

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◇ (860) 240-0200
<http://www.cga.ct.gov/ofa>

SB-3

AN ACT CONCERNING CONSUMER PROTECTION. AMENDMENT

LCO No.: 4021

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OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact resulting in the following impact.

Section 1, of the amendment requires the Office of the Consumer Counsel (OCC) to prepare a report on the merits, feasibility and availability of achieving a variety of state directives resulting in no fiscal impact to the state or municipalities. Additional resources will not be required because OCC already has the expertise to complete the report in house.

Section 2, 5, 8 requires the Department of Consumer Protection (DCP) to establish and administer the Net Equality Program and enforce various unfair trade practice violations resulting in costs to DCP and the State Comptroller. To meet the requirements of the amendment DCP will need to hire six new employees¹ for a salary and other expenses cost of \$490,000² 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

¹The new employees consist of four special investigators and two staff attorneys.

²The cost is higher in FY 25 due to one-time other expenses costs (i.e. laptops) for the six new employees.

compliance, receive and investigate complaints, and enforce any unfair trade practice violations.³

Section 4 requires any state agency or municipality to submit a certificate of need for a waiver for the prohibitions in the bill regarding the use of small, unmanned aircraft systems to the Office of Policy and Management (OPM). OPM must maintain these certifications and disclose a copy to the Connecticut General Assembly if requested. This does not result in a fiscal impact to the state or municipalities as they have the resources necessary to meet the requirements of this amendment.

Section 4 also results in a potential cost to (1) the Department of Emergency Services and Public Protection beginning in FY 27 and (2) various state and municipal agencies beginning in FY 28 by prohibiting public entities from operating drones assembled or manufactured in China or Russia. 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 amendment 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, expands the role of The Public Utilities Regulatory Authority (PURA) to create and maintain a system for receiving reports from broadband providers to ensure compliance with the provisions established in this section and results in a potential cost to PURA. The amendment requires that PURA take on additional responsibilities in oversight and regulation of broadband, and may require up to two additional employees along with minor other expenses costs. The exact cost will depend on the additional personnel and resources required to meet the provisions of the amendment.

Section 6 allows PURA 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

³ The amendment creates three new unfair trade practice violations.

penalties are assessed.

Section 9 requires municipalities to register a ".gov" internet top-level domain and redirect any existing Internet web site addresses maintained by such municipality to the new ".gov" domain. This results in a potential cost to various municipalities in FY 25 to the extent they do not have the necessary staff to transition to a .gov domain.

Currently, 116 of Connecticut's 169 municipalities do not have a ".gov" top-level domain and will need to register a new domain with such designation. There is no registration cost for entities eligible for the ".gov" designation. There is no fiscal impact to municipalities that already use a .gov domain or have the staff necessary to complete the transition to the new domain.

For towns without the resources to complete the transition, there is a federal grant program administered by the Cybersecurity and Infrastructure Security Agency within the United States Department of Homeland Security that assists with the transition process⁴.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.

⁴ <https://www.cisa.gov/state-and-local-cybersecurity-grant-program>