



House of Representatives

General Assembly

File No. 213

February Session, 2008

House Bill No. 5776

House of Representatives, March 26, 2008

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

AN ACT CONCERNING THE RECEIPT OF GIFTS OR PROMOTIONS IN EXCHANGE FOR TIME SHARE REFERRALS.

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

1 Section 1. Section 20-311 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this chapter, unless the context otherwise requires:

4 (1) "Real estate broker" or "broker" means (A) any person,
5 partnership, association, limited liability company or corporation
6 which acts for another person or entity and for a fee, commission or
7 other valuable consideration, lists for sale, sells, exchanges, buys or
8 rents, or offers or attempts to negotiate a sale, exchange, purchase or
9 rental of, an estate or interest in real estate, or a resale of a mobile
10 manufactured home, as defined in subdivision (1) of section 21-64, or
11 collects or offers or attempts to collect rent for the use of real estate,
12 and (B) any person, partnership, association, limited liability company
13 or corporation employed by or on behalf of the owner or owners of lots

14 or other parcels of real estate, at a stated salary, upon commission,
15 upon a salary and commission basis or otherwise to sell such real
16 estate, or any parts thereof, in lots or other parcels, and who sells or
17 exchanges, or offers, attempts or agrees to negotiate the sale or
18 exchange of, any such lot or parcel of real estate;

19 (2) "Real estate salesperson" or "salesperson" means a person
20 affiliated with any real estate broker as an independent contractor or
21 employed by a real estate broker to list for sale, sell or offer for sale, to
22 buy or offer to buy or to negotiate the purchase or sale or exchange of
23 real estate, or to offer for resale, a mobile manufactured home, as
24 defined in subdivision (1) of section 21-64, or to lease or rent or offer to
25 lease, rent or place for rent any real estate, or to collect or offer or
26 attempt to collect rent for the use of real estate for or on behalf of such
27 real estate broker, or who offers, sells or attempts to sell the real estate
28 or mobile manufactured homes of a licensed broker, or acting for
29 another as a designated seller agent or designated buyer agent, lists for
30 sale, sells, exchanges, buys or rents, or offers or attempts to negotiate a
31 sale, exchange, purchase or rental of, an estate or interest in real estate,
32 or a resale of a mobile manufactured home, as defined in subsection (a)
33 of section 21-64, or collects or offers or attempts to collect rent for the
34 use of real estate, but does not include employees of any real estate
35 broker whose principal occupation is clerical work in an office, or
36 janitors or custodians engaged principally in that occupation;

37 (3) "Engaging in the real estate business" means acting for another
38 and for a fee, commission or other valuable consideration in the listing
39 for sale, selling, exchanging, buying or renting, or offering or
40 attempting to negotiate a sale, exchange, purchase or rental of, an
41 estate or interest in real estate or a resale of a mobile manufactured
42 home, as defined in subdivision (1) of section 21-64, or collecting upon
43 a loan secured or to be secured by a mortgage or other encumbrance
44 upon or transfer of real estate, but shall not include any transaction in
45 which a person receives a nonmonetary gift or promotion for the
46 referral of a time share unit;

47 (4) "Person" means any individual, partnership, association, limited
48 liability company or corporation;

49 (5) "Commission" means the Connecticut Real Estate Commission
50 appointed under the provisions of section 20-311a;

51 (6) "Designated agency" means the appointment by a real estate
52 broker of one or more brokers or salespersons affiliated with or
53 employed by the real estate broker to solely represent a buyer or
54 tenant as a designated buyer's agent and appoint another to represent
55 a seller or landlord as a designated seller's agent in a transaction;

56 (7) "Designated buyer agent" means a broker or salesperson
57 designated by the real estate broker with whom the broker or
58 salesperson is affiliated or employed to solely represent a named buyer
59 or tenant client of the real estate broker during the term of a buyer
60 representation agreement or authorization;

61 (8) "Designated seller agent" means a broker or salesperson
62 designated by the real estate broker with whom the broker or
63 salesperson is affiliated or employed to solely represent a named seller
64 or landlord client of the real estate broker during the term of a listing
65 agreement or authorization; and

66 (9) "Commercial real estate transaction" means any transaction
67 involving the sale, exchange, lease or sublease of real property other
68 than real property containing any building or structure occupied or
69 intended to be occupied by no more than four families or a single
70 building lot to be used for family or household purposes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	20-311

GL *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 09 \$	FY 10 \$
Judicial Dept.	GF - Potential Revenue Loss	Minimal	Minimal
Judicial Dept. (Probation) Dept. of Corrections	GF - Potential Savings	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill excludes certain activities from the prohibition against engaging in the real estate business without obtaining a license. Under CGS 20-325, any such violation is punishable by a fine of up to \$1,000 and/or six months in prison. Since only one case (the charges were dropped) has been filed under this statute over the last six fiscal years for which data are available, it is anticipated that any potential fiscal impact (less criminal fine revenue or decreased costs for incarceration/probation) related to this exclusion would be minimal.

The Out Years

The annualized ongoing savings identified above would continue into the future subject to inflation; the annualized ongoing revenues from criminal fines would remain relatively stable since fine amounts are set by statute.

OLR Bill Analysis**HB 5776*****AN ACT CONCERNING THE RECEIPT OF GIFTS OR PROMOTIONS IN EXCHANGE FOR TIME SHARE REFERRALS.*****SUMMARY:**

This bill provides that “engaging in the real estate business” does not include transactions in which a person receives a nonmonetary gift or promotion for referring a time share unit. This means that someone may receive a nonmonetary gift or promotion for a time share referral without holding a real estate broker or salesperson license. The law subjects any person who engages in the real estate business without a real estate broker or salesperson license to a fine of up to \$1,000, six months in prison, or both.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 18 Nay 0 (03/11/2008)