

**Proposed Substitute
Bill No. 6624**

LCO No. 5799

AN ACT CONCERNING LICENSING REQUIREMENTS FOR REAL ESTATE BROKERS.

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 Section 20-311 of the general statutes is repealed and the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 January 1, 2022*):

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

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

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

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

16 (4) "Designated buyer agent" means a broker or salesperson
17 designated by the real estate broker with whom the broker or
18 salesperson is affiliated or employed to solely represent a named buyer

19 or tenant client of the real estate broker during the term of a buyer
20 representation agreement or authorization;

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

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

34 [(1)] (7) "Real estate broker" or "broker" means (A) any person,
35 partnership, association, limited liability company or corporation which
36 acts for another person or entity and for a fee, commission or other
37 valuable consideration, lists for sale, sells, exchanges, buys or rents, or
38 offers or attempts to negotiate a sale, exchange, purchase or rental of, an
39 estate or interest in real estate, or a resale of a mobile manufactured
40 home, as defined in subdivision (1) of section 21-64, or collects or offers
41 or attempts to collect rent for the use of real estate, and (B) any person,
42 partnership, association, limited liability company or corporation
43 employed by or on behalf of the owner or owners of lots or other parcels
44 of real estate, at a stated salary, upon commission, upon a salary and
45 commission basis or otherwise to sell such real estate, or any parts
46 thereof, in lots or other parcels, and who sells or exchanges, or offers,
47 attempts or agrees to negotiate the sale or exchange of, any such lot or
48 parcel of real estate;

49 [(2)] (8) "Real estate salesperson" or "salesperson" means a person
50 affiliated with any real estate broker as an independent contractor or

51 employed by a real estate broker to list for sale, sell or offer for sale, to
52 buy or offer to buy or to negotiate the purchase or sale or exchange of
53 real estate, or to offer for resale, a mobile manufactured home, as
54 defined in subdivision (1) of section 21-64, or to lease or rent or offer to
55 lease, rent or place for rent any real estate, or to collect or offer or attempt
56 to collect rent for the use of real estate for or on behalf of such real estate
57 broker, or who offers, sells or attempts to sell the real estate or mobile
58 manufactured homes of a licensed broker, or acting for another as a
59 designated seller agent or designated buyer agent, lists for sale, sells,
60 exchanges, buys or rents, or offers or attempts to negotiate a sale,
61 exchange, purchase or rental of, an estate or interest in real estate, or a
62 resale of a mobile manufactured home, as defined in subsection (a) of
63 section 21-64, or collects or offers or attempts to collect rent for the use
64 of real estate, but does not include employees of any real estate broker
65 whose principal occupation is clerical work in an office, or janitors or
66 custodians engaged principally in that occupation;

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

75 [(4)] (9) "Person" means any individual, partnership, association,
76 limited liability company or corporation;

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

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

83 or landlord as a designated seller's agent in a transaction;

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

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

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

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

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

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

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

113 (b) The practice of or the offer to practice real estate brokerage
114 business in this state by individual licensed real estate brokers or real
115 estate salespersons as a corporation, limited liability company,
116 partnership or limited liability partnership, a material part of the
117 business of which includes real estate brokerage, is permitted, provided
118 (1) the personnel of such corporation, limited liability company,
119 partnership or limited liability partnership who engage in the real estate
120 brokerage business as real estate brokers or real estate salespersons, and
121 the real estate brokers whose ownership, control, membership or
122 partnership interest is credited toward the requirements of subdivision
123 (3) of this subsection, are licensed or exempt from licensure under this
124 chapter, (2) the corporation, limited liability company, partnership or
125 limited liability partnership has been issued a real estate broker license
126 by the commission as provided in this section and has paid the license
127 or renewal fee required for a real estate broker's license as set forth in
128 section 20-314, as amended by this act, and (3) except for a publicly
129 traded corporation (A) with respect to a corporation other than a
130 nonstock corporation, one or more real estate brokers own or control
131 fifty-one per cent or more of the total issued shares of the corporation,
132 (B) with respect to a nonstock corporation, one or more real estate
133 brokers constitute at least fifty-one per cent of the members of the
134 nonstock corporation, (C) with respect to a limited liability company,
135 one or more real estate brokers own or control at least fifty-one per cent
136 of the interest in the limited liability company, as defined in section 34-
137 243a, or (D) with respect to a partnership or limited liability partnership,
138 one or more real estate brokers' partnership interest, as defined in
139 section 34-301, constitutes at least fifty-one per cent of the total
140 partnership interest. No such corporation, limited liability company,
141 partnership or limited liability partnership shall be relieved of
142 responsibility for the conduct or acts of its agents, employees or officers
143 by reason of its compliance with this section, nor shall any individual
144 practicing real estate brokerage be relieved of responsibility for real
145 estate services performed by reason of the individual's employment or
146 relationship with such corporation, limited liability company,

147 partnership or limited liability partnership. The Real Estate Commission
148 may refuse to authorize the issuance or renewal of a license if any facts
149 exist that would entitle the commission to suspend or revoke an existing
150 license.

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

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

172 (e) (1) Each team shall register, on a form and in a manner prescribed
173 by the commissioner, with the Department of Consumer Protection.
174 Each initial registration shall be valid for a period of one year and be
175 subject to renewal for additional one-year periods. Each team shall pay
176 to the department an initial registration fee of five hundred sixty-five
177 dollars when the team files its initial registration, and a registration
178 renewal fee of three hundred seventy-five dollars when the team files

179 each registration renewal, pursuant to this subdivision. Each team shall
180 include in each registration form that the team files with the department
181 pursuant to this subdivision:

182 (A) The team's team name, which shall:

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

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

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

192 (B) The name of, and contact information for, the team's sponsoring
193 real estate broker, who shall serve as the team's primary contact, ensure
194 that the team complies with all applicable laws and regulations
195 concerning team advertisements and ensure that the team timely files
196 accurate registration forms and registration updates with the
197 department pursuant to this subsection; and

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

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

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

208 of the team's advertisements.

209 Sec. 3. Subsection (d) of section 20-314 of the general statutes is
210 repealed and the following is substituted in lieu thereof (*Effective January*
211 *1, 2022*):

212 (d) (1) (A) Each applicant applying for a real estate broker's license on
213 or after July 1, 2016, but before January 1, 2022, shall, before being
214 admitted to such examination, prove to the satisfaction of the
215 commission or the Commissioner of Consumer Protection that the
216 applicant [(A)] (i)(I) has been actively engaged for at least two years as
217 a licensed real estate salesperson under the supervision of a licensed real
218 estate broker in this state, [(ii)] (II) has successfully completed a course
219 approved by the commission or commissioner in real estate principles
220 and practices of at least sixty classroom hours of study, [(iii)] (III) has
221 successfully completed a course approved by the commission or
222 commissioner in real estate legal compliance consisting of at least fifteen
223 classroom hours of study, [(iv)] (IV) has successfully completed a course
224 approved by the commission or commissioner in real estate brokerage
225 principles and practices consisting of at least fifteen classroom hours,
226 and [(v)] (V) has successfully completed two elective courses, each
227 consisting of fifteen classroom hours of study, as prescribed by the
228 commission or commissioner, or [(B)] (ii) has equivalent experience or
229 education as determined by the commission or commissioner.

230 (B) Each applicant applying for a real estate broker's license on or
231 after January 1, 2022, shall, before being admitted to such examination,
232 prove to the satisfaction of the commission or the Commissioner of
233 Consumer Protection that the applicant (i) (I) has been actively engaged
234 as a licensed real estate salesperson under the supervision of a licensed
235 real estate broker in this state for at least one thousand five hundred
236 hours during the three years immediately preceding the date on which
237 such applicant filed such applicant's application, and such supervising
238 licensed real estate broker, or such supervising licensed real estate
239 broker's authorized representative, has certified the accuracy of a record

240 of such applicant's active engagement on a form provided by such
241 applicant to such supervising licensed real estate broker or authorized
242 representative, (II) has successfully completed a course approved by the
243 commission or commissioner in real estate principles and practices of at
244 least sixty classroom hours of study, (III) has successfully completed a
245 course approved by the commission or commissioner in real estate legal
246 compliance consisting of at least fifteen classroom hours of study, (IV)
247 has successfully completed a course approved by the commission or
248 commissioner in real estate brokerage principles and practices
249 consisting of at least fifteen classroom hours, (V) has successfully
250 completed two elective courses, each consisting of fifteen classroom
251 hours of study, as prescribed by the commission or commissioner, and
252 (VI) has represented a seller, buyer, lessor or lessee in at least four real
253 estate transactions that closed during the three years immediately
254 preceding the date on which such applicant filed such applicant's
255 application, or (ii) has equivalent experience or education as determined
256 by the commission or commissioner. Each supervising licensed real
257 estate broker, or authorized representative of such supervising licensed
258 real estate broker, shall certify the accuracy or inaccuracy of a record
259 provided by an applicant to such supervising licensed real estate broker
260 or authorized representative under subparagraph (B)(i)(I) of this
261 subdivision not later than ninety days after such applicant provides
262 such record to such supervising licensed real estate broker or authorized
263 representative.

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

272 (3) Each applicant for a real estate salesperson's license shall, before

273 being admitted to such examination, prove to the satisfaction of the
274 commission or the Commissioner of Consumer Protection that the
275 applicant (A) has successfully completed a course approved by the
276 commission or commissioner in real estate principles and practices
277 consisting of at least sixty classroom hours of study, or (B) has
278 equivalent experience or education as determined by the commission or
279 commissioner.

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

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

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

288 (c) A fee of twenty-five dollars shall be paid to the Department of
289 Consumer Protection for any change made to, or transfer of, a team's
290 registration after the team files an initial registration with the
291 department pursuant to subdivision (1) of subsection (e) of section 20-
292 312, as amended by this act.

293 Sec. 5. Subsection (c) of section 47-90a of the general statutes is
294 repealed and the following is substituted in lieu thereof (*Effective January*
295 *1, 2022*):

296 (c) Every person who directly or indirectly controls a declarant liable
297 under subsection (a) of this section, every general partner, officer or
298 director of a declarant and every person occupying a similar status or
299 performing a similar function, every employee of the declarant who
300 materially aids in the disposition, and every agent who materially aids
301 in the disposition is also liable jointly and severally with and to the same
302 extent as the declarant, provided the plaintiff sustains the burden of

303 proof that such person knew or, in the exercise of reasonable care
304 expected by such persons in the reasonable exercise of their duties,
305 should have known of the existence of the facts by reason of which the
306 liability is alleged to exist. There is a right to contribution in cases of
307 contract among persons so liable. No person shall be liable under this
308 section whose relationship to the declarant or other person consists
309 solely of rendering professional and other customary services,
310 including, but not limited to: (1) An attorney-at-law, architect, land
311 surveyor or engineer; (2) a lending institution which is not a declarant
312 whose relationship to the declarant consists solely of rendering
313 customary banking services and holding a mortgage on all or a portion
314 of the condominium which mortgage, or agreements or instruments
315 relating thereto, may contain mutual covenants and agreements
316 concerning the approval of the condominium instruments and
317 amendments thereto, and regulates the activity of the declarant under
318 the condominium instruments or an officer, director or employee of
319 such lending institution; (3) a real estate broker or salesman whose
320 relationship to the declarant consists solely of rendering services
321 described in subdivision [(3)] (6) of section 20-311, as amended by this
322 act, and other customary services; or (4) a person whose sole
323 involvement in the disposition of a condominium unit occurs
324 subsequent to the date of the act or omission out of which any liability
325 under subsection (a) of this section arises.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2022</i>	20-311
Sec. 2	<i>January 1, 2022</i>	20-312
Sec. 3	<i>January 1, 2022</i>	20-314(d)
Sec. 4	<i>January 1, 2022</i>	20-319a
Sec. 5	<i>January 1, 2022</i>	47-90a(c)