

OFFICE OF FISCAL ANALYSIS

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sSB-3

AN ACT CONCERNING CONSUMER PROTECTION.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Consumer Protection, Dept.	GF - Cost	490,000	478,000
Policy & Mgmt., Off.	GF - Cost	358,600	253,300
State Comptroller - Fringe Benefits ¹	GF - Cost	301,000	301,000
Various State Agencies	Various - Cost	None	See Below
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund; Various=Various

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Potential Cost	Minimal	Minimal
Various Municipal Police Departments	STATE MANDATE ² - Cost	None	See Below

Explanation

The bill makes various changes to consumer protection statutes resulting in the costs and revenue gains described below.

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 41.25% of payroll in FY 25.

² State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

The bill requires the Department of Consumer Protection (DCP) to establish and administer the Net Equality Program and regulate the broadband internet market resulting in costs to DCP and the State Comptroller. To meet the requirements of the bill DCP will need to hire six new employees³ for a salary and other expenses cost of \$490,000⁴ in FY 25 and \$478,000 in FY 26, along with corresponding fringe benefit costs of \$197,000 per year. The agency does not have expertise in this area and the new employees are needed to develop procedures and a regulatory framework for the market, monitor compliance, receive and investigate complaints, and enforce any unfair trade practice violations.⁵

Section 4 results in a cost to the Office of Policy and Management (OPM) beginning in FY 25 for personnel, training and supplies, and a consultant. The section also results in a minimal potential revenue gain to OPM and corresponding minimal potential cost to municipalities beginning in FY 25. Lastly, there is a cost to various state and municipal agencies starting in FY 26.

The section places various requirements on OPM regarding any public entity's use of small, unmanned aircraft systems beginning in FY 25. This results in a cost to OPM of approximately \$253,300 in both FY 25 and FY 26 for three additional positions and training and supplies, a one-time cost of \$5,300 for equipment in FY 25, and a one-time cost of \$100,000 for a consultant in FY 25. There is also a corresponding cost to the Office of the State Comptroller of \$104,000 in both FY 25 and FY 26 for associated fringe benefits.

The section also requires public entities that (1) are seeking a waiver of the prohibitions on small, unmanned aircraft systems to submit an application and an application fee of \$40 to OPM and (2) are operating these aircraft systems to submit a plan to discontinue operation and a processing fee of \$20. This results in a potential cost to various

³The new employees consist of four special investigators and two staff attorneys.

⁴The cost is higher in FY 25 due to one-time other expenses costs (i.e. laptops) for the six new employees.

⁵ The bill creates three new unfair trade practice violations.

municipalities that use these small, unmanned aircraft systems for waiver and processing fees and a corresponding revenue gain to OPM beginning in FY 25.

Section 4 also results in a cost to various state and municipal agencies starting in FY 26 by prohibiting public entities from operating drones assembled or manufactured in China or Russia, resulting. Most drones currently used by first responder organizations are made in China. State-wide, such organizations have spent about \$1-2 million on drones this bill prohibits. The cost of replacing these drones to achieve equivalent capabilities is estimated to be two to three times greater than amounts previously spent.

Section 6 allows DCP to assess a civil penalty of up to \$10,000 for violations by broadband internet access service providers resulting in a potential revenue gain to the state to the extent violations occur and civil penalties are assessed.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases and the number of violations.