



Senate

General Assembly

File No. 12

January Session, 2007

Senate Bill No. 110

Senate, March 7, 2007

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT REDUCING LICENSE RENEWAL FEES FOR REAL ESTATE BROKERS AND SALESPERSONS.

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2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2007*):

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] two
10 hundred ninety-seven dollars and for a real estate salesperson's license
11 two hundred twenty-five dollars and for the annual renewal thereof
12 the sum of two hundred [twenty-five] twenty-two dollars. Three
13 dollars of each such annual renewal fee shall be payable to the Real
14 Estate Guaranty Fund established pursuant to section 20-324a. If a

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2007	20-314(f)

INS *Joint Favorable*

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Consumer Protection, Dept.	GF - Revenue Loss	82,296	87,611

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill results in a revenue loss of about \$82,000 annually associated with a \$3 reduction in license fees for real estate brokers and salespersons. Currently, there are 7,237 active real estate brokers and 20,195 active salespeople. The revenue loss amount was derived from a simple calculation of the license fee reduction (\$3) and the total number of current real estate brokers and salespeople (27,432).

The Out Years

To calculate the revenue loss over the out years, the number of real estate brokers and salespeople was increased by the average percentage growth over the past five years. Brokers realize an average annual percentage growth of 2.3% and salespeople realize an average annual percentage growth of 8.0%.

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$	FY 12 \$
Consumer Protection, Dept.	GF - Revenue Loss	93,321	99,456	106,050

Note: GF=General Fund

Municipal Impact: None

OLR Bill Analysis**SB 110*****AN ACT REDUCING LICENSE RENEWAL FEES FOR REAL ESTATE BROKERS AND SALESPERSONS.*****SUMMARY:**

This bill reduces the real estate broker and salesperson annual license renewal fees by \$3, from \$300 to \$297 for brokers and from \$225 to \$222 for salespersons. By law, \$3 of the annual renewal fee is payable to the Real Estate Guaranty Fund, which is maintained by the Department of Consumer Protection for the benefit of consumers harmed by real estate brokers and salespersons.

EFFECTIVE DATE: October 1, 2007

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 18 Nay 0 (02/22/2007)