



Substitute Senate Bill No. 1254

Public Act No. 05-115

**AN ACT CONCERNING THE OWNERSHIP OF REAL ESTATE
BROKERAGE COMPANIES.**

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

Section 1. Section 20-312 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2005*):

(a) No person shall act as a real estate broker or real estate salesperson without a license issued by the commission, unless exempt under this chapter. The Commissioner of Consumer Protection may enter into any contract for the purpose of administratively processing the renewal of licenses on behalf of the commission.

[(b) No partnership, association or corporation shall be granted a real estate broker's license, unless every member or officer of such partnership, association or corporation who actively participates in its real estate brokerage business holds a license as a real estate broker, and unless every employee who acts as salesperson for such partnership, association or corporation and every salesperson who is affiliated with such partnership, association or corporation as an independent contractor holds a license as a real estate salesperson. A partnership, association or corporation shall designate in its application the individual who is to serve as broker under the license.]

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(b) The practice of or the offer to practice real estate brokerage business in this state by individual licensed real estate brokers or real estate salespersons as a corporation, limited liability company or partnership, a material part of the business of which includes real estate brokerage, is permitted, provided (1) the personnel of such corporation, limited liability company or partnership who engage in the real estate brokerage business as real estate brokers or real estate salespersons, and the real estate brokers whose ownership, control, membership or partnership interest is credited toward the requirements of subdivision (3) of this subsection, are licensed or exempt from licensure under this chapter, (2) the corporation, limited liability company or partnership has been issued a real estate broker license by the commission as provided in this section and has paid the license or renewal fee required for a real estate broker's license as set forth in section 20-314, and (3) except for a publicly-traded corporation (A) with respect to a corporation other than a nonstock corporation, one or more real estate brokers own or control fifty-one per cent or more of the total issued shares of the corporation, (B) with respect to a nonstock corporation, one or more real estate brokers constitute at least fifty-one per cent of the members of the nonstock corporation, (C) with respect to a limited liability company, one or more real estate brokers own or control at least fifty-one per cent of the interest in the limited liability company, as defined in section 34-101, or (D) with respect to a partnership, one or more real estate brokers' partnership interest, as defined in section 34-301, constitutes at least fifty-one per cent of the total partnership interest. No such corporation, limited liability company or partnership shall be relieved of responsibility for the conduct or acts of its agents, employees or officers by reason of its compliance with this section, nor shall any individual practicing real estate brokerage be relieved of responsibility for real estate services performed by reason of the individual's employment or relationship with such corporation, limited liability company or partnership. The Real Estate Commission may refuse to authorize the issuance or

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renewal of a license if any facts exist that would entitle the commission to suspend or revoke an existing license.

(c) A corporation, limited liability company or partnership desiring a real estate broker license shall file with the commission an application on such forms and in such manner as prescribed by the Department of Consumer Protection. Each such corporation, limited liability company or partnership shall file with the commission a designation of at least one individual licensed as a real estate broker in this state who shall be in charge of the real estate brokerage business of such corporation, limited liability company or partnership in this state. Such corporation, limited liability company or partnership shall notify the commission of any change in such designation not later than thirty days after such change becomes effective.

(d) The Real Estate Commission may impose a fine of not more than one thousand dollars on any corporation, limited liability company or partnership that engages in real estate business without a license required by this section.

Approved June 24, 2005