OFFICE OF LEGISLATIVE RESEARCH PUBLIC ACT SUMMARY



PA 25-111—sSB 1357

General Law Committee
Judiciary Committee

AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING VARIOUS STATUTES CONCERNING CONSUMER PROTECTION

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SUMMARY: This act makes various changes to the consumer protection statutes, as described in the section-by-section analysis below.

EFFECTIVE DATE: Upon passage, unless otherwise noted below.

§§ 1-4 — ARCHITECT MARKETING AND EDUCATION

Expressly limits the use of certain architecture-related terms to licensed architects; requires those who may perform specific architecture functions without a license to indicate they are not architects on certain documents; adjusts continuing education requirements for architects, including allowing a civil fine for failing to comply with them

Limits on Indicating Practice of Architecture

The law allows only licensed architects to use the title "architect" or use any words or items that indicate they practice or offer to practice architecture. The act

specifies that using the terms "architectural design," "architectural services," and "architectural drawings" is prohibited unless used by a licensed architect.

The act expressly applies these same restrictions to certain people who, under existing law, may perform certain architecture-related activities without an architect license. More specifically, it applies to the following individuals:

- 1. licensed professional engineers practicing engineering and incidental architectural work they are qualified to do;
- 2. a person constructing or altering a (a) residential building to provide dwelling space for up to two families, (b) private garage or accessory building for use with a residential building, or (c) farm building or agricultural structure;
- 3. a person who prepares details or shop drawings for work he or she is executing as long as any building is designed according to architecture requirements;
- 4. supervised employees of licensed architects;
- 5. builders or their superintendents who are superintending construction or structural alteration of buildings or structures;
- 6. officers and employees of a public utility corporation under the Public Utilities Regulatory Authority's jurisdiction;
- 7. federal officers or employees practicing architecture for the federal government; and
- 8. someone who makes plans and specifications or supervises the erection or alteration of certain buildings with less than 5,000 square feet of total area.

Additionally, the act requires all these individuals, other than the federal officers and employees, to clearly and conspicuously include on all contracts, advertisements, promotional materials, plans, and specifications the statement "NOT A LICENSED ARCHITECT," unless the individual is one.

By law, knowingly, willfully, or intentionally violating these provisions is punishable by up to 364 days in prison, a fine of up to \$500, or both (CGS §§ 20-297 & 53a-36a).

Continuing Education

By law, to renew their license, architects must complete 12 hours of continuing professional education during a 12-month period that begins three calendar months before their annual license expires. The act:

- 1. delays this continuing education requirement until after a licensed architect's first license renewal;
- 2. specifies that a registered architect emeritus (someone at least age 65 who has been a Connecticut-licensed architect for at least 10 years and is not practicing architecture) is not required to complete continuing education; and
- 3. allows the Architectural Licensing Board in a written decision to excuse a licensed architect from the continuing education requirement due to health, military service, or other individual hardship if the licensee otherwise meets the license renewal requirements (the act makes this decision final and not

appealable to the Department of Consumer Protection (DCP)).

The law applies different penalties to those who do not comply with the continuing education requirements on time, based on how long it takes them to do so. By law, failing to comply for more than 26 weeks after the 12-month period can result in license suspension, revocation, or renewal denial. The act also allows a civil penalty of up to \$1,000.

§ 5 — REAL ESTATE GUARANTY FUND

Makes changes regarding applications to, and procedures of, the Real Estate Guaranty Fund

By law, the Connecticut Real Estate Commission can compensate claimants up to \$25,000 from the Real Estate Guaranty Fund for harm caused by certain bad acts by real estate licensees or their unlicensed employees. The act eliminates provisions (1) requiring someone who starts an action that might result in a payment from the fund to give the commission or DCP written notice about the action; (2) making the notice toll the time to apply for payment from the fund; and (3) allowing the commission or DCP to appear, intervene in, or defend in the action and waive the required notice for good cause.

The act extends the circumstances when someone can apply to the fund and changes how applications are administered. Existing law allows a person with a court judgment against a licensee or a licensee's unlicensed employee to apply for payment from the fund for any unpaid amount. The act also allows a person to apply based on a binding arbitration or administrative decision or court order or decree. Prior law required applicants to apply to the commission. The act instead requires them to apply to DCP and requires it to perform all of the functions related to determining whether to make a payment from the fund. The act also eliminates the application hearing requirement.

Additionally, the act changes a related penalty. By law, the person who was the subject of a claim for payment from the fund cannot receive a new license until repaying the amount paid by the fund for the claim plus interest. The act sets the interest charge at 10% instead of requiring the commission to set an interest rate reflecting market rates.

The act also makes technical and conforming changes.

§§ 6 & 7 — LICENSE EXAMS FOR CERTAIN WORK AND STOP WORK ORDERS

Allows certain qualified individuals to take an exam for specific trade licenses without completing an apprenticeship program; permits DCP to issue stop work orders against people doing work without those licenses and others

Under existing law, DCP must allow someone who did not participate in a Labor Department-registered apprenticeship program to take the exam for a license issued by certain boards if the applicant has demonstrated to the labor commissioner military training equal to a registered apprenticeship program. The act additionally lets someone take an exam without completing a registered

apprenticeship program if he or she demonstrates to DCP, in consultation with the appropriate licensing board, equivalent experience and training. This change applies to licenses issued by the examining boards for electrical work; plumbing and piping work; heating, piping, cooling, and sheet metal work; elevator installation, repair, and maintenance work; fire protection sprinkler systems work; and automotive glass work and flat glass work (CGS § 20-331).

The act also codifies existing practice requiring applicants to submit evidence that they successfully completed their license exam within two years before filing an initial license application, unless the appropriate board grants the applicant a hardship extension.

The act also specifies that an examination can be given by someone authorized by DCP and makes technical changes.

Violations and Stop Work Orders

The act allows DCP to issue a notice of violation against a person after an inspection for:

- 1. offering or doing work that requires one of the credentials described above without having it;
- 2. failing to comply with hiring ratios for apprentices, journeypersons, and contractors that apply to specified trades (such as electrical and plumbing);
- 3. failing to get an apprentice registration certificate as required by law; or
- 4. failing to get a permit as required by law.

If DCP finds that a person has not corrected the violations listed in a notice, the act allows DCP to issue a stop work order requiring the person to stop practicing the credentialed trade or occupation at the location identified in the notice. The order takes effect when served either directly to the person or by U.S. mail with delivery tracking, by email with tracking and delivery confirmation, or by posting a notice in a conspicuous location at the place that is the subject of the order. The order stays in effect until (1) the person complies with the requirements in the notice and (2) DCP issues an order releasing the order after a hearing or decision.

Under the act, DCP may fine someone who does not comply with a stop work order up to \$500 per violation per day. The fine is imposed when written notice is given to the person and is due within 15 days after receiving notice. Money from fines must be deposited in the consumer protection enforcement account (which funds DCP's enforcement of licensing and registration laws).

A person with a credential who receives a stop work order notice can request in writing an administrative hearing to contest the stop work order and fine within 15 days after receiving the notice. A request for a hearing does not toll the stop work order or fine unless the commissioner or his representative orders it. The hearing must be held following the Uniform Administrative Procedure Act (UAPA).

Similarly, a person without a credential may petition DCP in writing to lift a stop work order within 15 days after receiving the order, and the petition does not toll the order or fine unless ordered by the commissioner or his representative. But the petition must ask the commissioner to lift the order because of:

1. an error of fact or law:

- 2. newly discovered evidence that materially affects the basis for the order, if there are good reasons that it was not given to DCP when the person received the notice of violation; or
- 3. other good cause.

The act deems DCP's decision or failure to issue a decision within 15 days after receiving a petition from an unlicensed person a final decision that can be appealed to court

The act allows DCP to apply to court for, and the attorney general to pursue, a temporary restraining order, temporary injunction, or permanent injunction to comply with the stop work order and other relief until the person obeys the stop work order. The act makes violating the court's order contempt of court.

EFFECTIVE DATE: Upon passage, except the stop work order provisions are effective October 1, 2025.

§ 8 — MAJOR CONTRACTORS

Specifies that no additional proof is required beyond prequalification to qualify for the major contractor registration

By law, DCP must issue a major contractor registration to someone who is prequalified by the Department of Administrative Services to act as a contractor or subcontractor on public works projects. The act specifies that no additional proof, beyond demonstrating prequalification, is required to qualify for the major contractor registration.

EFFECTIVE DATE: July 1, 2025

§§ 9 & 10 — NEW HOME CONSTRUCTION GUARANTY FUND

Expands when someone may recover from the fund and increases the maximum award

The act allows a consumer to recover from the New Home Construction Guaranty Fund unpaid amounts under a binding arbitration decision, or court judgment, order, or decree against a proprietor, in addition to recovering from a new home construction contractor as allowed by existing law.

Under the act, a "proprietor" is someone who has (1) an ownership interest in an entity that holds or held a new home construction contractor certificate of registration and (2) been found by a court to have violated the licensing laws for new home construction contractors because of the conduct of an entity that holds a certificate or has held one within two years from when it entered a contract with an owner harmed by the individual's or entity's actions.

The act also increases, from \$30,000 to \$50,000, the maximum award payable from the fund. The act makes conforming changes to make the fund process applicable to claims involving proprietors. Beginning upon passage, the act extends the provision allowing a consumer to apply for payment from the fund based on certain restitution orders against a contractor to the same circumstances and restitution orders involving proprietors.

The act specifies that when DCP orders payment from the fund, the contractor

and proprietor are liable for the debt to the fund.

The act makes other technical and conforming changes to apply fund procedures to proprietors.

Related Act

PA 25-53, §§ 5 & 6, contains similar provisions on the New Home Construction Guaranty Fund and changes how amounts in the fund that exceed certain thresholds are used.

§§ 11-13 — COMMUNITY ASSOCIATION MANAGERS

Limits which licensees do not need to register as community association managers and requires managers to make certain disclosures

Registration

The act limits which occupational licensees providing their services to an association are not required to register as a community association manager. Previously, anyone licensed in Connecticut under statute or court rules who provided services to an association under their license for pay was not considered to be providing association management services that required registration. The act limits this registration exemption to Connecticut-licensed attorneys, certified public accountants, and insurance producers who provide services to an association for a fee. The act also specifies that a person providing administrative support services to a community association manager does not have to register as a community association manager.

Disclosures

The act requires a community association manager who contracts with an association to provide association management services to disclose to the association in clear, conspicuous writing:

- 1. whether the manager has an ownership or managerial interest in an entity that solicits business from the association or manager and
- 2. how much the manager will charge for construction oversight or project coordination services if the manager must provide these services and they are not covered by the manager's contract.

As with other violations by community association managers, violating this provision violates the Connecticut Unfair Trade Practices Act (CUTPA) (see BACKGROUND).

The act also makes minor, technical, and conforming changes. EFFECTIVE DATE: Upon passage, except the disclosure provisions are effective October 1, 2025.

§§ 14-18 — CLOSING-OUT SALES

Changes various requirements for licensing and conducting closing-out sales

The act eliminates requirements that (1) a person conducting a closing-out sale deposit with DCP the greater of \$500 or 1% of the wholesale cost of the inventory on hand in the place where the sale will be held, up to \$5,000, and (2) DCP use the deposit to pay certain claims and fines or penalties related to the sale and return remaining funds to the licensee or the person designated by the licensee.

It also eliminates requirements to (1) file closing-out sale license application documents under oath and (2) include in the application the reasons for and character of the sale, an inventory of and information about the items on hand where the sale will be held, and the names and residences of owners or partners related to the sale. The act instead requires the application to be done in a form and way set by DCP and include an attestation that the applicant is not delinquent on state or local taxes.

The act also eliminates related provisions that a sale cannot include any items other than those in the inventory and that an extension of the time period permitted for a sale must include a revised inventory.

If the applicant uses a promoter for the sale, the act no longer requires submitting a copy of the applicant's agreement with the promoter, but instead requires including the promoter's name and license number in the application.

The act eliminates a requirement that a licensee file a monthly report with DCP on items sold or disposed of as part of the sale.

It also eliminates a requirement to return a license to DCP, and a related process for dealing with a lost or destroyed license that cannot be returned to DCP when it expires.

By law, a person with a state license must also apply for a municipal closingout sale license. The act eliminates a requirement that town clerks, when all local license fees are paid, record the state license.

The act also makes technical changes.

§§ 19-21 — MOBILE MANUFACTURED HOME PARKS

Requires mobile manufactured home park owners to maintain septic systems and related items in good working order

The law imposes certain requirements on a mobile manufactured home park owner related to the park's tenants, such as complying with relevant codes and laws; exterminating pests; and maintaining common areas, any utilities provided, and water and sewer lines. The act additionally requires the owner to maintain septic systems, leaching fields, and septic lines and connections in good working order and to make necessary arrangements for temporary septic service if there is an emergency.

As with certain other owner obligations, the act specifies that a (1) rental agreement cannot permit receipt of rent for any period when the park owner fails to comply with the act's requirements for septic systems and it materially affects the health and safety of residents or materially affects habitability and (2) tenant can file a lawsuit based on the owner's failure to perform his or her legal duties.

The act also makes technical and conforming changes. EFFECTIVE DATE: July 1, 2025

§§ 22 & 23 — DCP INVESTIGATIVE POWERS

Allows DCP to (1) inspect and document with audio or visual means when inspecting a premises for a suspected violation of a DCP-related law and (2) be given copies of certain documents upon request

The law authorizes DCP to access premises, except for homes and apartments that do not have any boarders, at reasonable times to investigate a suspected violation of a DCP-related law. The act specifies that this includes authority for DCP to (1) inspect and document by audio or visual means and (2) on request, be given copies of accounts, records, signs, and other documents related to a suspected violation unless prohibited by other law.

The act makes technical and conforming changes regarding the powers of DCP and its boards and commissions.

§ 24 — VENDING MACHINE OPERATORS

Makes minor changes to DCP procedures on vending machine operator licensees

The act makes minor changes by replacing various notice and hearing procedures related to vending machine operator licensees with those under the UAPA.

By law, a DCP order on preparation or transportation of food or beverages for vending machine use is rescinded when the conditions in the order are corrected. The act specifies that DCP determines whether that occurred.

§ 25 — FROZEN DESSERT MANUFACTURERS

Replaces various notice and hearing procedures for frozen dessert manufacturers with UAPA procedures

The act makes minor changes by replacing various notice and hearing procedures related to frozen dessert manufacturer licensees with those under the UAPA.

§ 26 — FOOD FACTORY, WAREHOUSE, OR ESTABLISHMENT REINSPECTION FEE

Changes DCP's fee for reinspecting a food factory, warehouse, or establishment from \$40 an hour to \$175 and adds a fee for a first reinspection

The act changes the fee DCP charges when it reinspects a food factory, warehouse, or establishment previously found to have violated the laws on food, drugs, and cosmetics. It changes the reinspection fee to \$175 instead of (1) \$40 per hour or (2) free for a first reinspection that results in a determination of compliance.

EFFECTIVE DATE: October 1, 2025

§ 27 — BAKERIES, FOOD MANUFACTURING ESTABLISHMENTS, AND FOOD WAREHOUSES

Allows DCP to place conditions on the license of a bakery, food manufacturing establishment, or food warehouse and modifies the conditions for transporting certain food items

The act allows DCP to put conditions on the license of a bakery, food manufacturing establishment, or food warehouse for violating the laws governing them, in addition to the actions already permitted by law.

The act also makes minor changes by replacing various procedures related to these licensees with those under the UAPA.

Prior law required vehicles used to transport bakery, food manufacturing establishment, or food warehouse products to be sanitary and have the relevant name and address printed on both sides of the vehicle. The act instead requires compliance with the sanitary transportation requirements of the regulation adopted under the federal Food Safety Modernization Act for any vehicle used in transporting food for human consumption, including those listed in prior law.

It requires compartments containing any food for human consumption to be enclosed as required by DCP, not just unwrapped bakery, food manufacturing establishment, or food warehouse products as previously required.

§§ 28-31 — HEALTH CLUB CONTRACTS

Adds to provisions on canceling and voiding health club contracts; requires a notice about the Health Club Guaranty Fund; allows DCP to place conditions and impose a civil penalty on a licensee; increases the maximum award from the fund; makes other changes regarding the fund

Written Statement of Cancellation

The law allows someone to cancel a health club contract in writing within three business days. The act requires a health club or its agent, within 10 business days after receiving the person's cancellation notice, to give the person a written statement confirming the cancellation and stating when it is effective.

Contract Provisions

The law requires health club contracts to include certain provisions addressing situations when a buyer moves, dies, or becomes disabled or the health club closes. The act additionally requires a contract to include the option for the buyer to void the contract prospectively if the (1) health club no longer offers facilities or amenities substantially similar to those offered when the contract was entered into or (2) services under the contract are no longer available or are substantially unavailable because club operations have permanently discontinued or there is a substantial change in operations at the location the buyer primarily uses (the location the buyer designated in the contract as the buyer's preferred location or, if

none, the one the buyer most frequented in the prior calendar year).

Contract Statement About Guaranty Fund

The act adds the following notice about the Connecticut Health Club Guaranty Fund to the required statement about the right to cancel that must be prominently placed at the top of a contract.

"NOTICE OF GUARANTY FUND

The Connecticut Health Club Guaranty Fund is administered by the Department of Consumer Protection to protect consumers who have a health club contract with a club that closes down or moves. If a health club is no longer operating at the location where you entered into the contract, you may be eligible for reimbursement through the fund. For further information, and to apply to the fund, please visit (insert Department of Consumer Protection's Internet web site address) or contact the department by phone at (insert Department of Consumer Protection's main telephone number)."

Actions on License

Under existing law, DCP can suspend, revoke, or refuse to grant or renew health club licenses due to violations of the laws and regulations governing them or conduct likely to mislead, deceive, or defraud a buyer, the public, or DCP. The act also allows DCP to (1) place conditions on a license and (2) impose a civil penalty of up to \$1,000 per violation on a licensee.

Guaranty Fund

By law, the guaranty fund can make a payment to a buyer when (1) a club is no longer operating at the location where the buyer entered the contract; (2) the buyer's claim is due to a health club's failure to provide services, comply with contract obligations, remain open for the duration of the contract, or comply with the laws governing health club licenses; and (3) the club does not pay a claim.

The act increases, from \$75,000 to \$125,000, the maximum amount the fund can pay related to the closing of a health club location. By law, when the fund pays a claim against a health club, the club must repay the fund with interest. The act replaces a prior requirement for DCP to set the interest rate with a requirement for a 10% interest rate. It also specifies that when a health club repays the fund, the money must be deposited into the fund.

EFFECTIVE DATE: October 1, 2025

§ 32 — DONATION BINS

Requires a public property owner's written consent in order to place a donation bin on the property

The act requires advance written consent, rather than permission, from the owner of public property or the owner's authorized agent in order to put a donation

bin on the property. The act also changes the requirements for the notice that must be on the side of the bin by eliminating the requirement that, if the donation benefits a nonprofit organization, it must state the percentage of the donated items or the proceeds from their sale that the nonprofit organization will receive from the bin's owner.

EFFECTIVE DATE: October 1, 2025

§ 33 — DEVICES THAT CONVERT CASH INTO PREPAID CARDS

Establishes conditions for using a device to convert cash into prepaid cards as a means to comply with the law's general requirement to accept cash as payment in retail sales

By law, someone conducting retail sales in the state, with certain exceptions, cannot (1) refuse to accept cash as payment, (2) post signs saying that cash is not accepted, or (3) charge a higher price for using cash. The act (1) allows them to comply with this requirement by providing customers with a device to turn cash into a prepaid card and (2) excepts other transactions entirely from the requirement.

The prepaid card is allowed as long as the person and the device vendor do not directly or indirectly require:

- 1. a fee for the initial receipt of the prepaid card or to use the card (including fees to check the card balance, deposit additional funds, or any recurring fees):
- 2. a minimum deposit above \$1;
- 3. an expiration date for the funds deposited on the prepaid card;
- 4. a limit on the number of card transactions; or
- 5. a consumer to give their personally identifiable information (including phone number, email address, or Social Security number) to get the card.

The act also requires:

- 1. the device to produce a printed receipt with the amount deposited onto the card, when requested, and
- 2. a retail store to (a) accept cash during any time when a device malfunctions at the store and (b) post a sign at a conspicuous location near the device stating that the store must accept cash if a device malfunctions.

The act excludes from these provisions (1) retail transactions that are conducted in person at a location where no individual is employed to assist a person with the purchase of goods or services and (2) services offered by health care providers and professionals (services requiring licensure or other legal authorization including physicians, architects, real estate brokers, certified public accountants, and attorneys).

The act also allows DCP to adopt regulations to implement these provisions.

§§ 34 & 35 — ASSURANCE OF VOLUNTARY COMPLIANCE AND FINAL DECISIONS IN CUTPA CASES

Allows a monetary settlement to be part of an assurance of voluntary compliance in CUTPA cases; eliminates a requirement that DCP send a copy of a final decision by certified mail; allows, rather than requires, issuance of a cease and desist order

By law, DCP can accept an assurance of voluntary compliance from a person who allegedly committed a CUTPA violation, and an assurance can include restitution to an aggrieved person and an amount for DCP's investigatory costs. The act allows a monetary settlement to be part of an assurance.

The act also eliminates a requirement that DCP send a copy of a decision finding a CUTPA violation by certified mail to the violator and allows, rather than requires, issuance of a cease and desist order for a violation. It also makes minor and technical changes.

§§ 36-39 — HOME SOLICITATIONS

Makes minor changes to home solicitation sale cancellation provisions and disclosures, including increasing the required font size and adding a disclosure for electronic deliveries

The act redefines "business day" for provisions on the right to cancel a home solicitation sale within three business days and seller obligations within 10 business days after cancellation. By law, a business day excludes Sundays, New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day. The act also excludes Saturdays, Martin Luther King, Jr. Day, Lincoln Day, Juneteenth Independence Day, and any day the governor or U.S. president appoints or recommends as a day of thanksgiving, fasting, or religious observance.

The act increases, from 10 to 12 point, the type size required for the right to cancel statement that must be included in home solicitation sale contracts and the notice of cancellation form. It revises the contents of the form to describe much of the same information in a different way.

The act adds, as a condition of an effective home solicitation sale agreement, that the seller provide a business email address and include the following statement if the seller emails or uses another electronic delivery method to provide a digital copy of the agreement:

"PLEASE REVIEW IMPORTANT INFORMATION ABOUT YOUR RIGHT TO CANCEL THIS AGREEMENT IN THE 'NOTICE OF CANCELLATION' BEING PROVIDED TO YOU."

The statement must be immediately adjacent to the body of the message and in at least 12-point type or the same size as the body of the message if the body is larger than 12-point type.

The act also makes related technical and conforming changes.

EFFECTIVE DATE: July 1, 2025

§ 40 — NEW MOTOR VEHICLE LEMON LAW REQUIREMENT

Requires manufacturers to submit to DCP evidence of a required change to a motor vehicle title under the New Motor Vehicle Lemon Law; allows DCP to impose fines for failing to do so

Under certain circumstances, the New Motor Vehicle Lemon Law requires a manufacturer to stamp "manufacturer buyback-lemon" on the title of a motor vehicle and give the Department of Motor Vehicles (DMV) a copy of the title within 30 days. The act requires the manufacturer to also electronically submit evidence to DCP showing that it submitted the copy to DMV within that time period.

By law, DCP can impose a fine of up to \$10,000 on a manufacturer who fails to stamp a title as required. The act also allows DCP to impose this fine when the manufacturer does not submit a copy of the title and provide evidence of submission within the specified time.

EFFECTIVE DATE: July 1, 2025

§ 41 — AUTOMATIC RENEWAL AND CONTINUOUS SERVICE

Requires consideration of whether records of consent to renewal or continuous service comply with laws on recording phone calls and eavesdropping

The law prohibits a business that enters a consumer agreement with automatic renewal or continuous service from charging a credit or debit card or other account unless the consumer affirmatively consents to the renewal or continuous service. The act requires a court or agency, when considering whether a business obtained the required consent, to consider whether the business produced a record of consent that complied with the law on recording phone calls and eavesdropping.

The act also excludes agreements with entities regulated by DCP as home improvement contractors from these provisions governing automatic renewal or continuous service and makes various technical and conforming changes.

PA 25-113, §§ 20 & 26, repeals these provisions and replaces them with substantially similar provisions.

EFFECTIVE DATE: October 1, 2025

§§ 42 & 43 — MOTOR VEHICLE PRICES AND CERTAIN ADD-ON FEES

Requires fees, charges, and costs for add-on consumer goods or services to be included in the total price and separately stated in the advertised or quoted price of a motor vehicle

Advertising

The law requires a car dealer's advertised price of a motor vehicle to include the federal tax, delivery costs, dealer preparation fees, and other charges and, in at least eight-point bold type, state (1) the amount of the dealer conveyance or processing fee and (2) that the advertised price does not include the dealer conveyance or processing fee, state or local taxes, and registration fees.

The act also requires the amount of a fee, charge, or cost for add-on consumer goods or services to be included in the advertised price and separately stated as "Additional Fees, Charges and Costs" in at least eight-point bold type.

The act also makes technical and conforming changes.

Quoted Prices

The law requires a car dealer quoting a sale price to separately state the dealer conveyance fee and that the fee is negotiable. The act requires the quote to (1) include any fee, charge, or cost for an optional add-on consumer good or service and (2) separately state the amount of each of these fees, charges, and costs, and that they are negotiable.

The act prohibits printing the dealer's order and invoice forms with fees, charges, and costs for optional add-on consumer goods or services before a discussion with a prospective buyer.

The act also makes technical and conforming changes.

PA 25-113, §§ 21 & 26, repeals these provisions on quoted prices and forms and replaces them with similar provisions.

EFFECTIVE DATE: October 1, 2025

§§ 44 & 45 — SELLER AND LESSOR EXPRESS WARRANTIES UNDER THE UNIFORM COMMERCIAL CODE

Changes which sellers and lessors create express warranties under the UCC; adds an express warranty from a seller's or lessor's promise to repair or replace; makes additional changes

Sellers

The act changes which sellers under the Uniform Commercial Code (UCC) create express warranties that goods provided to a buyer will conform to (1) the seller's affirmation of fact or promise made to the buyer about the goods, (2) a description of the goods, and (3) a sample or model.

Previously, these provisions applied to a seller, who was a person who sold or contracted to sell goods. Under the act, they apply to a person in the business of selling or transferring ownership of goods or contracting to do so. It includes wholesalers, distributers, retailers, and manufacturers. Manufacturers are sellers involved in designing, assembling, or preparing goods before they are sold or distributed to consumers at retail.

The act adds that a seller's affirmation of fact or promise to repair or replace defective goods is an express warranty that the goods will be repaired or replaced.

The act allows a buyer, or a buyer's successor in interest, to bring a claim for breach of an express warranty regardless of whether the buyer or buyer in interest bought the goods directly from or under a sales contract with the seller.

Lessors

The act changes which lessors under the UCC create express warranties that goods will conform to their representations from the seller and that they will conform to a sample or model.

Previously, these provisions applied to a lessor, who was a person who transferred the right to possess and use goods under a lease and could include a sublessor. The act instead applies these provisions to someone engaged in the business of leasing or distributing goods on the condition of their return, or contracting to do so. It includes wholesalers, distributers, retailers, and

manufacturers. Manufacturers are lessors involved in designing, assembling, or preparing goods before they are leased or distributed to consumers.

The act adds that a lessor's promise to repair or replace defective goods is an express warranty that the goods will be repaired or replaced.

The act allows a lessee, or a lessee's successor in interest, to bring a claim for breach of an express warranty regardless of whether the lessee or lessee's successor in interest leased the goods directly from or under a contract with the lessor.

EFFECTIVE DATE: October 1, 2025

§ 46 — TECHNICAL CHANGE

Makes a technical change

The act makes a technical change by correcting a statutory citation.

§ 47 — EXPERT WITNESSES

Expands when public officials, state employees, and their immediate family members can work as expert witnesses for the attorney general

Generally, by law, public officials and state employees, their immediate family members, and their businesses cannot enter contracts with the state valued at \$100 or more unless the contract is awarded through an open and public process or involves state employment, certain work with the technical education or higher education system, or a court appointment.

The act adds an exemption for work with the attorney general as an expert witness related to litigation or administrative proceedings. The attorney general must file with the Office of State Ethics, in a form and manner set by the office, a disclosure of the (1) expert witness's name, qualifications, and scope of services and (2) date of entering the contract, its start and end date, and its value, if known by the attorney general. The disclosure must occur within 30 days of the earlier of when the expert witness is disclosed or required to be disclosed to an opposing party in the litigation or administrative proceeding related to using the expert witness.

Under the act, an expert witness is someone (1) qualified to testify on scientific, technical, or another specialized matter based on knowledge, skill, experience, training, or education and (2) retained to provide testimony including expert opinions.

EFFECTIVE DATE: October 1, 2025

§§ 48-54 — CHARITABLE ORGANIZATIONS

Makes a number of changes to the laws on charitable organizations and solicitations

The act:

1. specifies that a political action committee organization is not a charitable organization subject to registration and other requirements applicable to

- charitable organizations (§ 48);
- 2. eliminates a requirement that charitable organizations file with DCP any contracts they have with a fund-raising counsel 15 days before the counsel performs any services and instead requires the organization to retain a copy of the contract for at least seven years after it expires and give it to DCP on request (§ 50);
- 3. increases, from \$20,000 to \$50,000, the amount of the bond that a fundraising counsel must file with DCP if the counsel has custody or control of contributions from solicitations (§ 50);
- 4. requires paid solicitors to file financial reports about a solicitation campaign with DCP sooner, within 45 instead of 90 days after the campaign's completion (§ 51);
- 5. prohibits a charitable organization or person conducting its affairs from engaging in nonfinancial conduct unrelated to the organization's charitable purpose or that jeopardizes or interferes with the ability to achieve that purpose (the law already prohibits engaging in financial transactions under these circumstances) (§ 52);
- 6. eliminates a prohibition on an organization expending an unreasonable amount of money on solicitation (§ 52); and
- 7. makes clarifying, minor, and technical changes.

EFFECTIVE DATE: October 1, 2025

§ 55 — RECORDING REAL ESTATE LISTING AGREEMENTS

Changes a requirement for recording certain real estate listing agreements

The act makes a change to the types of real estate listing agreements entered into before June 30, 2024, that had to be rerecorded, with notice, in the town where the residential property subject to the agreement is located by July 31, 2024. Previously, one type of these agreements subject to these requirements was one that bound future holders of interests in the property. The act instead applies these requirements to agreements that bind future owners of interests in the property.

§ 56 — UMBILICAL CORD BLOOD INFORMATION

Eliminates a requirement for certain health care providers to provide information about umbilical cord blood

The act eliminates a requirement that a health care provider who provides pregnancy-related health care services to a woman during the last trimester of pregnancy give her information to make an informed and voluntary choice about banking or donating umbilical cord blood.

EFFECTIVE DATE: October 1, 2025

§ 56 — MECHANICAL CONTRACTORS

Eliminates mechanical contractor provisions on registration, investigations, and fines for working without a registration

The act eliminates statutory provisions on mechanical contractor organizations, including those on:

- 1. mechanical contractor registration requirements,
- 2. DCP authority to investigate mechanical contractors and take action against their credentials,
- 3. prohibited actions by mechanical contractors and court orders to stop violations, and
- 4. fines for performing work without a registration certificate or providing unlicensed employees to do work.

Under prior law, repealed by the act, "mechanical contractors" were businesses that offered their employees' services to the public for plumbing and piping or heating, piping, and cooling work. But they did not include licensed individuals or businesses that (1) worked exclusively on dwellings of up to four units; (2) employed fewer than 10 licensed employees in these trades; or (3) worked on sewer, storm drain, or water lines.

EFFECTIVE DATE: October 1, 2025

BACKGROUND

Related Acts

PA 25-44 requires businesses that enter into a consumer agreement that includes an automatic renewal or continuous services provision to (1) send consumers an annual reminder with certain information and (2) enable consumers to stop the renewal or services through a website, email, or telephone.

PA 25-145, §§ 5-13, generally applies the UCC's provisions on the sale or lease of goods to "hybrid sales" and "hybrid leases," which are single transactions involving both (1) a sale or lease of goods and (2) provided services; a lease or sale (as applicable) of other goods; or a sale, lease, or license of other property.

CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$10,000, impose civil penalties of up to \$5,000, 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 up to \$25,000 for a restraining order violation.