



House of Representatives

General Assembly

File No. 348

January Session, 2019

House Bill No. 7178

House of Representatives, April 3, 2019

The Committee on Insurance and Real Estate reported through REP. SCANLON of the 98th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING DISCLOSURES BY REAL ESTATE BROKERS AND SALESPERSONS.

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

1 Section 1. Section 20-325d of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2020*):

3 (a) On and after January 1, [2018] 2020, a real estate broker or real
4 estate salesperson licensed under this chapter who represents a seller
5 [] or lessor [, prospective purchaser or lessee] in a commercial real
6 estate transaction in this state or a real estate transaction involving
7 residential real property, as defined in section 20-325c, shall disclose,
8 in writing, the identity of his or her client to any prospective purchaser
9 or lessee of such real estate or real property who is:

10 (1) A party to the transaction; [who is not] and

11 (2) Not represented by another real estate broker or real estate
12 salesperson licensed under this chapter.

13 **(b)** The real estate broker or real estate salesperson shall make the
14 disclosure required under subsection (a) of this section [: (1) If the
15 transaction concerns residential real property, as defined in section 20-
16 325c, (A) at the beginning of the first personal meeting concerning the
17 prospective purchaser's or lessee's specific needs in the transaction, or
18 (B) at the beginning of the first personal meeting with the seller or
19 lessor concerning the seller's or lessor's real property; or (2) if the
20 transaction is a commercial real estate transaction, as defined in section
21 20-311,] before the prospective purchaser or lessee signs [the] a
22 purchase contract or lease as part of the transaction. Such disclosure
23 shall be signed by [a] such prospective purchaser or lessee and
24 attached to any offer or agreement to purchase or lease signed by [a]
25 such prospective purchaser or lessee as part of such transaction.

26 **(c)** The Commissioner of Consumer Protection [shall] may adopt
27 such regulations, in accordance with chapter 54, as the commissioner
28 deems necessary to carry out the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2020</i>	20-325d

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

This bill modifies when a licensed real estate broker or salesperson must disclose the identity of his or her client and results in no fiscal impact to the state.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**HB 7178*****AN ACT CONCERNING DISCLOSURES BY REAL ESTATE BROKERS AND SALESPERSONS.*****SUMMARY**

This bill delays when a licensed real estate broker or salesperson acting as an agent must disclose whom he or she represents, thus applying to residential real estate transactions the same representation disclosure requirement existing law applies to commercial transactions.

Under current law, a broker or salesperson acting as an agent in a residential real estate (i.e., one- to four-family residential real property located in the state) transaction must disclose in writing whom he or she represents at the beginning of the first personal meeting about a (a) purchaser's or lessee's specific needs or (b) seller's or lessor's real property. The bill instead requires this disclosure to be made before a prospective purchaser or lessee signs the purchase contract or lease, respectively.

By law, the disclosure (1) is not required if the other party to the transaction is represented by another real estate broker or salesperson and (2) must be attached to any offer or agreement and signed by the prospective purchaser or lessee.

The bill also allows, rather than requires, the consumer protection commissioner to adopt implementing regulations for residential and commercial representation disclosures.

EFFECTIVE DATE: January 1, 2020

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 19 Nay 0 (03/14/2019)