

OFFICE OF FISCAL ANALYSIS

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sHB-5236

AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING CONSUMER PROTECTION AND PROFESSIONAL LICENSING, CERTIFICATION, PERMITTING AND REGISTRATION.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Consumer Protection, Dept.	Home Improvement Guaranty Fund - Revenue Impact	See Below	See Below
Resources of the General Fund	GF - Revenue Impact	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes regarding the Department of Consumer Protection (DCP) licensing and enforcement laws resulting in the potential revenue impact described below.

Section 2 expands consumers eligibility to make claims from the Home Improvement Guaranty Fund¹ resulting in a potential revenue loss to the fund to the extent this results in additional restitution

¹The Department of Consumer Protection maintains the Home Improvement Guaranty Fund. This fund was created and is replenished from annual assessments of registered contractors and can be used to help satisfy an unpaid judgment (or court-confirmed arbitration decision) to a homeowner. A homeowner may be eligible for up to \$25,000 from the Fund if they had hired a registered home improvement contractor and the resulting problem meets certain criteria.

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payments. In FY 23 there were 148 restitution claims paid from the fund totaling over \$1.5 million.

Section 2 also makes home improvement contractor owners and their business entities liable for repayment of certain debts resulting in a potential revenue gain to the Home Improvement Guaranty Fund to the extent these repayments occur.

Section 5 allows DCP to issue a civil penalty to anyone engaging in real estate appraisal business without obtaining a certification resulting in a potential revenue gain to the state to the extent these violations occur and civil penalties are assessed.

Section 16 increases the maximum civil penalty that DCP can assess from \$500 to \$5,000 on anyone who removes the tag or marking on an embargoed item resulting in a potential revenue gain to the state to the extent these violations occur and civil penalties over \$500 are assessed.

Section 21 removes DCP's ability to impose a civil penalty of up to \$300 for any health club that offers contracts without submitting a license renewal within a certain time period resulting in a potential revenue loss to the state to the extent these violations occur.

Section 25 allows DCP to impose civil penalties of up to \$5,000 for an unfair trade practice violation resulting in a potential revenue gain to the state to the extent violations occur and civil penalties are assessed.

Section 44 increases the maximum fine for public weigher violations from \$100 to \$1,000 and the maximum civil penalty to \$1,000 per violation resulting in a potential revenue gain to the state to the extent violations occur.

Sections 52 and 53 repeals duplicative food standard statutes which increase the penalties for violations² by imposing the Uniform Food, Drug, and Cosmetic Act penalties which result in a potential revenue

²Fines for a first offense increase from up to \$100 to up to \$500 and second offense fines increase from up to \$500 to up to \$1,000.

gain to the extent violations occur.

The bill also makes various minor, technical, and conforming changes which 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 the number of violations and fines assessed.