



# House of Representatives

General Assembly

**File No. 35**

January Session, 2005

Substitute House Bill No. 6518

*House of Representatives, March 16, 2005*

The Committee on General Law reported through REP. STONE, C. of the 9th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE REAL ESTATE COMMISSION.**

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

1 Section 1. Subsection (f) of section 20-314 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (f) All licenses issued under the provisions of this chapter shall  
5 expire annually. At the time of application for a real estate broker's  
6 license, there shall be paid to the commission, for each individual  
7 applicant and for each proposed active member or officer of a firm,  
8 partnership, association or corporation, the sum of four hundred fifty  
9 dollars, and for the annual renewal thereof, the sum of three hundred  
10 dollars and for a real estate salesperson's license two hundred  
11 twenty-five dollars and for the annual renewal thereof the sum of two  
12 hundred twenty-five dollars. Three dollars of each such annual  
13 renewal fee shall be payable to the Real Estate Guaranty Fund  
14 established pursuant to section 20-324a. If a license is not issued, the

15 fee shall be returned. A real estate broker's license issued to any  
16 partnership, association or corporation shall entitle the individual  
17 designated in the application, as provided in section 20-312, upon  
18 compliance with the terms of this chapter, but without the payment of  
19 any further fee, to perform all of the acts of a real estate broker under  
20 this chapter on behalf of such partnership, association or corporation.  
21 Any license which expires and is not renewed pursuant to this  
22 subsection may be reinstated by the commission, if, not later than two  
23 years after the date of expiration, the former licensee pays to the  
24 commission for each real estate broker's license the sum of three  
25 hundred dollars and for each real estate salesperson's license the sum  
26 of two hundred twenty-five dollars for each year or fraction thereof  
27 from the date of expiration of the previous license to the date of  
28 payment for reinstatement, except that any licensee whose license  
29 expired after such licensee entered military service shall be reinstated  
30 without payment of any fee if an application for reinstatement is filed  
31 with the commission within two years after the date of expiration. Any  
32 such reinstated broker's license shall expire on the next succeeding  
33 [April thirtieth] March thirty-first and any such reinstated real estate  
34 salesperson's license shall expire on the next succeeding May thirty-  
35 first.

36 Sec. 2. (NEW) (*Effective from passage*) All records and notes  
37 documented in the course of a commercial real estate transaction shall  
38 be properly retained by the real estate broker involved in such  
39 transaction. The following records shall be kept by a real estate broker  
40 for a period of not less than three calendar years after the transaction  
41 closed, all funds were disbursed or the agreement and any written  
42 extension expired, as applicable: (1) The original or true copy of all  
43 accepted, countered or rejected offers, (2) the listing or buyer  
44 brokerage representation agreements and consent to dual agency and  
45 designated agency forms, (3) escrow ledger records, and (4) all escrow  
46 account reconciliation records.

47 Sec. 3. Section 20-314a of the general statutes is repealed and the  
48 following is substituted in lieu thereof (*Effective from passage*):

49 The Commissioner of Consumer Protection, with the advice and  
50 assistance of the commission, may adopt regulations, in accordance  
51 with chapter 54, relating to the approval of schools offering courses in  
52 real estate principles and practice and related subjects, or real estate  
53 student intern programs, the content of such courses or programs and  
54 the advertising to the public of the services of such schools. Such  
55 regulations [shall not] may require approval of instructors at such  
56 schools. The commission may exempt any applicant for a real estate  
57 broker's license from the requirements concerning experience under  
58 the provisions of subsection (d) of section 20-314, if the commission  
59 determines that such applicant is unable to meet such requirements  
60 solely because such applicant has been subjected to discrimination  
61 based on race, creed or color, which discrimination interfered with  
62 such applicant's ability to meet such requirements.

63 Sec. 4. Section 20-325d of the general statutes is repealed and the  
64 following is substituted in lieu thereof (*Effective from passage*):

65 On and after January 1, 1995, a real estate broker or real estate  
66 salesperson licensed under this chapter, who is acting as an agent of  
67 the seller or lessor, shall make a written disclosure of whom he or she  
68 represents in a real estate transaction to prospective purchasers and  
69 lessees at the beginning of the first personal meeting concerning the  
70 prospective purchaser's or lessee's specific needs, unless such  
71 prospective purchaser or lessee is represented by another real estate  
72 broker or real estate salesperson licensed under this chapter. Such  
73 disclosure shall be signed by the prospective purchaser or lessee and  
74 attached to any offer or agreement to purchase or lease signed by the  
75 prospective purchaser or lessee. Whenever any real estate broker or  
76 real estate salesperson intends to act as an agent for the prospective  
77 purchaser or lessee, he or she shall disclose such intended  
78 representation to the seller or lessor at the beginning of the first  
79 personal meeting with the seller or lessor concerning the seller's or  
80 lessor's real property, unless such seller or lessor is represented by  
81 another real estate broker or real estate salesperson licensed under this  
82 chapter. On or before January 1, 1995, the Commissioner of Consumer

83 Protection, shall adopt such regulations in accordance with chapter 54  
84 as the commissioner deems necessary to carry out the provisions of  
85 this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	20-314 (f)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	20-314a
Sec. 4	<i>from passage</i>	20-325d

**GL**            *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 06 \$</b>	<b>FY 07 \$</b>
Consumer Protection, Dept.	GF - None	None	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill makes various changes to real estate licensing law, none of which have a fiscal impact on the Department of Consumer Protection.

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**OLR Bill Analysis**

sHB 6518

**AN ACT CONCERNING THE REAL ESTATE COMMISSION**

**SUMMARY:**

This bill makes three changes concerning real estate licensing law. One, it requires real estate brokers to keep certain records for three years about each commercial real estate transaction. Two, it authorizes the consumer protection commissioner to provide for the approval of instructors in regulations he adopts to approve schools offering courses in real estate principles and practices. The law currently prohibits such a provision. Three, it changes the expiration date of reinstated real estate broker and salesperson licenses.

EFFECTIVE DATE: Upon passage

**COMMERCIAL TRANSACTION RECORDS**

The bill requires real estate brokers to keep “properly” all records and notes documented in the course of a commercial real estate transaction. It specifies that they must keep: (1) the original or true copy of all accepted, countered, or rejected offers; (2) the listing or buyer brokerage representation agreements and consent to dual agency and designated agency forms; (3) escrow ledger records; and (4) all escrow account reconciliation records for at least three calendar years. The retention period begins after the transaction closes, all funds are disbursed, or the agreement, including a written extension, expires.

**REINSTATED LICENSE EXPIRATION**

The bill makes reinstated real estate broker and salesperson licenses expire on the same dates that regularly issued licenses expire, March 31 and May 31, respectively (Conn. Agencies Reg. § 21a-10-1). Current law makes all reinstated licenses expire on April 30. The law allows the Real Estate Commission to reinstate a license that has not been renewed for up to two years after the date of expiration.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 12    Nay 0