



Substitute House Bill No. 6624

Public Act No. 21-167

AN ACT CONCERNING LICENSING REQUIREMENTS FOR REAL ESTATE BROKERS, SALESPERSONS AND TEAMS.

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

Section 1. Section 20-311 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2022*):

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

(1) "Commercial real estate transaction" means any transaction involving the sale, exchange, lease or sublease of real property other than real property containing any building or structure occupied or intended to be occupied by not more than four families or a single building lot to be used for family or household purposes;

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

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

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

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

(6) "Engaging in the real estate business" means acting for another and for a fee, commission or other valuable consideration in the listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate or a resale of a mobile manufactured home, as defined in subdivision (1) of section 21-64, or collecting upon a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate;

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

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

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

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

[(3)] "Engaging in the real estate business" means acting for another and for a fee, commission or other valuable consideration in the listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate or a resale of a mobile manufactured home, as defined in subdivision (1) of section 21-64, or collecting upon a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate;

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

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

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

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

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

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

(10) "Team" means a group of at least two licensed real estate brokers or real estate salespersons who are affiliated with the same sponsoring real estate broker and engage in advertising as a group using a team name; and

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(11) "Team name" means the name used to refer to a team in team advertisements.

Sec. 2. Section 20-312 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2022*):

(a) No person shall act as a real estate broker or real estate salesperson without a license issued by the commission or the Commissioner of Consumer Protection, unless exempt under this chapter. The Commissioner of Consumer Protection may enter into any contract for the purpose of administratively processing the renewal of licenses on behalf of the commission.

(b) The practice of or the offer to practice real estate brokerage business in this state by individual licensed real estate brokers or real estate salespersons as a corporation, limited liability company, partnership or limited liability partnership, a material part of the business of which includes real estate brokerage, is permitted, provided (1) the personnel of such corporation, limited liability company, partnership or limited liability partnership who engage in the real estate brokerage business as real estate brokers or real estate salespersons, and the real estate brokers whose ownership, control, membership or partnership interest is credited toward the requirements of subdivision (3) of this subsection, are licensed or exempt from licensure under this chapter, (2) the corporation, limited liability company, partnership or limited liability partnership has been issued a real estate broker license by the commission as provided in this section and has paid the license or renewal fee required for a real estate broker's license as set forth in section 20-314, as amended by this act, and (3) except for a publicly traded corporation (A) with respect to a corporation other than a nonstock corporation, one or more real estate brokers own or control fifty-one per cent or more of the total issued shares of the corporation, (B) with respect to a nonstock corporation, one or more real estate brokers constitute at least fifty-one per cent of the members of the

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nonstock corporation, (C) with respect to a limited liability company, one or more real estate brokers own or control at least fifty-one per cent of the interest in the limited liability company, as defined in section 34-243a, or (D) with respect to a partnership or limited liability partnership, one or more real estate brokers' partnership interest, as defined in section 34-301, constitutes at least fifty-one per cent of the total partnership interest. No such corporation, limited liability company, partnership or limited liability partnership shall be relieved of responsibility for the conduct or acts of its agents, employees or officers by reason of its compliance with this section, nor shall any individual practicing real estate brokerage be relieved of responsibility for real estate services performed by reason of the individual's employment or relationship with such corporation, limited liability company, partnership or limited liability partnership. The Real Estate Commission may refuse to authorize the issuance or renewal of a license if any facts exist that would entitle the commission to suspend or revoke an existing license.

(c) A corporation, limited liability company, partnership or limited liability partnership desiring a real estate broker license shall file with the commission or the commissioner an application on such forms and in such manner as prescribed by the Department of Consumer Protection. Each such corporation, limited liability company, partnership or limited liability partnership shall file with the commission a designation of at least one individual licensed or qualified to be licensed as a real estate broker in this state who shall be in charge of the real estate brokerage business of such corporation, limited liability company, partnership or limited liability partnership in this state. Such corporation, limited liability company, partnership or limited liability partnership shall notify the commission of any change in such designation not later than thirty days after such change becomes effective.

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(d) The Real Estate Commission may impose a fine of not more than one thousand dollars on any corporation, limited liability company, partnership or limited liability partnership that engages in real estate business without a license required by this section. Any such imposition of a fine by the commission shall be a proposed final decision and submitted to the commissioner in accordance with the provisions of subsection (b) of section 21a-7.

(e) (1) (A) Except as provided in subdivision (2) of this subsection, each team shall register, on a form and in a manner prescribed by the commissioner, with the Department of Consumer Protection. Each initial registration shall be valid for a period of one year and be subject to renewal for additional one-year periods. Each team shall pay to the department an initial registration fee of five hundred sixty-five dollars when the team files its initial registration, and a registration renewal fee of three hundred seventy-five dollars when the team files each registration renewal, pursuant to this subparagraph. Each team shall include in each registration form that the team files with the department pursuant to this subparagraph:

(i) The team's team name, which shall:

(I) Include the full name of at least one licensed real estate broker or real estate salesperson who is part of the team or be immediately followed by "at/of [full name of the sponsoring real estate broker]";

(II) Not include the name of any individual who is not a licensed real estate broker or real estate salesperson; and

(III) With the exception of "team", not include any abbreviation, term or phrase, including, but not limited to, "associates", "company", "corporation", "group", "LLC", "real estate" or "realty", that implies that the team is a business entity;

(ii) The name of, and contact information for, the team's sponsoring

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real estate broker, who shall serve as the team's primary contact, ensure that the team complies with all applicable laws and regulations concerning team advertisements and ensure that the team timely files accurate registration forms and registration updates with the department pursuant to this subdivision; and

(iii) The name and contact information for each real estate broker or real estate salesperson who is part of the team.

(B) A team shall send notice to the department disclosing any change to the information contained in the team's registration form. The team shall send such notice to the department, on a form and in a manner prescribed by the commissioner, not later than twelve days after the date of such change.

(C) Each team shall comply with all advertising requirements and standards that apply to real estate brokers, and shall include the name of the team's sponsoring real estate broker at a prominent location in all of the team's advertisements.

(2) The commissioner may, in the commissioner's discretion, engage the services of such third parties that the commissioner deems necessary to assist the commissioner in implementing the provisions of subdivision (1) of this subsection, provided no expenditure of state funds shall be made to cover the cost of hiring a consultant to make programmatic changes to the licensing system.

Sec. 3. Subsection (d) of section 20-314 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2022*):

(d) (1) (A) Each applicant applying for a real estate broker's license on or after July 1, 2016, but before January 1, 2022, shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the

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applicant [(A)] (i) (I) has been actively engaged for at least two years as a licensed real estate salesperson under the supervision of a licensed real estate broker in this state, [(ii)] (II) has successfully completed a course approved by the commission or commissioner in real estate principles and practices of at least sixty classroom hours of study, [(iii)] (III) has successfully completed a course approved by the commission or commissioner in real estate legal compliance consisting of at least fifteen classroom hours of study, [(iv)] (IV) has successfully completed a course approved by the commission or commissioner in real estate brokerage principles and practices consisting of at least fifteen classroom hours, and [(v)] (V) has successfully completed two elective courses, each consisting of fifteen classroom hours of study, as prescribed by the commission or commissioner, or [(B)] (ii) has equivalent experience or education as determined by the commission or commissioner.

(B) Each applicant applying for a real estate broker's license on or after January 1, 2022, shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the applicant (i) (I) has been actively engaged as a licensed real estate salesperson under the supervision of a licensed real estate broker in this state for at least one thousand five hundred hours during the three years immediately preceding the date on which such applicant filed such applicant's application, and such supervising licensed real estate broker, or such supervising licensed real estate broker's authorized representative, has certified the accuracy of a record of such applicant's active engagement on a form provided by such applicant to such supervising licensed real estate broker or authorized representative, (II) has successfully completed a course approved by the commission or commissioner in real estate principles and practices of at least sixty classroom hours of study, (III) has successfully completed a course approved by the commission or commissioner in real estate legal compliance consisting of at least fifteen classroom hours of study, (IV) has successfully completed a course approved by the commission or

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commissioner in real estate brokerage principles and practices consisting of at least fifteen classroom hours, (V) has successfully completed two elective courses, each consisting of fifteen classroom hours of study, as prescribed by the commission or commissioner, and (VI) has represented a seller, buyer, lessor or lessee in at least four real estate transactions that closed during the three years immediately preceding the date on which such applicant filed such applicant's application, or (ii) has equivalent experience or education as determined by the commission or commissioner. Each supervising licensed real estate broker, or authorized representative of such supervising licensed real estate broker, shall certify the accuracy or inaccuracy of a record provided by an applicant to such supervising licensed real estate broker or authorized representative under subparagraph (B)(i)(I) of this subdivision not later than ninety days after such applicant provides such record to such supervising licensed real estate broker or authorized representative.

(2) The commission or the Commissioner of Consumer Protection shall waive the elective courses under subparagraph [(A)(v)] ~~(A)(i)(V)~~ or ~~(B)(i)(V)~~ of subdivision (1) of this subsection if the applicant has successfully completed at least twenty real estate transactions within five years immediately preceding the date of application. As used in this subdivision, "real estate transaction" means any transaction in which real property is legally transferred to another party or in which a lease agreement is executed between a landlord and a tenant.

(3) Each applicant for a real estate salesperson's license shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the applicant (A) has successfully completed a course approved by the commission or commissioner in real estate principles and practices consisting of at least sixty classroom hours of study, or (B) has equivalent experience or education as determined by the commission or

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commissioner.

Sec. 4. Section 20-319a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2022*):

(a) Any licensed real estate salesperson who transfers his employment from one broker to another or his affiliation with a broker as an independent contractor shall register such transfer with, and pay a registration fee of twenty-five dollars to, the commission.

(b) A fee of twenty-five dollars shall be paid to the commission for the issuance of a license certification.

(c) A fee of twenty-five dollars shall be paid to the Department of Consumer Protection for any change made to, or transfer of, a team's registration after the team files an initial registration with the department pursuant to subdivision (1) of subsection (e) of section 20-312, as amended by this act.

Sec. 5. Subsection (c) of section 47-90a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2022*):

(c) Every person who directly or indirectly controls a declarant liable under subsection (a) of this section, every general partner, officer or director of a declarant and every person occupying a similar status or performing a similar function, every employee of the declarant who materially aids in the disposition, and every agent who materially aids in the disposition is also liable jointly and severally with and to the same extent as the declarant, provided the plaintiff sustains the burden of proof that such person knew or, in the exercise of reasonable care expected by such persons in the reasonable exercise of their duties, should have known of the existence of the facts by reason of which the liability is alleged to exist. There is a right to contribution in cases of contract among persons so liable. No person shall be liable under this

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section whose relationship to the declarant or other person consists solely of rendering professional and other customary services, including, but not limited to: (1) An attorney-at-law, architect, land surveyor or engineer; (2) a lending institution which is not a declarant whose relationship to the declarant consists solely of rendering customary banking services and holding a mortgage on all or a portion of the condominium which mortgage, or agreements or instruments relating thereto, may contain mutual covenants and agreements concerning the approval of the condominium instruments and amendments thereto, and regulates the activity of the declarant under the condominium instruments or an officer, director or employee of such lending institution; (3) a real estate broker or salesman whose relationship to the declarant consists solely of rendering services described in subdivision [(3)] (6) of section 20-311, as amended by this act, and other customary services; or (4) a person whose sole involvement in the disposition of a condominium unit occurs subsequent to the date of the act or omission out of which any liability under subsection (a) of this section arises.

Approved July 12, 2021