



General Assembly

February Session, 2006

Raised Bill No. 5672

LCO No. 2463

02463 _____ GL_

Referred to Committee on General Law

Introduced by:

(GL)

AN ACT CONCERNING A REAL ESTATE ENFORCEMENT FUND AND CONTINUING EDUCATION.

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

1 Section 1. Section 20-320 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 The Department of Consumer Protection may, upon the request of
4 the commission or upon the verified complaint in writing of any
5 person, if such complaint, or such complaint together with evidence,
6 documentary or otherwise, presented in connection with such
7 complaint, shall make out a prima facie case, investigate the actions of
8 any real estate broker or real estate salesperson or any person who
9 assumes to act in any of such capacities within this state. The
10 commission may temporarily suspend or permanently revoke any
11 license issued under the provisions of this chapter and, in addition to
12 or in lieu of such suspension or revocation, may, in its discretion,
13 impose a fine of not more than two thousand dollars at any time when,
14 after proceedings as provided in section 20-321, the commission finds
15 that the licensee has by false or fraudulent misrepresentation obtained
16 a license or that the licensee is guilty of any of the following: (1)

17 Making any material misrepresentation; (2) making any false promise
18 of a character likely to influence, persuade or induce; (3) acting as an
19 agent for more than one party in a transaction without the knowledge
20 of all parties for whom the licensee acts; (4) representing or attempting
21 to represent a real estate broker other than the licensee's employer or
22 the broker with whom the licensee is affiliated, without the express
23 knowledge and consent of the licensee's employer or affiliated broker;
24 (5) failing, within a reasonable time, to account for or remit any
25 moneys coming into the licensee's possession which belong to others;
26 (6) entering into an exclusive listing contract or buyer agency contract
27 which contains a fixed termination date if such contract also provides
28 for an automatic continuation of the period of such contract beyond
29 such date; (7) failing to deliver immediately a copy of any instrument
30 to any party or parties executing the instrument, where such
31 instrument has been prepared by the licensee or under the licensee's
32 supervision and where such instrument relates to the employment of
33 the licensee or to any matters pertaining to the consummation of a
34 lease, or the purchase, sale or exchange of real property or any other
35 type of real estate transaction in which the licensee may participate as
36 a broker or a salesperson; (8) conviction in a court of competent
37 jurisdiction of forgery, embezzlement, obtaining money under false
38 pretenses, larceny, extortion, conspiracy to defraud, or other like
39 offense or offenses, provided suspension or revocation under this
40 subdivision shall be subject to the provisions of section 46a-80; (9)
41 collecting compensation in advance of services to be performed and
42 failing, upon demand of the person paying the compensation or the
43 commission, to render an accounting of the use of such money; (10)
44 commingling funds of others with the licensee's own, or failing to keep
45 funds of others in an escrow or trustee account; (11) any act or conduct
46 which constitutes dishonest, fraudulent or improper dealings; (12)
47 failing to provide the disclosures required by section 20-325c; (13) a
48 violation of any provision of this chapter or any regulation adopted
49 under this chapter. Any fine collected pursuant to this section shall be
50 deposited in the [Real Estate Guaranty Fund] real estate enforcement

51 account established pursuant to section [20-324a] 2 of this act.

52 Sec. 2. (*Effective July 1, 2006*) There shall be maintained a real estate
53 enforcement account from the income received from administering
54 section 20-320 of the general statutes, as amended by this act. Said
55 account shall be a separate, nonlapsing account within the General
56 Fund, for the Commissioner of Consumer Protection. The
57 commissioner shall use said account for real estate staff continuing
58 education, investigations regarding complaints against real estate
59 licensees and the suspension or revocation of real estate licenses.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	20-320
Sec. 2	<i>July 1, 2006</i>	New section

Statement of Purpose:

To create and fund a real estate enforcement account.

[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.]