



General Assembly

January Session, 2005

Raised Bill No. 6518

LCO No. 2899

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Referred to Committee on General Law

Introduced by:

(GL)

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2 repealed and the following is substituted in lieu thereof (*Effective from*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) transaction files and those contents
46 required pursuant to chapter 392 of the general statutes, (4) escrow
47 ledger records, and (5) all escrow account reconciliation records.

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 Section 20-314a of the general statutes is repealed and the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

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

64 Sec. 4. Section 20-320 of the general statutes is repealed and the
65 following is substituted in lieu thereof (*Effective from passage*):

66 The Department of Consumer Protection may, upon the request of
67 the commission or upon the verified complaint in writing of any
68 person, if such complaint, or such complaint together with evidence,
69 documentary or otherwise, presented in connection with such
70 complaint, shall make out a prima facie case, investigate the actions of
71 any real estate broker or real estate salesperson or any person who
72 assumes to act in any of such capacities within this state. The
73 commission may temporarily suspend or permanently revoke any
74 license issued under the provisions of this chapter and, in addition to
75 or in lieu of such suspension or revocation, may, in its discretion,
76 impose a fine of not more than [two] five thousand dollars per
77 violation at any time when, after proceedings as provided in section
78 20-321, the commission finds that the licensee has by false or
79 fraudulent misrepresentation obtained a license or that the licensee is
80 guilty of any of the following: (1) Making any material
81 misrepresentation; (2) making any false promise of a character likely to
82 influence, persuade or induce; (3) acting as an agent for more than one

83 party in a transaction without the knowledge of all parties for whom
84 the licensee acts; (4) representing or attempting to represent a real
85 estate broker other than the licensee's employer or the broker with
86 whom the licensee is affiliated, without the express knowledge and
87 consent of the licensee's employer or affiliated broker; (5) failing,
88 within a reasonable time, to account for or remit any moneys coming
89 into the licensee's possession which belong to others; (6) entering into
90 an exclusive listing contract or buyer agency contract which contains a
91 fixed termination date if such contract also provides for an automatic
92 continuation of the period of such contract beyond such date; (7)
93 failing to deliver immediately a copy of any instrument to any party or
94 parties executing the instrument, where such instrument has been
95 prepared by the licensee or under the licensee's supervision and where
96 such instrument relates to the employment of the licensee or to any
97 matters pertaining to the consummation of a lease, or the purchase,
98 sale or exchange of real property or any other type of real estate
99 transaction in which the licensee may participate as a broker or a
100 salesperson; (8) conviction in a court of competent jurisdiction of
101 forgery, embezzlement, obtaining money under false pretenses,
102 larceny, extortion, conspiracy to defraud, or other like offense or
103 offenses, provided suspension or revocation under this subdivision
104 shall be subject to the provisions of section 46a-80; (9) collecting
105 compensation in advance of services to be performed and failing, upon
106 demand of the person paying the compensation or the commission, to
107 render an accounting of the use of such money; (10) commingling
108 funds of others with the licensee's own, or failing to keep funds of
109 others in an escrow or trustee account; (11) any act or conduct which
110 constitutes dishonest, fraudulent or improper dealings; (12) failing to
111 provide the disclosures required by section 20-325c; (13) a violation of
112 any provision of this chapter or any regulation adopted under this
113 chapter. Any fine collected pursuant to this section shall be deposited
114 in the Real Estate Guaranty Fund established pursuant to section 20-
115 324a.

116 Sec. 5. Section 20-325d of the general statutes is repealed and the

117 following is substituted in lieu thereof (*Effective from passage*):

118 On and after January 1, 1995, a real estate broker or real estate
 119 salesperson licensed under this chapter, who is acting as an agent of
 120 the seller or lessor, shall make a written disclosure of whom he or she
 121 represents in a real estate transaction to prospective purchasers and
 122 lessees at the beginning of the first personal meeting concerning the
 123 prospective purchaser's or lessee's specific needs, unless such
 124 prospective purchaser or lessee is represented by another real estate
 125 broker or real estate salesperson licensed under this chapter. Such
 126 disclosure shall be signed by the prospective purchaser or lessee and
 127 attached to any offer or agreement to purchase or lease signed by the
 128 prospective purchaser or lessee. Whenever any real estate broker or
 129 real estate salesperson intends to act as an agent for the prospective
 130 purchaser or lessee, he or she shall disclose such intended
 131 representation to the seller or lessor at the beginning of the first
 132 personal meeting with the seller or lessor concerning the seller's or
 133 lessor's real property, unless such seller or lessor is represented by
 134 another real estate broker or real estate salesperson licensed under this
 135 chapter. On or before January 1, 1995, the Commissioner of Consumer
 136 Protection, shall adopt such regulations in accordance with chapter 54
 137 as the commissioner deems necessary to carry out the provisions of
 138 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>	20-320
Sec. 5	<i>from passage</i>	20-325d

Statement of Purpose:

To avoid having the same date of license renewal for real estate brokers as for real estate salespersons, to require brokers to retain certain records and to increase the fine for license violations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]