

# OFFICE OF FISCAL ANALYSIS

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sSB-201

AN ACT CONCERNING THE ATTORNEY GENERAL'S RECOMMENDATIONS REGARDING PRICE DISCLOSURE, SERVICE AGREEMENTS, THE NEW HOME CONSTRUCTION GUARANTY FUND AND THE CONNECTICUT UNFAIR TRADE PRACTICES ACT.

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## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Consumer Protection, Dept.	New Home Construction Guaranty Fund - Potential Cost	See Below	See Below
Consumer Protection, Dept.	New Home Construction Guaranty Fund - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill expands consumers' eligibility to make claims from the New Home Construction Guaranty Fund<sup>1</sup> resulting in a potential cost to the fund to the extent this results in additional restitution payments. In FY 23 there were two restitution claims paid from the fund totaling \$60,000.

The bill makes contractors and proprietors liable for the restitution

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<sup>1</sup>The New Home Construction Guaranty Fund can reimburse consumers who are unable to collect for losses resulting from work performed by a registered new home builder. Homeowners may be eligible to receive up to \$30,000 from the fund if certain criteria are met.

payments made to consumers resulting in a potential revenue gain to the New Home Construction Guaranty Fund to the extent violations occur and the contractors and proprietors repay the Fund.

The bill also makes various changes under the Connecticut Unfair Trade Practices Act (CUTPA) resulting in no fiscal impact to the Department of Consumer Protection (DCP) and the Office of the Attorney General (OAG) because they have the expertise to meet the requirements of the bill.<sup>2</sup>

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of claims paid by the Fund.

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<sup>2</sup> DCP and OAG investigate and enforce CUTPA violations in the state.