



General Assembly

February Session, 2000

Raised Bill No. 5809

LCO No. 2078

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

An Act Making Minor Changes To The Real Estate Statutes.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (a) to (c), inclusive, of section 20-325a of the
2 general statutes are repealed and the following is substituted in lieu
3 thereof:

4 (a) No person who is not licensed under the provisions of this
5 chapter, and who was not so licensed at the time [he] the person
6 performed the acts or rendered the services for which recovery is
7 sought, shall commence or bring any action in any court of this state,
8 after October 1, 1971, to recover any commission, compensation or
9 other payment [in respect of] with respect to any act done or service
10 rendered by [him] the person, the doing or rendering of which is
11 prohibited under the provisions of this chapter except by persons duly
12 licensed under this chapter.

13 (b) No person, licensed under the provisions of this chapter, shall
14 commence or bring any action [in respect of] with respect to any acts
15 done or services rendered after October 1, 1995, as set forth in
16 subsection (a), unless the acts or services were rendered pursuant to a

17 contract or authorization from the person for whom the acts were done
18 or services rendered. To satisfy the requirements of this subsection any
19 contract or authorization shall: (1) Be in writing, (2) contain the names
20 and addresses of the real estate broker performing the services and the
21 name of the person or persons for whom the acts were done or services
22 rendered, (3) show the date on which such contract was entered into or
23 such authorization given, (4) contain the conditions of such contract or
24 authorization, (5) be signed by the real estate broker or the real estate
25 broker's authorized agent, (6) if such contract or authorization pertains
26 to any real property, include the following statement: "THE REAL
27 ESTATE BROKER MAY BE ENTITLED TO CERTAIN LIEN RIGHTS
28 PURSUANT TO SUBSECTION (d) OF SECTION 20-325a OF THE
29 CONNECTICUT GENERAL STATUTES", and (7) be signed by the
30 person or persons for whom the acts were done or services rendered or
31 by an agent authorized to act on behalf of such person or persons,
32 pursuant to a written document executed in the manner provided for
33 conveyances in section 47-5, except, if the acts to be done or services
34 rendered involve a listing contract for the sale of land containing any
35 building or structure occupied or intended to be occupied by no more
36 than four families, be signed by the owner of the real estate or by an
37 agent authorized to act on behalf of such owner pursuant to a written
38 document executed in the manner provided for conveyances in section
39 47-5.

40 (c) Nothing in subsection (a) of this section or subdivisions (2) to (6),
41 inclusive, of subsection (b) of this section shall prevent any licensee
42 from recovering any commission, compensation or other payment [in
43 respect to] with respect to any acts done or services rendered, if such
44 person has substantially complied with subdivisions (2) to (6),
45 inclusive, of subsection (b) of this section and it would be inequitable
46 to deny such recovery.

47 Sec. 2. Section 20-329b of the general statutes is repealed and the
48 following is substituted in lieu thereof:

49 (a) Unless the method of disposition is adopted for the purpose of
50 the evasion of the provisions of sections 20-329a to 20-329m, inclusive,
51 or the provisions of the federal Interstate Land Sales Full Disclosure
52 Act, said sections shall not apply to: (1) The making of any offer or
53 disposition of any subdivision or lot, parcel, unit or interest in any
54 subdivision (A) by a purchaser of any subdivision lot, parcel or unit for
55 [his] the purchaser's own account in a single or isolated transaction, (B)
56 to any person who is engaged in the business of the construction of
57 residential, commercial or industrial buildings, other than any lot,
58 parcel, unit or interest in any subdivision, for disposition, (C) pursuant
59 to the order of any court in this state, or (D) by any government or
60 government agency; (2) any offer or disposition of any evidence of
61 indebtedness secured by way of any mortgage or deed of trust of real
62 estate; (3) securities or units of interest issued by an investment trust
63 regulated under the laws of this state; (4) cemetery lots; or (5) the
64 leasing of apartments, offices or stores, or the leasing of similar space
65 within any apartment building, commercial building or industrial
66 building.

67 (b) The commission may from time to time, pursuant to regulations
68 adopted by the Commissioner of Consumer Protection pursuant to
69 chapter 54, with the advice and assistance of the commission, exempt
70 any subdivision from any of the provisions of sections 20-329a to 20-
71 329m, inclusive, if the commission finds that the enforcement of said
72 sections, with respect to such subdivision or lots, parcels, units or
73 interests in such subdivision, is not necessary in the public interest and
74 for the protection of purchasers by reason of the small amount
75 involved or the limited character of the offering, or because such
76 property has been registered and approved pursuant to the laws of
77 any other state.

78 (c) Any subdivision which has been registered under the federal
79 Interstate Land Sales Full Disclosure Act shall be exempt from the
80 provisions of section 20-329d, except for the narrative description of
81 the promotional plan for the disposition of the subdivided lands and

82 copies of all advertising material which has been prepared for public
83 distribution by any means of communications, required under
84 subdivision (2) of said section, upon the filing with the commission of
85 a copy of an effective statement of record filed with the Secretary of
86 Housing and Urban Development together with a filing fee of three
87 hundred dollars [in respect of] for each subdivision covered by such
88 effective statement of record. The fee for filing a consolidation or an
89 additional number of lots not included in the initial filing shall be three
90 hundred dollars.

91 Sec. 3. Section 20-329d of the general statutes is repealed and the
92 following is substituted in lieu thereof:

93 Any person or broker proposing to offer or dispose of any
94 subdivision or lot, parcel, unit or interest therein in this state shall first
95 submit to the commission (1) such particulars and details of the
96 subdivision or lots, parcels, units or other interest in any subdivision to
97 be offered or to be disposed of as the commission may by regulation
98 require, including but not limited to a prospectus, property report or
99 offering statement embodying all the terms relative to the offering and
100 disposition, (2) a narrative description of the promotional plan for the
101 disposition of the subdivided lands together with copies of all
102 advertising material which has been prepared for public distribution
103 by any means of communications, (3) a completed license application
104 in such form as the commission may require and (4) a filing fee of three
105 hundred dollars [in respect of] for each subdivision to be offered or
106 disposed of. The fee for filing a consolidation or an additional number
107 of lots not included in the initial filing shall be three hundred dollars.

108 Sec. 4. Section 20-329f of the general statutes is repealed and the
109 following is substituted in lieu thereof:

110 (a) The commission shall, upon completion of the investigation and
111 inspection as provided in section 20-329e, but, in the absence of any
112 agreement to the contrary between the applicant and the commission,
113 not later than three months from the receipt of the completed license

114 application, or receipt of an effective statement of record filed with the
115 Secretary of Housing and Urban Development and filed with the
116 commission pursuant to subsection (c) of section 20-329b, (1) approve
117 or disapprove the prospectus, property report or offering statement
118 submitted under subsection (c) of section 20-329b, or section 20-329d,
119 as the case may be, and (2) if satisfied, issue to the applicant upon
120 payment to the commission of a fee computed as provided in
121 subsection (b), a license to offer and dispose of in this state the
122 subdivision or parcels, units or other interests in any subdivision that
123 is the subject of the application or such effective statement of record.
124 Such license shall be valid for one year and may be renewed annually
125 upon payment to the commission of a fee, computed as provided in
126 subsection (b), unless there is a material change affecting such
127 subdivision or lot, parcels, units or other interest in any subdivision or
128 the offer or disposition thereof, in which case all new facts shall be
129 reported to the commission immediately. Upon receipt of such report
130 or in the event that any such material change is discovered by or
131 comes to the attention of the commission through other sources, the
132 commission may, after hearing pursuant to section 20-321, take such
133 action as the commission considers necessary, including the
134 suspension or revocation of such license if justified.

135 (b) The amount any person shall pay for an initial license fee or a
136 renewal license fee [in respect of] for each subdivision covered by the
137 license shall be computed on the basis of the rates set forth in the
138 following schedule.

T1	Number		Annual
T2	Of Lots or Units	Initial Fee	Renewal Fee
T3	1- 50	\$250.	\$100.
T4	51-100	\$275.	\$125.
T5	101-150	\$300.	\$150.
T6	151-200	\$325.	\$175.
T7	201-250	\$350.	\$200.
T8	251-300	\$375.	\$225.

T9	301-350	\$400.	\$250.
T10	351-400	\$425.	\$275.
T11	401-450	\$450.	\$300.
T12	451-500	\$475.	\$325.
T13	501 and above	\$500.	\$350.

139 Sec. 5. Section 20-329n of the general statutes is repealed and the
140 following is substituted in lieu thereof:

141 All moneys paid or advanced by a purchaser or lessee or
142 prospective purchaser or prospective lessee [in respect of] for any lot,
143 parcel, unit or interest in any subdivision, the disposition of which is
144 controlled by sections 20-329a, 20-329b, 20-329d, 20-329e, 20-329f, 20-
145 329h and 20-329i, or such portion of such moneys as the commission
146 may determine is sufficient for the protection of the interests of such
147 purchaser or lessee shall be deposited by the seller or lessor in an
148 escrow account, approved by the commission, in a bank doing
149 business in this state. Such money shall remain in such escrow account
150 until (1) a proper and valid release is obtained for such money, (2) the
151 owner or subdivider or the purchaser or lessee has defaulted under
152 their contract for sale or lease and the commission or a court has made
153 a determination as to the disposition of such money, or (3) the owner
154 or subdivider or the seller or lessor orders the return of such money to
155 such purchaser or lessee.

INS Committee Vote: Yea 17 Nay 0 JF