
OLR Bill Analysis

sHB 6624 (as amended by House "A")*

AN ACT CONCERNING LICENSING REQUIREMENTS FOR REAL ESTATE BROKERS.

SUMMARY

This bill increases the minimum prior work experience required to apply for a real estate broker's license on or after January 1, 2022. Principally, it requires applicants to have a minimum number of hours worked and real estate transactions closed in the prior three years.

The bill also establishes a registration process for real estate "teams," which are groups of at least two licensed real estate brokers, or salespeople affiliated with the same sponsoring broker, that advertise using a team name. It allows the Department of Consumer Protection (DCP) commissioner, in her discretion, to engage third parties to implement the team registration process; however, it prohibits her from expending state funds to hire consultants to make program changes to the licensing system.

Under the bill, teams must register with DCP in a form and manner the DCP commissioner prescribes. Initial registrations are valid for one year and cost \$565. Teams may apply for one-year renewals for \$375.

Under the bill, a sponsoring licensed real estate broker serves as the team's primary contact and must ensure it (1) complies with all existing advertising laws and regulations applicable to real estate brokers and (2) accurately and timely files registration forms and updates.

The bill also makes technical changes.

*House Amendment "A" (1) allows the DCP commissioner to engage third-parties to implement the provisions on real estate teams and prohibits the expenditure of state funds to hire consultants for the

associated licensure changes, and (2) makes technical changes.

EFFECTIVE DATE: January 1, 2022

REAL ESTATE BROKER MINIMUM EXPERIENCE AND EDUCATION REQUIREMENTS

The bill requires a broker license applicant, before sitting for the written licensure exam, to meet the bill's expanded experience requirements in addition to current law's education requirements. However, by law and unchanged by the bill, the Connecticut Real Estate Commission or the DCP commissioner may waive all of these requirements if the applicant is found to have equivalent experience or education.

Experience Requirements

Under the bill, in the three years prior to applying, an applicant must have:

1. been actively engaged as a licensed real estate salesperson under the supervision of a Connecticut-licensed real estate broker for at least 1,500 hours, instead of at least two years as current law requires, and
2. represented a seller, buyer, lessor, or lessee in at least four closed real estate transactions.

The bill requires the supervising broker or his or her authorized representative to certify whether an applicant's active engagement meets the hourly experience requirement within 90 days after the applicant provides it to him or her.

Education Requirements

By law and unchanged by the bill, an applicant for a real estate broker license generally must, among other requirements, successfully complete the following courses approved by the Real Estate Commission or DCP commissioner:

1. a 60-hour course in real estate principles and practices;

2. a 15-hour course in real estate legal compliance;
3. a 15-hour course in real estate brokerage principles and practices; and
4. two 15-hour elective courses prescribed by the commission or commissioner, unless the applicant has successfully completed at least 20 real estate transactions in the previous five years (i.e., legally transferring real property to another party or executing a lease agreement between a landlord and tenant).

REAL ESTATE TEAMS

Under the bill, real estate team registrations must include the name and contact information for each team member, including the name and contact information for the team's sponsoring real estate broker.

Registrations must also include the team's team name, which must (1) include the full name of at least one licensed real estate broker or real estate salesperson who is team member, or (2) be immediately followed by "at/of" and the full name of the sponsoring real estate broker. The bill prohibits team names from including:

1. any abbreviation, term, or phrase that implies the team is a business entity (e.g., "LLC" or "company"); or
2. the name of anyone who is not a licensed real estate broker or salesperson.

The bill requires a team to notify DCP about any changes to registration information within 12 days in a form and manner the commissioner prescribes. Additionally, the bill requires teams to pay DCP a \$25 fee for any change made to, or transfer of, a team's registration after the initial registration is filed. (The bill is unclear about how a team's registration may be transferred.)

The bill requires teams to include the name of the team's sponsoring real estate broker prominently in all of their advertisements and comply with all advertising requirements and standards that apply to

real estate brokers. Among other things, these requirements and standards established in state regulations:

1. prohibit misrepresenting or concealing any material facts in any transaction,
2. prohibit misrepresenting the price of real estate, and
3. establish minimum disclosure requirements for advertising on websites (Conn. Agencies Regs. § 20-328-5a).

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/22/2021)