



General Assembly

February Session, 2006

Raised Bill No. 176

LCO No. 1474

01474_____GL_

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2 repealed and the following is substituted in lieu thereof (*Effective from*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, as

18 amended, upon compliance with the terms of this chapter, but without
19 the payment of any further fee, to perform all of the acts of a real estate
20 broker under this chapter on behalf of such partnership, association or
21 corporation. Any license which expires and is not renewed pursuant to
22 this subsection may be reinstated by the commission, if, not later than
23 two 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 closes, all funds are disbursed or the agreement and any written
42 extension expires, 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 2006 supplement to the general statutes
49 is repealed and the following is substituted in lieu thereof (*Effective*
50 *from passage*):

51 (a) The Commissioner of Consumer Protection, with the advice and
52 assistance of the commission, may adopt regulations, in accordance
53 with chapter 54, relating to the approval of schools offering courses in
54 real estate principles and practice and related subjects, or real estate
55 student intern programs, the content of such courses or programs and
56 the advertising to the public of the services of such schools. Such
57 regulations [shall not] may require (1) approval of instructors at such
58 schools, or (2) a course to be conducted in a classroom location
59 approved for such use by a local fire marshal provided the course is
60 conducted in a hotel, restaurant or other public building or a place of
61 public assembly, as defined in section 19-13-B105 of the regulations of
62 Connecticut state agencies.

63 (b) The commission may exempt any applicant for a real estate
64 broker's license from the requirements concerning experience under
65 the provisions of subsection (d) of section 20-314, if the commission
66 determines that such applicant is unable to meet such requirements
67 solely because such applicant has been subjected to discrimination
68 based on race, creed or color, which discrimination interfered with
69 such applicant's ability to meet such requirements.

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 Section 20-320 of the general statutes is repealed and the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

72 The Department of Consumer Protection may, upon the request of
73 the commission or upon the verified complaint in writing of any
74 person, if such complaint, or such complaint together with evidence,
75 documentary or otherwise, presented in connection with such
76 complaint, shall make out a prima facie case, investigate the actions of
77 any real estate broker or real estate salesperson or any person who
78 assumes to act in any of such capacities within this state. The
79 commission may temporarily suspend or permanently revoke any
80 license issued under the provisions of this chapter and, in addition to
81 or in lieu of such suspension or revocation, may, in its discretion,
82 impose a fine of not more than [two] five thousand dollars per

83 violation at any time when, after proceedings as provided in section
84 20-321, the commission finds that the licensee has by false or
85 fraudulent misrepresentation obtained a license or that the licensee is
86 guilty of any of the following: (1) Making any material
87 misrepresentation; (2) making any false promise of a character likely to
88 influence, persuade or induce; (3) acting as an agent for more than one
89 party in a transaction without the knowledge of all parties for whom
90 the licensee acts; (4) representing or attempting to represent a real
91 estate broker other than the licensee's employer or the broker with
92 whom the licensee is affiliated, without the express knowledge and
93 consent of the licensee's employer or affiliated broker; (5) failing,
94 within a reasonable time, to account for or remit any moneys coming
95 into the licensee's possession which belong to others; (6) entering into
96 an exclusive listing contract or buyer agency contract which contains a
97 fixed termination date if such contract also provides for an automatic
98 continuation of the period of such contract beyond such date; (7)
99 failing to deliver immediately a copy of any instrument to any party or
100 parties executing the instrument, where such instrument has been
101 prepared by the licensee or under the licensee's supervision and where
102 such instrument relates to the employment of the licensee or to any
103 matters pertaining to the consummation of a lease, or the purchase,
104 sale or exchange of real property or any other type of real estate
105 transaction in which the licensee may participate as a broker or a
106 salesperson; (8) conviction in a court of competent jurisdiction of
107 forgery, embezzlement, obtaining money under false pretenses,
108 larceny, extortion, conspiracy to defraud, or other like offense or
109 offenses, provided suspension or revocation under this subdivision
110 shall be subject to the provisions of section 46a-80; (9) collecting
111 compensation in advance of services to be performed and failing, upon
112 demand of the person paying the compensation or the commission, to
113 render an accounting of the use of such money; (10) commingling
114 funds of others with the licensee's own, or failing to keep funds of
115 others in an escrow or trustee account; (11) any act or conduct which
116 constitutes dishonest, fraudulent or improper dealings; (12) failing to

117 provide the disclosures required by section 20-325c; (13) a violation of
118 any provision of this chapter or any regulation adopted under this
119 chapter. Any fine collected pursuant to this section shall be deposited
120 in the Real Estate Guaranty Fund established pursuant to section 20-
121 324a.

122 Sec. 5. Section 20-325d of the general statutes is repealed and the
123 following is substituted in lieu thereof (*Effective from passage*):

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