shipping, delivery or other charges;

932 (3) The date of the transaction;

933 (4) A detailed description of the goods or services being sold, leased
934 or rented; and

935 (5) In ten-point boldface type, in a space immediately preceding the
936 space allotted for the consumer's signature, the following statement:
937 "YOU ARE NOT OBLIGATED TO PAY ANY MONEY UNLESS YOU
938 SIGN THIS CONTRACT AND RETURN IT TO THE ADDRESS
939 CONTAINED IN THIS CONTRACT".

940 Sec. 13. Section 42-286 of the general statutes is repealed and the
941 following is substituted in lieu thereof (*Effective October 1, 2023*):

942 (a) A telemarketer shall not accept payment in any form from a

943 consumer, or make or submit any charge to the consumer's credit card,
944 charge card, debit card or electronic payment platform account, unless
945 the telemarketer has received from the consumer a contract, signed by
946 the consumer, which complies with section 42-285, as amended by this
947 act.

948 (b) In the event that the consumer sends payment to the telemarketer,
949 or the telemarketer makes or submits a charge to the consumer's
950 account, including, but not limited to, a credit card, charge card, debit
951 card or electronic payment platform account, and the telemarketer has
952 not received a signed contract from the consumer which complies with
953 section 42-285, as amended by this act, the telemarketer shall fully
954 refund the consumer's payment or fully credit the consumer's [credit
955 card] account.

956 Sec. 14. Section 42-288 of the general statutes is repealed and the
957 following is substituted in lieu thereof (*Effective October 1, 2023*):

958 (a) For the purposes of sections 42-284 to 42-287, inclusive, as
959 amended by this act, any transaction which occurs between a
960 telemarketer and a consumer shall be considered to have taken place in
961 this state if [either] (1) the telemarketer is a resident of, or a business
962 entity registered with the Secretary of the State to do business in, this
963 state, or (2) the consumer is [domiciled in] a resident of this state.

964 (b) Violation of any provision of sections 42-284 to 42-287, inclusive,
965 as amended by this act, shall be an unfair or deceptive act or practice in
966 violation of subsection (a) of section 42-110b.

967 (c) There shall be a rebuttable presumption that a telephonic sales call
968 made, a call using an automated dialing system or recorded message
969 device made, an over-the-top message sent, a text or media message sent
970 or a call using soundboard technology made to a Connecticut area code,
971 or to a consumer who is a resident of this state, has taken place in this
972 state.

973 Sec. 15. Section 42-288a of the general statutes is repealed and the

974 following is substituted in lieu thereof (*Effective October 1, 2023*):

975 (a) As used in this section and section 42-288b:

976 (1) "Automated dialing system or recorded message device" has the
977 same meaning as provided in section 42-284, as amended by this act;

978 (2) "Caller identification service or device" means any telephone
979 service or device which permits a consumer to see the telephone
980 number, caller name or location of an incoming telephonic sales call;

981 [(1)] (3) "Commissioner" means the Commissioner of Consumer
982 Protection;

983 [(2)] (4) "Consumer" means any individual who is a resident of this
984 state and a prospective recipient of consumer goods or services;

985 [(3)] (5) "Consumer goods or services" [means any article or service
986 that is purchased, leased, exchanged or received primarily for personal,
987 family or household purposes, and includes, but is not limited to, stocks,
988 bonds, mutual funds, annuities and other financial products] has the
989 same meaning as provided in section 42-284, as amended by this act;

990 [(4)] (6) "Department" means the Department of Consumer
991 Protection;

992 [(5)] (7) "Doing business in this state" [means] includes, but is not
993 limited to, conducting telephonic sales calls or making calls using an
994 automated dialing system or recorded message device or soundboard
995 technology, or sending over-the-top messages or text or media
996 messages, (A) from a location in this state, or (B) from a location outside
997 of this state to consumers residing in this state;

998 (8) "Marketing or sales solicitation" has the same meaning as
999 provided in section 42-284, as amended by this act;

1000 (9) "Over-the-top message" has the same meaning as provided in
1001 section 42-284, as amended by this act;

1002 [(6)] (10) "Prior express written consent" [has the meaning provided
1003 in 47 CFR 64.1200, as amended from time to time] has the same meaning
1004 as provided in section 42-284, as amended by this act;

1005 [(7) "Marketing or sales solicitation" means the initiation of a
1006 telephone call or message, including, but not limited to, a text or media
1007 message, to encourage the purchase or rental of, or investment in,
1008 property, goods or services, that is transmitted to any consumer, but
1009 does not include a telephone call or message, including, but not limited
1010 to, a text or media message (A) to any consumer with such consumer's
1011 prior express written consent, (B) by a tax-exempt nonprofit
1012 organization, or (C) to a consumer in response to a visit made by such
1013 consumer to an establishment selling, leasing or exchanging consumer
1014 goods or services at a fixed location;]

1015 (11) "Soundboard technology" has the same meaning as provided in
1016 section 42-284, as amended by this act;

1017 (12) "Telemarketer" has the same meaning as provided in section 42-
1018 284, as amended by this act;

1019 [(8)] (13) "Telephonic sales call" [means a telephone call made by a
1020 telephone solicitor, or a text or media message sent by or on behalf of a
1021 telephone solicitor, to a consumer for the purpose of (A) engaging in a
1022 marketing or sales solicitation, (B) soliciting an extension of credit for
1023 consumer goods or services, or (C) obtaining information that will or
1024 may be used for marketing or sales solicitation or exchange of or
1025 extension of credit for consumer goods or services] has the same
1026 meaning as provided in section 42-284, as amended by this act;

1027 [(9)] (14) "Telephone solicitor" [means any individual, association,
1028 corporation, partnership, limited partnership, limited liability company
1029 or other business entity, or a subsidiary or affiliate thereof, doing
1030 business in this state that makes or causes to be made a telephonic sales
1031 call, including, but not limited to, sending or causing to be sent a text or
1032 media message to a consumer's mobile telephone or mobile electronic
1033 device;] has the same meaning as provided in section 42-284, as

1034 amended by this act; and

1035 [(10)] (15) "Text or media message" [means a message that contains
1036 written, audio, video or photographic content and is sent electronically
1037 to a mobile telephone or mobile electronic device telephone number, but
1038 does not include electronic mail sent to an electronic mail address;] has
1039 the same meaning as provided in section 42-284, as amended by this act.

1040 [(11) "Unsolicited telephonic sales call" means any telephonic sales
1041 call other than a telephonic sales call made: (A) Pursuant to the prior
1042 express written consent of the consumer who is called or sent a text or
1043 media message; (B) primarily in connection with an existing debt or
1044 contract, payment or performance of which has not been completed at
1045 the time of the telephonic sales call; or (C) to an existing customer, unless
1046 such customer has stated to the telephone solicitor that such customer
1047 no longer wishes to receive the telephonic sales calls of such telephone
1048 solicitor; and

1049 (12) "Caller identification service or device" means any telephone
1050 service or device which permits a consumer to see the telephone number
1051 of incoming telephone calls or text or media messages.]

1052 (b) The department shall establish and maintain a "no sales
1053 solicitation calls" listing of consumers who do not wish to receive
1054 [unsolicited] telephonic sales calls. The department may contract with a
1055 private vendor to establish and maintain such listing, provided (1) the
1056 private vendor has maintained national "no sales solicitation calls"
1057 listings for more than two years, and (2) the contract requires the vendor
1058 to provide the "no sales solicitation calls" listing in a printed hard copy
1059 format and in any other format offered at a cost that does not exceed the
1060 production cost of the format offered. The department shall provide
1061 notice to consumers of the establishment of a "no sales solicitation calls"
1062 listing. Any consumer who wishes to be included on such listing shall
1063 notify the department by calling a toll-free number provided by the
1064 department, or in any other such manner and at such times as the
1065 commissioner may prescribe. A consumer on such listing shall be
1066 deleted from such listing upon the consumer's written request. The

1067 department shall update such listing not less than quarterly and shall
1068 make such listing available to telephone solicitors and other persons
1069 upon request.

1070 (c) No telemarketer or telephone solicitor may make or cause to be
1071 made any [unsolicited] telephonic sales call to any consumer [(1)]
1072 residential, mobile or telephonic paging device telephone number if the
1073 consumer's name and telephone number or numbers appear on the
1074 [then current quarterly "no sales solicitation calls" listing made available
1075 by the department under] National Do Not Call Registry maintained by
1076 the Federal Trade Commission pursuant to 15 USC 6102(a), as amended
1077 from time to time, that establishes a national database listing the
1078 telephone numbers of subscribers who do not wish to receive telephone
1079 solicitations, which number or numbers the department shall include in
1080 the listing established and maintained, and made available, pursuant to
1081 subsection (b) of this section. [, unless (A) such call was made by a
1082 telephone solicitor that first began doing business in this state on or after
1083 January 1, 2000, (B) a period of less than one year has passed since such
1084 telephone solicitor first began doing business in this state, and (C) the
1085 consumer to whom such call was made had not on a previous occasion
1086 stated to such telephone solicitor that such consumer no longer wishes
1087 to receive the telephonic sales calls of such telephone solicitor, (2) for
1088 telephone calls, to be received between the hours of nine o'clock p.m.
1089 and nine o'clock a.m., local time, at the consumer's location or, for text
1090 or media messages, to be received on the consumer's mobile telephone
1091 or mobile electronic device at any time, (3) in the form of electronically
1092 transmitted facsimiles, or (4) by use of a recorded message device.]

1093 (d) Telephonic sales calls made to any consumer residential, mobile
1094 or telephonic paging device telephone number not otherwise prohibited
1095 by this section shall be limited to being conducted within the hours of
1096 nine o'clock a.m. and eight o'clock p.m. local time.

1097 (e) Any person making a telephonic sales call to a consumer's
1098 residential, mobile or telephonic paging device telephone number that
1099 is not otherwise prohibited by this section shall disclose such person's

1100 identity, the purpose of such telephonic sales call and the identity of the
1101 entity for which such person is making such telephonic sales call, if any,
1102 not later than ten seconds after such telephonic sales call begins.

1103 (f) If a telephone solicitor makes a telephonic sales call to a consumer
1104 and requests that the consumer donate or gift money or anything of
1105 value, the telephone solicitor shall, at the beginning of such telephonic
1106 sales call, ask such consumer whether such consumer wishes to
1107 continue such telephonic sales call, end such telephonic sales call or be
1108 removed from such telephone solicitor's list.

1109 (g) A telephone solicitor shall end a telephonic sales call not later than
1110 ten seconds after a consumer states or otherwise indicates that the
1111 consumer wishes to end such telephonic sales call.

1112 (h) If a consumer informs a telephone solicitor, at any point during a
1113 telephonic sales call, that the consumer does not wish to receive future
1114 telephonic sales calls from the telephone solicitor, or wishes such
1115 telephone solicitor to remove such consumer's name, telephone number
1116 or other contact information from such telephone solicitor's list, such
1117 telephone solicitor shall: (1) Inform such consumer that such consumer's
1118 contact information will be removed from such telephone solicitor's list
1119 for at least one full year; (2) end such telephonic sales call not later than
1120 ten seconds after such consumer expresses such wish; (3) refrain from
1121 making any additional telephonic sales calls to such consumer at any
1122 telephone number associated with such consumer for at least one full
1123 year; and (4) not give or sell such consumer's name, telephone number
1124 or other contact information to any other entity, or receive anything of
1125 value from any other entity in exchange for such consumer's name,
1126 telephone number or other contact information.

1127 [(d)] (i) No telemarketer or telephone solicitor may [intentionally]
1128 cause to be installed or [may intentionally] use any blocking device or
1129 service to circumvent a consumer's use of a caller identification service
1130 or device. No telephone solicitor may intentionally transmit inaccurate
1131 or misleading caller identification information.

1132 [(e)] (j) (1) Any person who obtains the name, residential address or
1133 telephone number of any consumer from published telephone
1134 directories or from any other source and republishes or compiles such
1135 information, electronically or otherwise, and sells or offers to sell such
1136 publication or compilation to telephone solicitors for marketing or sales
1137 solicitation purposes, shall exclude from any such publication or
1138 compilation, and from the database used to prepare such publication or
1139 compilation, the name, address and telephone number or numbers of
1140 any consumer if the consumer's name and telephone number or
1141 numbers appear [in the then current quarterly "no sales solicitation
1142 calls" listing made available by the department under subsection (b) of
1143 this section] on the National Do Not Call Registry maintained by the
1144 Federal Trade Commission pursuant to 15 USC 6102(a), 16 CFR Part 310
1145 and 47 CFR 64.1200, as amended from time to time, that establishes a
1146 national database listing the telephone numbers of subscribers who do
1147 not wish to receive telephone solicitations.

1148 (2) This subsection does not apply to (A) any telephone company, as
1149 defined in section 16-1, for the sole purpose of compiling, publishing or
1150 distributing telephone directories or causing the compilation,
1151 publication or distribution of telephone directories or providing
1152 directory assistance, and (B) any person, for the sole purpose of
1153 compiling, publishing or distributing telephone directories for such
1154 telephone company pursuant to an agreement or other arrangement
1155 with such telephone company.

1156 [(f)] (k) The commissioner may adopt regulations, in accordance with
1157 chapter 54, to carry out the provisions of this section. Such regulations
1158 may include, but shall not be limited to, provisions governing the
1159 availability and distribution of the listing established under subsection
1160 (b) of this section and notice requirements for consumers wishing to be
1161 included on the listing established under subsection (b) of this section
1162 consistent with information on the National Do Not Call Registry
1163 maintained by the Federal Trade Commission pursuant to 15 USC
1164 6102(a), 16 CFR Part 310 and 47 CFR 64.1200, as amended from time to
1165 time.

1166 [(g)] (l) A violation of any of the provisions of this section shall be
1167 deemed an unfair or deceptive trade practice under subsection (a) of
1168 section 42-110b. [, except that no telephone solicitor may be liable under
1169 this section for a call made in violation of subdivision (1) of subsection
1170 (c) of this section if such telephone solicitor demonstrates that: (1) Such
1171 telephone solicitor established and implemented written procedures
1172 and trained its employees to follow such procedures to comply with
1173 subdivision (1) of subsection (c) of this section; (2) such telephone
1174 solicitor deleted from its call list any listing of a consumer on the then
1175 current quarterly "no sales solicitation calls" listing maintained pursuant
1176 to subsection (b) of this section; and (3) such call was made
1177 inadvertently.]

1178 [(h)] (m) No telemarketer or telephone solicitor may make, or cause
1179 to be made, [an unsolicited, automatically dialed, recorded] a telephonic
1180 sales call to a consumer without such consumer's prior express written
1181 consent.

1182 [(i) In addition to the requirements of subsections (b) to (h), inclusive,
1183 of this section, if a consumer's mobile telephone or mobile electronic
1184 device telephone number does not appear on the then current quarterly
1185 "no sales solicitation calls" listing made available by the department
1186 under subsection (b) of this section, no telephone solicitor may send or
1187 cause to be sent a text or media message to such number for the purpose
1188 of marketing or sales solicitation of consumer goods, unless such
1189 telephone solicitor has received the prior express written consent of the
1190 consumer to receive such text or media message.]

1191 (n) In addition to the requirements established in subsections (b) to
1192 (m), inclusive, of this section, if a consumer's mobile telephone or mobile
1193 electronic device telephone number does not appear on the then current
1194 quarterly "no sales solicitation calls" listing made available by the
1195 department pursuant to subsection (b) of this section, no telephone
1196 solicitor may send, or cause to be sent, a call using soundboard
1197 technology, an over-the-top message or a text or media message to such
1198 number for the purpose of marketing, selling or soliciting sales of

1199 consumer goods unless the telephone solicitor received express written
1200 consent from the consumer to receive such call using soundboard
1201 technology, over-the-top message or text or media message before such
1202 telephone solicitor made such call or sent such message or caused such
1203 call to be made or message to be sent.

1204 [(j)] (o) Notwithstanding the provisions of subsections (c) and [(i)] (j)
1205 of this section, a telecommunications company, as defined in section 16-
1206 1, may send an over-the-top message or a text or media message to an
1207 existing customer, provided [:] (1) [Such] such telecommunications
1208 company does not charge the customer a fee for such over-the-top
1209 message or text or media message, and (2) such over-the-top message or
1210 text or media message is primarily in connection with (A) an existing
1211 debt, payment of which has not been completed at the time the over-
1212 the-top message or text or media message is sent, (B) an existing contract
1213 between the telecommunications company and the customer, (C) a
1214 wireless emergency alert authorized by federal law, or (D) a prior
1215 request for customer service that was initiated by the customer.

1216 [(k)] (p) In addition to any penalty imposed under chapter 735a, any
1217 telephone solicitor, who is liable under the provisions of subsections
1218 [(g)] (b) to [(i)] (n), inclusive, of this section, shall be fined not more than
1219 twenty thousand dollars for each violation.

1220 Sec. 16. (NEW) (*Effective October 1, 2023*) (a) As used in this section:

1221 (1) "Automated dialing system or recorded message device" has the
1222 same meaning as provided in section 42-284 of the general statutes, as
1223 amended by this act;

1224 (2) "Commercial solicitation" (A) means the unsought initiation of a
1225 telephone conversation or voice communication for the purpose of (i)
1226 encouraging a consumer to purchase property, goods or services, or (ii)
1227 obtaining personal information or any other thing of value, and (B) does
1228 not include (i) an unsought telephone conversation or voice
1229 communication with a consumer who provides advance (I) written
1230 nonassignable consent to such conversation or communication, or (II)

1231 electronic nonassignable consent to such conversation or
1232 communication if the consumer has been provided a clear, conspicuous,
1233 detailed disclosure concerning the scope of such consent before such
1234 consumer provides such consent and if such consent only applies to
1235 conversations or communications initiated by the person seeking such
1236 consent, or (ii) any portion of an unsought voice communication that
1237 involves a live conversation between the voice communication recipient
1238 and a person with whom such recipient has an established business
1239 relationship;

1240 (3) "Consumer" has the same meaning as provided in section 42-288a
1241 of the general statutes, as amended by this act;

1242 (4) "Established business relationship" means an existing relationship
1243 that is formed by a voluntary two-way communication between a
1244 consumer or entity and a business, with or without an exchange of
1245 consideration, on the basis of an application, purchase or transaction
1246 regarding property, goods or services offered by the business or entity,
1247 which relationship has not been previously terminated by either party;

1248 (5) "Over-the-top message" has the same meaning as provided in
1249 section 42-284 of the general statutes, as amended by this act;

1250 (6) "Person" has the same meaning as provided in section 42-284 of
1251 the general statutes, as amended by this act;

1252 (7) "Personal information" has the same meaning as provided in
1253 section 36a-701b of the general statutes, as amended by this act;

1254 (8) "Soundboard technology" has the same meaning as provided in
1255 section 42-284 of the general statutes, as amended by this act;

1256 (9) "Telephonic sales call" has the same meaning as provided in
1257 section 42-284 of the general statutes, as amended by this act;

1258 (10) "Terminating provider" means a telecommunications provider
1259 upon whose network a voice communication terminates to a call
1260 recipient or end user;

1261 (11) "Text or media message" has the same meaning as provided in
1262 section 42-284 of the general statutes, as amended by this act; and

1263 (12) "Voice communication" (A) means a communication that is made
1264 by an individual or, in whole or in part, by using an artificial or
1265 prerecorded message, (B) includes, but is not limited to, a voice message
1266 transmitted directly to a recipient's voicemail regardless of whether the
1267 recipient's phone rings as part of the transmission, and (C) does not
1268 include an automated warning required by law.

1269 (b) (1) Except as provided in subdivision (2) of this subsection, no
1270 person shall:

1271 (A) Initiate a commercial solicitation or telephonic sales call by using
1272 an automated dialing system or recorded message device, technology to
1273 send an over-the-top message or a text or media message, or by using
1274 soundboard technology to contact (i) a telephone number with a
1275 Connecticut area code, or (ii) a telephone registered to a resident of this
1276 state whose telephone number appears on the National Do Not Call
1277 Registry maintained by the Federal Trade Commission pursuant to 15
1278 USC 6102(a), as amended from time to time; or

1279 (B) Provide substantial assistance or support to the initiator of a
1280 commercial solicitation or telephonic sales call that enables the initiator
1281 to initiate, originate or transmit a commercial solicitation or telephonic
1282 sales call if such person knows, or avoids knowing, that such initiator is
1283 engaged, or intends to engage, in fraud or any practice that violates any
1284 provision of this section or sections 42-284 to 42-288b, inclusive, of the
1285 general statutes, as amended by this act.

1286 (2) No provision of subdivision (1) of this subsection shall be
1287 construed to prohibit:

1288 (A) Any person from designing, manufacturing or distributing any
1289 component, product or technology that has a commercially significant
1290 use other than circumventing or violating the provisions of this section;

1291 (B) Any telecommunications provider or other entity from providing

1292 access to the Internet for the purpose of excluding initiation of a voice
1293 communication or text message; or

1294 (C) Any terminating provider from taking any action concerning
1295 completion of a voice communication.

1296 (c) There shall be a rebuttable presumption that a commercial
1297 solicitation, voice communication or telephonic sales call made by using
1298 an automated dialing system or recorded message device, or technology
1299 that sends an over-the-top message or a text or media message, to any
1300 telephone number with a Connecticut area code or to a consumer has
1301 taken place in this state.

1302 (d) A violation of this section shall be deemed an unfair or deceptive
1303 trade practice under subsection (a) of section 42-110b of the general
1304 statutes. In addition to any penalty imposed under chapter 735a of the
1305 general statutes, any person who violates any provision of this section
1306 shall be fined not more than twenty thousand dollars for each such
1307 violation.

1308 Sec. 17. Subsections (c) to (k), inclusive, of section 21a-190f of the
1309 general statutes are repealed and the following is substituted in lieu
1310 thereof (*Effective from passage*):

1311 (c) [No] Not less than [twenty days] one business day prior to the
1312 commencement of each solicitation campaign, a paid solicitor shall file
1313 with the department a copy of the contract described in subsection (d)
1314 of this section and shall complete a solicitation notice in a form
1315 prescribed by the commissioner. A solicitation notice shall be certified
1316 by the paid solicitor as true and correct to the best of the solicitor's
1317 knowledge and shall include a description of the solicitation event or
1318 campaign, the location and telephone number from which the
1319 solicitation is to be conducted, the names and residence addresses of all
1320 employees, agents or other persons however styled who are to solicit
1321 during such campaign and the account number and location of all bank
1322 accounts where receipts from such campaign are to be deposited.
1323 [Copies of campaign solicitation literature, including the text of any

1324 solicitation to be made orally, shall be submitted to the department.] The
1325 charitable organization on whose behalf the paid solicitor is acting shall
1326 certify that the solicitation notice and accompanying material are true
1327 and complete. [Prior to the commencement of such solicitation
1328 campaign, the commissioner shall publicize such solicitation by posting
1329 on the department's web site information describing the terms of the
1330 contract between the paid solicitor and the charitable organization, the
1331 dates of such solicitation campaign and the percentage of the raised
1332 funds to be retained by the paid solicitor. The commissioner may
1333 publicize such solicitation through any additional means the
1334 commissioner deems appropriate.]

1335 (d) A contract between a paid solicitor and a charitable organization
1336 shall be in writing, shall clearly state the respective obligations of the
1337 paid solicitor and the charitable organization and shall state the
1338 minimum amount that the charitable organization shall receive as a
1339 result of the solicitation campaign, which minimum amount shall be
1340 stated as a percentage of the gross revenue. Such minimum amount
1341 shall not include any amount that the charitable organization is to pay
1342 as expenses of the solicitation campaign.

1343 (e) A paid solicitor shall, prior to orally requesting a contribution, and
1344 at the same time at which a written request for a contribution is made,
1345 clearly and conspicuously disclose at the point of solicitation such
1346 solicitor's name as on file with the department [,] and the fact that such
1347 solicitor is a paid solicitor. [and the percentage of the gross revenue
1348 which the charitable organization shall receive as identified in
1349 subsection (d) of this section.]

1350 (f) A paid solicitor shall, in the case of a solicitation campaign
1351 conducted orally, whether by telephone or otherwise, send a written
1352 confirmation to each person who has pledged to contribute, no more
1353 than five days after such person has been solicited, which confirmation
1354 shall include a clear and conspicuous disclosure of the information
1355 required by subsection (e) of this section.

1356 (g) A paid solicitor shall not represent that any part of the

1357 contributions received will be given or donated to any charitable
1358 organization unless such organization has consented in writing to the
1359 use of its name, prior to the solicitation. Such written consent, if given,
1360 shall be signed by two authorized officers, directors or trustees of the
1361 charitable organization.

1362 (h) No paid solicitor may represent that tickets to an event are to be
1363 donated for use by another, unless the paid solicitor has first obtained a
1364 commitment, in writing, from a charitable organization stating that it
1365 will accept donated tickets and specifying the number of tickets which
1366 it is willing to accept and provided no more contributions for donated
1367 tickets shall be solicited than the number of ticket commitments
1368 received from the charitable organization.

1369 (i) A paid solicitor shall require any person such solicitor directly or
1370 indirectly employs, procures or engages to solicit to comply with the
1371 provisions of subsections (e) to (h), inclusive, of this section.

1372 (j) A paid solicitor shall file a financial report for the campaign with
1373 the department no more than ninety days after a solicitation campaign
1374 has been completed, and on the anniversary of the commencement of
1375 any solicitation campaign which lasts more than one year, in a form
1376 prescribed by the commissioner. The financial report shall include gross
1377 revenue and an itemization of all expenditures incurred. The report
1378 shall be completed on a form prescribed by the department. An
1379 authorized official of the paid solicitor and two authorized officials of
1380 the charitable organization shall certify that such report is true and
1381 complete to the best of their knowledge. The information contained in
1382 such report shall be available to the public.

1383 (k) A paid solicitor shall maintain during each solicitation campaign
1384 and for not less than three years after the completion of each such
1385 campaign the following records; [which shall be available to the
1386 department for inspection upon request:] (1) The name and address of
1387 each contributor, if known to the paid solicitor, and the date and amount
1388 of the contribution; [provided the department shall not disclose this
1389 information except to the extent necessary for investigative or law

1390 enforcement purposes;] (2) the name and residence of each employee,
1391 agent or other person involved in the solicitation; and (3) records of all
1392 income received and expenses incurred in the course of the solicitation
1393 campaign. The paid solicitor shall make the records required under
1394 subdivisions (2) and (3) of this subsection, as well as records containing
1395 the dates and amounts described in subdivision (1) of this subsection,
1396 available to the department for inspection upon request.

1397 Sec. 18. Subsection (b) of section 21a-190c of the general statutes is
1398 repealed and the following is substituted in lieu thereof (*Effective from*
1399 *passage*):

1400 (b) A charitable organization shall include with the charitable
1401 organization's financial statement (1) an audit report of a certified public
1402 accountant if the charitable organization had gross revenue in excess of
1403 [five hundred thousand] one million dollars in the year covered by [the]
1404 such report, [shall include with its financial statement an audit report of
1405 a certified public accountant] or (2) an audit or review report of a
1406 certified public accountant if the charitable organization had gross
1407 revenue in excess of five hundred thousand dollars but not more than
1408 one million dollars in the year covered by such report. For purposes of
1409 this section, gross revenue shall not include grants or fees from
1410 government agencies or the revenue derived from funds held in trust
1411 for the benefit of the organization. The commissioner may, upon written
1412 request and for good cause shown, waive the audit or review report
1413 requirement under this subsection.

1414 Sec. 19. Subsection (a) of section 21a-190b of the general statutes is
1415 repealed and the following is substituted in lieu thereof (*Effective from*
1416 *passage*):

1417 (a) Every charitable organization not exempted by section 21a-190d
1418 shall annually register with the department prior to conducting any
1419 solicitation or prior to having any solicitation conducted on its behalf by
1420 others. Application for registration shall be in a form prescribed by the
1421 commissioner and shall include a nonrefundable application fee of fifty
1422 dollars. Such application shall include: (1) A registration statement, (2)

1423 an annual financial report for such organization for the preceding fiscal
 1424 year that is prepared in accordance with the provisions of subsection (a)
 1425 of section 21a-190c, as amended by this act, and (3) an audited or
 1426 reviewed financial statement as required by subsection (b) of section
 1427 21a-190c, as amended by this act. An authorized officer of the
 1428 organization shall certify that the statements therein are true and correct
 1429 to the best of their knowledge. A chapter, branch or affiliate in this state
 1430 of a registered parent organization shall not be required to register
 1431 provided the parent organization files a consolidated annual
 1432 registration for itself and its chapter, branch or affiliate. Each charitable
 1433 organization shall annually renew its registration not later than eleven
 1434 months after the end of such organization's fiscal year.

1435 Sec. 20. Section 42-288c of the general statutes is repealed. (*Effective*
 1436 *October 1, 2023*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	42-230
Sec. 2	<i>July 1, 2023</i>	51-164n(b)
Sec. 3	<i>from passage</i>	42-110d(c) to (f)
Sec. 4	<i>July 1, 2023</i>	35-42(c)
Sec. 5	<i>July 1, 2023</i>	4-61dd(d)
Sec. 6	<i>October 1, 2023</i>	36a-701b
Sec. 7	<i>July 1, 2023</i>	42-471(d) to (h)
Sec. 8	<i>October 1, 2023</i>	42-472a
Sec. 9	<i>July 1, 2023</i>	42-520(a)
Sec. 10	<i>October 1, 2023</i>	53-289a
Sec. 11	<i>October 1, 2023</i>	42-284
Sec. 12	<i>October 1, 2023</i>	42-285(b)
Sec. 13	<i>October 1, 2023</i>	42-286
Sec. 14	<i>October 1, 2023</i>	42-288
Sec. 15	<i>October 1, 2023</i>	42-288a
Sec. 16	<i>October 1, 2023</i>	New section
Sec. 17	<i>from passage</i>	21a-190f(c) to (k)
Sec. 18	<i>from passage</i>	21a-190c(b)
Sec. 19	<i>from passage</i>	21a-190b(a)
Sec. 20	<i>October 1, 2023</i>	Repealer section

Statement of Legislative Commissioners:

Section 1(c) was rewritten for clarity; in Section 8, Subsecs. (a)(1) and (h) were rewritten for clarity; in Section 8(d), "53a-129e," was changed to "53a-129e or" and "the state" was changed to "this state" for internal consistency; in Section 10(a), "service fee", "surcharge" was changed to "service fee" or "surcharge" for clarity; in Sections 13(a) and (b), "charge card or debit card account or electronic payment platform account" was changed to "charge card, debit card or electronic payment platform account" for conciseness; in Section 15(c), "(1)" was bracketed for consistency with standard drafting conventions; in Section 15(d), "to, and conducted within, the" was changed to "limited to being conducted within the" for clarity; in Section 15(o), "[a] an over-the-top message or text" was changed to "an over-the-top message or a text" for clarity; in Section 16(b)(1)(A), "a" was inserted before "text" for clarity; and in Section 16(b)(1)(B), "42-288c" was changed to "42-288b" for accuracy.

GL *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Consumer Protection, Dept.	GF - Cost	76,522	76,385
State Comptroller - Fringe Benefits ¹	GF - Cost	31,910	32,708
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below
Consumer Protection, Dept.	Privacy Protection Guaranty and Enforcement Account - Revenue Impact	See Below	See Below

Note: GF=General Fund; Various=Various

Municipal Impact: None

Explanation

The bill makes various changes to the Attorney General and Department of Consumer Protection (DCP) statutes resulting in the costs and revenue impacts described below.

Costs:

Sections 7-8 require the DCP to oversee the application review and financial restitution program for the expanded data privacy requirements of the bill resulting in a cost of \$76,522 in FY 24 and \$76,385 in FY 25 to DCP, along with fringe benefit costs of \$31,910 in FY 24 and \$32,708 in FY 25. To meet the requirements of the bill DCP will have to

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 42.82% of payroll in FY 24.

hire one fiscal/administrative officer. This position will be responsible for reviewing the applications and supporting evidence and determining if the applicant is a victim of identity theft.

Revenue Impacts:

Sections 7-8 require a transfer to the General Fund (GF) if the balance in the privacy protection guaranty and enforcement account exceeds \$250,000 resulting in a potential revenue gain to the GF to the extent this occurs. These sections also alter the deposits and payments of the privacy protection guaranty and enforcement account resulting in a revenue impact depending on the amount of deposits and payments required.

The bill makes various other Consumer Protection and Attorney General related changes which is anticipated to result in no fiscal impact to the state or municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 1058****AN ACT CONCERNING THE ATTORNEY GENERAL'S
RECOMMENDATIONS REGARDING CONSUMER PROTECTION
AND FINANCIAL REPORTING BY CHARITABLE ORGANIZATIONS.**

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Establishes disclosure requirements for anyone selling or reselling tickets for an entertainment event; requires operators that charge admission prices for places of entertainment to include certain related information on the ticket face; and prohibits false or misleading disclosures

§§ 11-16 & 20 — TELEMARKETING AND DO NOT CALL REGISTRIES

Broadens applicability of the state’s telemarketing laws, Do Not Call laws, and other restrictions; prohibits initiating a commercial transaction or telephonic sales call using various types of technology to contact a telephone number with a Connecticut area code; establishes rebuttable presumptions on call locations

§ 17 — PAID SOLICITORS’ DISCLOSURES

Makes several changes in the Connecticut Solicitation of Charitable Funds Act, generally codifying recent caselaw that deemed certain provisions regulating paid solicitors unenforceable on constitutional grounds

§§ 18 & 19 — CHARITABLE ORGANIZATIONS AUDIT REQUIREMENT

Raises the threshold above which a registered charitable organization must submit a formal audit report to DCP, while allowing smaller organizations to instead submit a CPA’s financial “review report”

SUMMARY

A section-by-section analysis follows.

§§ 1 & 2 — PRICE GOUGING

Defines price gouging as charging an unconscionably excessive price during certain declared emergencies; expands the price gouging law’s application during certain declared emergencies beyond the retail sale of consumer goods to other supply chain transactions (e.g., wholesale) and to rental and lease transactions; gives the attorney general exclusive authority to enforce this law

Current law prohibits any person, firm, or corporation from increasing the price of any item sold at retail in a location subject to certain emergency declarations while the declaration is in effect, except if the seller can justify doing so as a price fluctuation that occurs during the normal course of business. The bill replaces this general provision with more specific provisions defining what constitutes prohibited price gouging behavior. The bill’s prohibition applies during the same emergency declarations as current law (which the bill calls “precipitating events”; see *Background*).

Price Gouging Definition (§ 1)

Under the bill, price gouging is selling, renting, or leasing an item, or

offering to do so, at an amount that represents an “unconscionably excessive price.” An “unconscionably excessive price” means the increased price of an item for lease, rent, or sale during a precipitating event. This increased price must be (1) grossly disproportionate to the price of the item, either immediately before the precipitating event or while the event was reasonably anticipated, and (2) not attributable to additional costs incurred in leasing, renting, or selling the item during the event.

Applicability to Additional Transactions (§ 1)

Additionally, the bill expands the price gouging prohibition in current law in the following ways:

1. adds distributors, manufacturers, suppliers, and wholesalers to the actors (“vendors”) to which the prohibition applies;
2. expands the prohibition to an item’s entire chain of distribution, rather than just at retail; and
3. adds rental and leasing, or offers to rent or lease, to the transactions to which the prohibition applies.

Enforcement (§§ 1 & 2)

By law and unchanged by the bill, a violation of the price gouging prohibition is considered a Connecticut Unfair Trade Practices Act violation (CUTPA, see *Background*). The bill gives the attorney general exclusive authority to enforce this on the state’s behalf by bringing an action in the Hartford judicial district. It also gives the attorney general authority to, as outlined in CUTPA, (1) order an investigation or examination or (2) take other enforcement action as necessary.

The bill removes the provision specifying that an item’s price fluctuation does not violate the price gouging law when sold at retail during the normal course of business. It also removes the requirement that violators be fined up to \$99.

Correspondingly, the bill removes price gouging from the list of

infractions in current law that the Superior Court's Centralized Infractions Bureau oversees, which allows alleged violators to plead guilty and pay a fine or plead not guilty and go to trial in an unspecified judicial district.

Background

Precipitating Events. Precipitating events are the following:

1. a civil preparedness emergency, which the governor may declare in the event or imminence of an emergency, serious disaster or enemy attack, sabotage, or other hostile action within the state or a neighboring state (CGS § 28-1);
2. a transportation emergency, which the governor may declare when a substantial disruption in the operation of a major transportation facility or service occurs, endangering the public health, safety, or welfare (CGS § 3-6b); and
3. major disaster or emergency declarations issued by the U.S. president.

Connecticut Unfair Trade Practices Act. The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the consumer protection 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 violations of a restraining order.

EFFECTIVE DATE: July 1, 2023

§§ 3-5 — INVESTIGATIVE DOCUMENTS IN THE POSSESSION OF STATE ENTITIES

Addresses state entities' handling of documents related to investigations of alleged CUTPA, antitrust, or health and human services violations

The bill addresses state entities' handling of documents related to investigations of alleged CUTPA, antitrust, or health or human services violations. It also makes technical changes.

CUTPA Investigations (§ 3)

By law, the Department of Consumer Protection (DCP) commissioner, attorney general, or their employees must publicly disclose records related to an investigation of an alleged CUTPA violation, in fulfillment of the state's Freedom of Information Act. This includes any complaint initiating the investigation and all records related to its disposition or settlement. While the investigation's completion is pending, the bill allows the commissioner to temporarily withhold from public disclosure any documents containing responses to investigative demands.

Antitrust and Health and Human Services Investigations (§§ 4 & 5)

By law, the attorney general, the attorney general's deputy, or any designated assistant attorney general must not make public any documents provided to them in association with an investigation of alleged (1) state antitrust act violations, provided on demand or voluntarily, or (2) false claims and other prohibited acts related to state-administered health or human services programs, provided on demand. When the investigation is complete, or when any action or proceeding has reached its final determination, the documents must be returned to the person who furnished them. Under the bill, if the documents or other information were provided electronically, they must be erased.

EFFECTIVE DATE: July 1, 2023, except the provisions on CUTPA investigations are effective upon passage.

§§ 6-9 — CONSUMER PRIVACY

Adds "precise geolocation data" to the types of personal information subject to data breach notice requirements; changes the penalty and enforcement mechanism for personal information safeguarding requirements; expands the purposes of the Privacy Protection Guaranty and Enforcement Account and creates separate processes for accessing funds;

and changes the liability threshold for data controllers under a framework taking effect July 1, 2023

Personal Information and Breach Notices (§ 6)

By law, any person who owns, licenses, or maintains computerized data that includes personal information must comply with certain reporting and mitigation requirements when personal information is reasonably believed to have been breached. The bill adds “precise geolocation data” to the types of personal information subject to these requirements, when in combination with a person’s (1) first name or first initial and (2) last name. By law, “precise geolocation data” means information derived from technology (e.g., GPS level latitude and longitude coordinates or other mechanisms) that directly identifies someone’s specific location with precision and accuracy within a 1,750-foot radius. It excludes the content of communications and data related to utility metering systems.

Existing law generally requires the person or entity subject to the breach to notify (1) any state resident whose personal information was breached and (2) the attorney general. The law generally requires this notice in specific formats (i.e., written, by phone, or electronically), but creates an exception, allowing a “substitute notice” if the notifier demonstrates that the cost would exceed \$250,000, the group to be notified would exceed 500,000 people, or the notifier lacks sufficient contact information. The bill specifies that the notifier must demonstrate that these substitute notice criteria are met in the notice of the breach provided to the attorney general. By law, substitute notice includes emailing affected people, posting on the notifier’s website, and notifying major state-wide media of the breach.

Safeguarding Requirements (§ 7)

A separate existing law requires people in possession of other types of personal information to (1) safeguard the data, and computer files and documents containing it, from misuse by third parties and (2) destroy, erase, or make the data, computer files, and documents unreadable before disposing of them. These safeguarding requirements apply to information associated with a particular individual through

one or more identifiers (e.g., Social Security numbers, driver's license numbers, state identification card numbers, account numbers, debit or credit card numbers, passport numbers, alien registration numbers, health insurance identification numbers, or any military identification information).

The bill changes the penalty and, in some cases, the enforcement mechanism for these safeguarding requirements. Under current law, violators are subject to a \$500 civil penalty for each violation, up to \$500,000 for a single event, and penalties only apply if the violation was intentional. The bill instead makes a violation an unfair trade practice under CUTPA. Among other things, CUTPA allows the DCP commissioner to investigate complaints, issue cease and desist orders, and order restitution in certain cases. 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 restraining order violations (CGS § 42-110a et seq.).

Under current law, DCP enforces safeguarding requirements, unless the person possessing data is supervised by another state agency under a license, registration, or certificate. In that case, the other state agency enforces them. The bill exempts the attorney general's actions from these provisions. Additionally, the bill allows, rather than requires, civil penalties to be deposited into the privacy protection guaranty and enforcement account (see below).

Privacy Protection Guaranty and Enforcement Account (§ 8)

By law, the privacy protection guaranty and enforcement account is a nonlapsing account in the General Fund. The DCP commissioner must use funds in the account to reimburse people hurt by violations of the safeguarding requirements described above, among other things. The bill caps the total balance in the account at \$250,000 and requires that any balance exceeding that amount be deposited in the General Fund.

The bill broadens the account's purposes to include reimbursing

those harmed by violations of laws against (1) identity theft in the first, second, or third degree, (2) trafficking in personal identifying information, and (3) misrepresentation as an online business.

Current law has a process, for people who get court judgments against any person or entity for violating various laws on safeguarding personal information, to apply for a payment from the account in the amount of unpaid damages and costs taxed by the court against the violator, excluding punitive damages. By law, this process is available upon the judgment's final determination or after the time for appeal has expired. The bill expands eligibility for this process to those who obtain court judgements against any person or entity for violating laws against (1) identity theft in the first, second, or third degree, (2) trafficking in personal identifying information, and (3) misrepresentation as an online business. Current law requires the application to include a certified copy of the court judgment and requires the applicant to sign a notarized affidavit affirming that he or she has obtained a judgment. Under the bill, copies of, and affidavits referencing, court orders or decrees must also be included.

The bill similarly expands a provision allowing people to apply for payment from the account who have unpaid orders of restitution. Under current law, an individual who is awarded an order of restitution against someone for loss or damages sustained from violating various laws related to safeguarding personal information may apply. The bill expands eligibility for this process to those who obtain court judgements against any person or entity for violating laws against (1) identity theft in the first, second, or third degree, (2) trafficking in personal identifying information, and (3) misrepresentation as an online business.

The bill also allows the fund to be used to assign court-ordered restitution resulting from violations of laws on the following topics if restitution is owed to someone residing in the state on the date of the order or violation:

1. misrepresenting, impersonating, or using false personal identifying information when applying for a license, registration,

-
- or certificate (CGS § 21-120);
2. physically altering a license, registration, or certificate to conceal or misrepresent a material fact (CGS § 21-121);
 3. willful violation of laws that restrict posting, displaying, transmitting, and using Social Security numbers (CGS § 42-470(e));
 4. diverting employee labor from the state (CGS § 53a-127);
 5. identify theft in the first, second, or third degree, or trafficking in personal identifying information (CGS §§ 53a-129b to -129e);
 6. criminal impersonation (CGS § 53a-130); and
 7. federal laws on (a) fraud and related activity in connection with identification documents and (b) aggravated identity theft (18 U.S.C. §§ 1028 & 1028A).

The bill establishes a separate process for an identity theft victim who receives a restitution order for the violations listed above. Under the bill, in cases where the victim is a state resident on the date of the order or violation, the victim may apply to the DCP commissioner, on forms she prescribes, for an order directing payment from the account. The application must include (1) a copy of the court judgment, order, or decree obtained against the person or entity that committed identify theft and (2) a notarized affidavit, signed and sworn to by the victim, that states the amount owed on the judgement, award, or degree at the time of the application and affirms that the victim complied with the bill's requirements for this process and has been awarded an order of restitution.

Under the bill, the process for paying restitution to identity theft victims is the same as under the existing process for court judgments. If the DCP commissioner determines the documents are complete and authentic and the individual has not been paid, she must order payment out of the account for the amount of unpaid damages and costs taxed by

the court against the violator, excluding punitive damages.

The bill creates another separate process for identity theft victims who would not otherwise qualify for payment under the provisions described above. Under this process, a victim may apply to the DCP commissioner for an order directing payment from the account in the amount incurred or lost by the victim due to identity theft within the last three years. The bill limits the amount to (1) \$5,000 to reimburse the victim for reasonable costs (e.g., documented lost wages, costs to resolve or mitigate identity theft effects) and (2) \$15,000 for actual losses. Under this process, a victim must attest on a DCP-prescribed form that (1) he or she is a victim of identity theft and (2) the person or persons who committed identity theft (a) cannot reasonably be determined or identified or (b) have been identified but have not been prosecuted due to any reason other than the victim's noncooperation, unless the victim's noncooperation is due to domestic violence.

The bill requires the DCP commissioner or her designee to inspect the application and supporting evidence for veracity. If the commissioner or designee makes a reasonable determination that the applicant is likely an identity theft victim and the person or persons who committed identity theft have not been prosecuted for the reasons described above, the commissioner must issue an order directing payment from the account in the amount incurred or lost by the victim due to identity theft in the last three years, subject to the limits described above.

Existing law also requires the DCP commissioner to use funds in the account to enforce various laws on consumer privacy, including provisions establishing (1) the safeguarding requirements described above and (2) restrictions on posting, displaying, transmitting, and using Social Security numbers. The bill additionally requires her to use funds in the account to enforce the breach notice and mitigation requirements described above. The bill also expands the fund's uses to include the attorney general's enforcement of laws on misrepresentation as an online business.

Lastly, the bill authorizes civil penalties collected for failure to

comply with data breach provisions (see § 6 above) to be deposited into the privacy protection guaranty and enforcement account.

Personal Data Framework (§ 9)

Beginning July 1, 2023, existing law establishes a framework for controlling and processing personal data. The framework requires a controller (i.e., an individual or legal entity that determines the purpose and means of processing personal data) to limit the collection of personal data and establish security practices, among other things. Existing law prohibits controllers from processing a consumer's personal data for purposes of targeted advertising without the consumer's consent for consumers who are at least 13 years old, but under 16 years old. Under current law, for the prohibition to apply, the controller must have actual knowledge that the consumer's age is in this range and willfully disregard it. Under the bill, either actual knowledge or willful disregard of the consumer's age makes a controller subject to the prohibition.

Background

Related Bill. sSB 1103, § 7, favorably reported by the General Law Committee, contains an identical provision prohibiting a controller that has actual knowledge or willfully disregards the consumer's age from processing the consumer's data for targeted advertising without the consumer's consent.

EFFECTIVE DATE: July 1, 2023, except provisions on security breach requirements and the privacy protection guaranty and enforcement account are effective October 1, 2023.

§ 10 — TICKET PRICING

Establishes disclosure requirements for anyone selling or reselling tickets for an entertainment event; requires operators that charge admission prices for places of entertainment to include certain related information on the ticket face; and prohibits false or misleading disclosures

For entertainment events where a service charge will be imposed, existing law requires advertisements to conspicuously disclose the total price for each ticket and what portion represents a service charge.

Current law does not define “service charge,” but the bill defines it as any additional fee or charge that is designated as an “administrative fee,” “service fee,” “surcharge,” or another substantially similar term.

The bill additionally requires operators who charge an admission price for a place of entertainment to print or endorse on each ticket face for an event (1) the established ticket price and (2) the final auction price of the ticket if the operator or his or her agent sells or resells the ticket at auction.

The bill requires any person who facilitates ticket sales or resales for an entertainment event to disclose:

1. the total ticket price, including all service charges required to purchase the ticket; and
2. in a clear and conspicuous manner, to the ticket purchaser, the portion of the ticket price in dollars attributable to service charges charged to the purchaser for the ticket.

The bill requires these disclosures to be displayed in the ticket listing before the ticket is selected for purchase. It prohibits any increase of the total ticket price during the ticket purchasing process, other than a reasonable charge to deliver a nonelectronic ticket if the fee is (1) based on the delivery method selected by the ticket purchasers and (2) disclosed to the purchaser before purchase.

The bill prohibits (1) false or misleading disclosures and (2) disclosures from being presented more prominently than the total ticket price, or in a font size as large or larger than the font size of the total ticket price.

EFFECTIVE DATE: October 1, 2023

§§ 11-16 & 20 — TELEMARKETING AND DO NOT CALL REGISTRIES

Broadens applicability of the state’s telemarketing laws, Do Not Call laws, and other restrictions; prohibits initiating a commercial transaction or telephonic sales call using

*various types of technology to contact a telephone number with a Connecticut area code;
establishes rebuttable presumptions on call locations*

Telemarketers, Contracts, and Payments

The bill broadens the applicability of the state's telemarketing laws. Under existing law, an oral agreement between a consumer and a telemarketer is not binding, valid, or enforceable unless the telemarketer receives a written, signed contract disclosing the agreement's full terms. If the telemarketer sends goods or services to the consumer without this written contract, they are considered an unconditional gift with no obligation to the consumer (CGS § 42-285). Under current law, a "telemarketer" is any person who initiates the sale, lease, or rental of consumer goods or services, or offers gifts or prizes with the intent to sell, lease, or rent consumer goods, by methods that include (1) telephone or (2) written notice that does not describe goods or services or disclose a price and instead includes a request to contact the seller by telephone. Under the bill, "consumer goods or services" are articles or services purchased, leased, exchanged, or received primarily for personal, family, or household purpose, including warrantees, gift cards, stocks, bonds, mutual funds, annuities, and other financial products.

Under the bill, telemarketers are also those who use the following methods or technologies:

1. automated dialing system or recorded message device, which is a device that (a) automatically dials a telephone number and plays a recorded message upon connection or (b) makes a connection to an end user through an automated system used to dial a telephone number and transmit a voice communication;
2. soundboard technology, which is a technology that allows someone to communicate with a call recipient in real-time by playing a recorded audio message instead of using his or her voice;
3. over-the-top message, which is a text-based communication on a platform that uses existing Internet services to deliver messages

(e.g., WhatsApp and Facebook Messenger); or

4. text or media message, which is a message consisting of text or any image, sound, or other information transmitted by or to a device identifiable through a 10-digit telephone number or N11 service code.

Emails sent to email addresses are not text or media messages under the bill. A “text or media message” includes a short message and multimedia message service that contains written, audio, video, or photographic contact sent electronically to a mobile telephone or mobile electric device telephone number.

The bill expands the information that the written contract must contain to include the telemarketer’s headquarters location and home state or country for entity registration purposes. The bill specifies that the telemarketer’s name on the contract must be the telemarketer’s legal name.

The bill also expands the types of payment that are subject to requirements for a written contract. Current law prohibits telemarketers from accepting payments from a consumer or submitting a charge to a consumer’s credit card unless the telemarketer has received a written and signed contract from the consumer. The bill also applies this prohibition to payment in any form and charges to a charge card, debit card, or electronic payment platform account. Under existing law, when the consumer pays a telemarketer who has not received a written signed contract from the consumer, the telemarketer must refund the consumer’s payment or credit the consumer’s account. The bill specifies that this obligation is for a full refund.

For purposes of applicability, under current law, any transaction occurring between a telemarketer and a consumer is considered to have taken place in Connecticut if either the telemarketer or the consumer is domiciled in Connecticut. The bill instead considers transactions to have

taken place in Connecticut if (1) the telemarketer is a state resident or a business entity registered with the Secretary of State to do business in Connecticut or (2) the consumer is a state resident (see also rebuttable presumption provisions below).

Do Not Call Registries and Other Restrictions

The bill broadens the applicability of the state's laws on "Do Not Call" registries and establishes other restrictions. Both state and federal laws establish "Do Not Call" registries. In practice, the state registry is populated with information from the federal registry. Current law prohibits telephone solicitors from making unsolicited telephonic sales calls to any consumer if the consumer's name and telephone number appear on the state registry (i.e., the current quarterly "no sales solicitation calls" listing made available by DCP). Under current law, all telephonic sales calls are unsolicited unless they are (1) under a consumer's prior express written consent, (2) primarily in connection with an unpaid debt or uncompleted contract, or (3) to an existing customer, unless the customer has stated that he or she no longer wants to receive these calls. The bill instead applies to any telephonic sales calls and prohibits both telemarketers and telephone solicitors from making any telephonic sales calls to a consumer's residential, mobile, or telephone paging device telephone number if the consumer's name and telephone number appear on the federal registry. The bill requires DCP to include listings on the federal registry in the state registry, conforming to current practice. The bill also removes an exemption in current law from the prohibition for calls made by telephone solicitors that have been doing business in the state for less than a year when the consumer has not previously stated that the consumer no longer wishes to receive telephonic sales calls.

The bill shifts the scope of these laws by making changes to several definitions. By law, generally unchanged by the bill, a "telephone solicitor" is any individual, association, corporation, partnership, limited partnership, limited liability company, nonprofit corporation, or other business entity, or an entity's subsidiary or affiliate, doing business in the state that makes telephonic sales calls. Under current

law, a telephone solicitor is doing business in the state if it conducts telephonic business calls from a location in this state or from a location outside this state to consumers residing in this state. The bill broadens the types of activities that would be considered doing business in the state, expanding the scope of requirements under the bill and existing law for telephone solicitors. Under the bill, doing business in the state includes conducting telephonic sales calls or making calls using an automated dialing system or recorded message device or soundboard technology, or sending over-the-top messages or text and media messages from a location in this state or from a location outside of this state to consumers residing in the state (see also rebuttable presumption provisions below). Under current law, a text or media message is a message containing written, audio, or photographic content that is sent electronically to a mobile telephone or electronic device telephone number. Under the bill, a text or media message is as defined above.

The bill also expands the definition of a “telephonic sales call.” Under current law, a telephonic sales call means a telephone call made by a telephone solicitor, or a text or media message sent by or on behalf of a telephone solicitor for the following purposes:

1. to engage in a marketing or sales solicitation;
2. to solicit a credit extension for consumer goods or services; or
3. to obtain information that will or may be used for a marketing or sales solicitation or exchange of, or credit extension for, consumer goods or services.

The bill establishes a more expansive definition of telephonic sales call that also applies (1) to telephone calls made on behalf of a telephone solicitor and (2) regardless of whether the calls are made using an automated dialing system or recorded message device, soundboard technology, or an over-the-top message or text or media message. It also includes as telephonic sales calls those made for the following purposes:

1. to encourage the consumer to share personally identifying

information or purchase or invest in any property, goods, services, or other things of value if the consumer did not previously express interest in doing so or

2. to solicit the consumer to donate any money, property, goods, services, or other thing of value if the consumer did not previously express interest in doing so.

Under the bill, a “marketing or sales solicitation” is the initiation of a communication, including through the technologies described above, to encourage the purchase or rental of, or investment in, property, goods, or services transmitted to a consumer residing in the state. It excludes communication to these consumers with their prior express written consent or in response to a consumer’s visit to an establishment selling, leasing, or exchanging consumer goods or services at a fixed location. The bill eliminates an additional exclusion under current law for calls or messages made by a tax-exempt nonprofit.

Under the bill, telephonic sales calls exclude the following types of calls or messages:

1. those made to respond to a request or inquiry from a consumer who resides in the state, including a call or message concerning an item the consumer purchased from the telephone solicitor during the previous 12-month period;
2. those made by a nonprofit organization to a consumer who is a state resident listed as a bona fide or active member of the organization;
3. those limited to polling, soliciting votes, or expressing an idea or opinion;
4. those made as part of a business-to-business contact;
5. those made to a consumer who resides in the state who granted prior express written consent (see below) to receiving a call or message;

6. those sent primarily in connection with an existing debt or contract that has not been completely paid or performed;
7. those sent to the telephone solicitor's existing customer unless the customer informed the solicitor, orally or in writing, that he or she does not wish to receive calls or messages from the solicitor; and
8. those sent for a religious, charitable, political, or other noncommercial purpose.

Regardless of the registry, the bill prohibits telemarketers or telephone solicitors from making a telephonic sales call to a consumer without the consumer's prior express written consent. Current law only prohibits telephone solicitors from making these calls if they are unsolicited, automatically dialed, and recorded, and references a federal definition of prior express written consent applicable to calls made with an automatic dialing system or an artificial or previously recorded voice (47 C.F.R. § 64.1200). Under the bill, "prior express written consent" means a written agreement bearing (1) the consumer's signature clearly and conspicuously authorizing the telemarketer or telephone solicitor to deliver advertisements or telemarketing messages to the consumer using any of the technologies described above and (2) the telephone number where these advertisements or messages can be sent.

Under the bill, people making permissible telephonic sales calls to a consumer's residential, mobile, or telephonic paging device telephone number must disclose, within the first 10 seconds of the call, (1) the caller's identity, (2) the telephonic sales call's purpose, and (3) the entity for which the person is making the call.

The bill requires telephone solicitors, when requesting donations or anything of value from a consumer during a telephonic sales call, to ask at the beginning of the call whether the consumer wishes to continue the call, end the call, or be removed from the telephone solicitor's list. Under the bill, for any telephonic sales call, telephone solicitors must end the call within 10 seconds after a consumer indicates his or her wish to end

the call. If a consumer informs the telephone solicitor at any point during the call that the consumer does not wish to receive future telephonic sales calls or that the consumer wants the solicitor to remove his or her name, telephone number, or other contact information from the telephone solicitor's list, the telephone solicitors must take the following actions:

1. inform the consumer that his or her contact information will be removed from the solicitor's list for at least one full year;
2. end the call within 10 seconds after the consumer expresses these wishes;
3. refrain from making any more telephonic sales calls to the consumer at any of their associated numbers for at least one full year; and
4. refrain from giving or selling the consumer's name, telephone number, or other contact information to any other entity, or receiving anything of value from any other entity in exchange for the consumer's name, telephone number, or other contact information.

Current law prohibits telephone solicitors from making unsolicited telephonic sales calls to any consumer between 9:00 p.m. and 9:00 a.m. local time at the consumer's location. The bill extends this period by one hour (8:00 p.m. to 9:00 a.m.) and applies the prohibition to telephonic sales calls (1) made to any consumer residential, mobile, or telephonic paging device telephone number and (2) not otherwise prohibited under the bill.

Current law prohibits telephone solicitors from intentionally using blocking devices to circumvent a consumer's use of caller identification services. The bill expands the prohibition by applying it to telemarketers in addition to telephone solicitors and applying it to all use of blocking devices rather than only intentional use. The bill also expands the type of caller identification systems subject to the protection to include those

that permit a consumer to see the caller name or location of an incoming telephonic sales call, rather than just the telephone number. The bill eliminates a provision requiring the DCP commissioner to compensate anyone providing material information that results in an investigation of a telephone solicitor and enforcement of this blocking prohibition.

For consumers whose mobile telephone or mobile electronic device telephone number do not appear on the state registry, current law prohibits telephone solicitors from sending text or media message to the number to market or solicit sales of consumer goods without the consumer's prior express written consent. The bill expands this prohibition to apply to calls using soundboard technology, an over-the-top message, or a text or media message. Current law exempts from this prohibition text and media messages from a telecommunications company when the (1) company does not charge a fee and (2) message is connected to an existing unpaid debt, an existing contract between the company and the customer, a wireless emergency alert authorized by federal law, or the customer's previous request for customer service. The bill expands this exemption to also apply to over-the-top messages in the same circumstances. The bill eliminates a more general provision prohibiting telephone solicitors from making unsolicited telephonic sales calls to consumers (1) that are text or media messages to be received on a mobile telephone or mobile electronic device, (2) in the form of faxes, or (3) by using a recorded message device.

The bill references the federal registry rather than the state registry for an existing provision requiring any person who republishes or compiles names, addresses, or phone numbers to sell to telephone solicitors for marketing or sales solicitation purposes to exclude consumers who appear on the registry. Current law authorizes DCP to adopt regulations on provisions governing the availability and distribution of the state registry and notice requirements for consumers wishing to be included on it. The bill requires these regulations to be consistent with information on the federal registry.

Under existing law, violations of Do Not Call registry laws are

CUTPA violations. The bill eliminates a provision exempting telephone solicitors from CUTPA liability for making telephonic sales calls to consumers on the Do Not Call registry if the telephone solicitor has demonstrated the following:

1. the telephone solicitor established and implemented written procedures and trained its employees to follow them to comply with the law,
2. the telephone solicitor deleted from its call list any listing of a consumer on the state registry, and
3. the call was made inadvertently.

By law, unchanged by the bill, telephone solicitors liable under these provisions are subject to a \$20,000 fine for each violation, in addition to any CUTPA penalty.

Rebuttable Presumption on Location

For both the telemarketing provisions and the Do Not Call provisions, the bill also establishes a rebuttable presumption that various types of communications have taken place in the state if the communication is made to a Connecticut area code or a to state resident. This rebuttable presumption applies to telephonic sales calls, calls using an automated dialing system or recorded message device, over-the-top messages, text or media messages, and calls using soundboard technology.

Calls to Connecticut Area Codes

The bill prohibits any person (e.g., an individual or legal entity) from initiating a commercial solicitation or telephonic sales call using various types of technology to contact a (1) telephone number with a

Connecticut area code or (2) telephone registered to a state resident whose number appears on the federal Do Not Call registry. The provision applies to (1) automated dialing systems or recorded message devices, (2) technology to send an over-the-top message or text or media message, and (3) soundboard technology. (In separate provisions, the bill already prohibits telemarketers and telephone solicitors from making telephonic sales calls to a consumer's residential, mobile, or telephone paging device telephone number if the consumer's name and telephone number appear on the federal registry, regardless of the technology used (§ 15).)

A "commercial solicitation" under the bill is an unsought initiation of a telephone conversation or voice communication to (1) encourage a consumer to purchase property, goods, or services or (2) obtain personal information or any other thing of value. Under the bill, a "consumer" is any individual who is a resident of this state and a prospective recipient of consumer goods and services. A "voice communication" is a communication made by an individual or an artificial or prerecorded message, including a voice message transmitted directly to a recipient's voicemail regardless of whether the recipient's phone rings as part of the transmission. Automated warnings required by law are not voice communications for these purposes. Similarly, commercial solicitations do not include communications with a consumer who provides advance written nonassignable consent to the communication. Or the consumer may provide electronic nonassignable consent if provided with a clear, conspicuous, detailed disclosure on the scope of this consent before providing it. And the consent only applies to conversations or communications initiated by the person seeking consent. Commercial solicitations also do not include any portion of an unsought voice communication that involves a live conversation between the recipient and someone with whom he or she has an established business relationship. These relationships are existing relationships, not previously terminated by either party, and formed by a voluntary two-way communication between a consumer and an entity or business, based on an application, purchase, or transaction for property, goods, or services the business or entity offers.

The bill also prohibits any person from providing substantial assistance or support to someone initiating a commercial solicitation or telephonic sales call that enables the initiator to initiate, originate, or transmit a commercial solicitation or telephonic sales call if the person knows, or avoids knowing, that the initiator is engaged or intends to engage in fraud or any practice that violates telemarketing and Do Not Call provisions under the bill and existing law.

The bill's provisions do not prohibit the following:

1. any person from designing, manufacturing, or distributing any component, product, or technology that has a commercially significant use other than circumventing or violating the bill's provisions;
2. any telecommunications provider or other entity from providing Internet access to exclude initiation of a voice communication or text message; or
3. any terminating provider (a telecommunications provider upon whose network a voice communication terminates to a call recipient or end user) from taking any action concerning completion of a voice communication (e.g., restoring a dropped call).

The bill establishes a rebuttable presumption that a commercial solicitation, voice communication, or telephonic sales call made by using an automated dialing system or recorded message device or technology that sends an over-the-top message or text or media message to any telephone number with a Connecticut area code or to a consumer has taken place in the state.

The bill makes violations unfair trade practices under CUTPA and requires violators to be fined \$20,000 in addition to any CUTPA penalties.

EFFECTIVE DATE: October 1, 2023

§ 17 — PAID SOLICITORS' DISCLOSURES

Makes several changes in the Connecticut Solicitation of Charitable Funds Act, generally codifying recent caselaw that deemed certain provisions regulating paid solicitors unenforceable on constitutional grounds

The bill makes several changes in the Connecticut Solicitation of Charitable Funds Act, generally codifying recent caselaw that deemed certain provisions regulating paid solicitors unenforceable on constitutional grounds (see *Background*). Regarding registered paid solicitors, the bill:

1. reduces, from 20 days to one business day, the prior notice a solicitor must give to DCP before starting a campaign (i.e., by filing his or her contract and solicitation notice form);
2. eliminates the requirement that copies of the charitable campaign solicitation literature, including the text of any proposed oral solicitations, be shared with DCP ahead of the campaign;
3. eliminates the requirement that a solicitor, before making an oral solicitation, disclose the percentage of the gross revenue that the organization will receive; and
4. correspondingly eliminates the requirement that a written confirmation of an oral pledge include information on the percentage of revenue the organization will receive.

Additionally, the bill eliminates the requirement that DCP publicize on its website the (1) terms of the contract between the solicitor and organization, (2) campaign dates, and (3) percentage of fundraising revenue the solicitor will keep. The bill also eliminates the DCP commissioner's authority to publicize this information elsewhere as she deems appropriate.

The bill narrows the solicitation campaign information solicitors

must provide to DCP upon request. Under the bill, while solicitors must still maintain a record of contributors' names and addresses (if known), they are no longer required to share this information with DCP. As under current law, solicitors must still provide DCP, if requested, information on the dates and amounts of contributions. Current law prohibits the department from disclosing this information, except if necessary for investigative or law enforcement purposes. The bill eliminates this restriction on DCP's authority to disclose contributor information.

Background

Solicitation of Charitable Funds Act. By law, the Solicitation of Charitable Funds Act requires charitable organizations that solicit money or support in Connecticut to register with DCP, unless they are exempt (e.g., religious and parent-teacher organizations, certain organizations that normally receive less than \$50,000 in contributions annually). Paid solicitors (and some fundraising counsel) are also required to register, post a bond, and file certain reports (CGS §§ 21a-190d to 21a-190f).

Related Caselaw on Paid Solicitors. In 2021, the U.S. District Court for the District of Connecticut issued a preliminary injunction enjoining DCP from enforcing, on the grounds that they likely violated free speech rights, the Solicitation of Charitable Funds Act's requirements that solicitors:

1. give DCP 20 days' notice, and provide DCP copies of the text of any intended solicitation, before starting a campaign and
2. keep records of donors and donations for DCP to inspect.

Additionally, while the court found that the Act's requirement that solicitors disclose to prospective donors the percentage of a contribution that the charitable organization would receive did not appear to comport with the First Amendment and U.S. Supreme Court caselaw, it did not enjoin DCP from enforcing this requirement, as the department said that it had already stopped enforcing it (*Kissel v. Seagull*, 552 F.

Supp. 3d 277 (2021)).

EFFECTIVE DATE: Upon passage

§§ 18 & 19 — CHARITABLE ORGANIZATIONS AUDIT REQUIREMENT

Raises the threshold above which a registered charitable organization must submit a formal audit report to DCP, while allowing smaller organizations to instead submit a CPA's financial "review report"

Currently, under the Connecticut Solicitation of Charitable Funds Act (see *Background* for § 17, above), charitable organizations with more than \$500,000 in annual gross revenue must include a CPA's audit report in the annual financial report they submit as part of the DCP registration process. Under the bill, this is still a requirement for organizations with over \$1 million in gross revenue, but organizations with gross revenues over \$500,000 and not in excess of \$1 million can instead include a CPA's financial review report.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 22 Nay 0 (03/07/2023)