



# House of Representatives

**File No. 748**

General Assembly

February Session, 2008

**(Reprint of File No. 213)**

House Bill No. 5776  
As Amended by House Amendment Schedule  
"A"

Approved by the Legislative Commissioner  
April 28, 2008

**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 Section 20-311 of the general statutes is repealed and the  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, provided such nonmonetary gift or  
47 promotion has a value of not more than one hundred dollars;

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

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

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

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

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

67 (9) "Commercial real estate transaction" means any transaction  
68 involving the sale, exchange, lease or sublease of real property other  
69 than real property containing any building or structure occupied or  
70 intended to be occupied by no more than four families or a single  
71 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

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 - Revenue Loss	Minimal	Minimal
Judicial Dept.	GF - 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.

House "A" (LCO 4792) is technical and has no fiscal impact.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****HB 5776 (as amended by House "A")\******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 valued at \$100 or less for referring a time share unit. This means that someone may receive a nonmonetary gift or promotion valued \$100 or less 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.

\*House Amendment "A" establishes a \$100 cap for nonmonetary gifts and promotions.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

General Law Committee

Joint Favorable

Yea 18 Nay 0 (03/11/2008)

Insurance and Real Estate Committee

Joint Favorable

Yea 17 Nay 1 (04/16/2008)