



# House of Representatives

General Assembly

**File No. 230**

January Session, 2023

Substitute House Bill No. 6769

*House of Representatives, March 27, 2023*

The Committee on General Law reported through REP. D'AGOSTINO of the 91st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING REAL ESTATE LICENSING AND ENFORCEMENT.***

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 Section 20-311 of the general statutes is repealed and the  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 April 1, 2024*):

3 As used in this chapter and sections 2 to 7, inclusive, of this act, unless  
4 the context otherwise requires:

5 (1) "Advertising" (A) means disseminating, publishing or causing to  
6 be posted by way of any (i) print media, including, but not limited to,  
7 outdoor signage and periodicals, (ii) audio or video broadcast,  
8 streaming or other electronic dissemination, or (iii) written or  
9 photographic material disseminated or posted via online, telephonic  
10 notification, electronic mail or other electronic means, and (B) does not  
11 include any (i) stockholder communication, including, but not limited  
12 to, any annual report, interim financial report, proxy material,

13 registration statement, securities prospectus or application for listing a  
14 security on a stock exchange, (ii) prospectus, property report, offering  
15 statement or other document that any federal agency or agency of  
16 another state requires be delivered to a prospective purchaser, (iii)  
17 communication addressed to, and relating to the account of, a person  
18 who has executed a contract for the purchase of a subdivider's lands,  
19 except if such communication concerns the sale of additional lands, or  
20 (iv) press release or other communication delivered to a media outlet for  
21 general information or public relations purposes, provided no charge is  
22 imposed by such media outlet for publication or use of any part of such  
23 communication;

24 (2) "Affiliated" means having a working relationship with a real estate  
25 licensee by way of an (A) employer-employee relationship, or (B)  
26 independent contractor relationship;

27 (3) "Associate broker" means a real estate broker who (A) is affiliated  
28 with a supervising licensee as an independent contractor or employed  
29 by a supervising licensee, and (B) has the authority to engage in the real  
30 estate business on behalf of such supervising licensee;

31 (4) "Business entity" means any association, corporation, limited  
32 liability company, limited liability partnership or partnership;

33 [(1)] (5) "Commercial real estate transaction" means any transaction  
34 involving the sale, exchange, lease or sublease of real property other  
35 than (A) real property containing any building or structure occupied, or  
36 intended to be occupied, by not more than four families, or (B) a single  
37 building lot to be used for family or household purposes;

38 [(2)] (6) "Commission" means the Connecticut Real Estate  
39 Commission appointed under the provisions of section 20-311a;

40 (7) "Confidential information" means any fact concerning a person's  
41 assets, expenses, income, liabilities, motivations to purchase, rent or sell  
42 real property and previous offers received or made to purchase or lease  
43 real property which (A) a client has not authorized for release, or (B) is

44 not (i) a matter of general knowledge, (ii) part of a public record or file  
45 to which access is authorized pursuant to section 1-210, or (iii) otherwise  
46 subject to disclosure under any other provision of the general statutes  
47 or regulations of Connecticut state agencies;

48 (8) "Custodial broker" means any individual who is (A) licensed as a  
49 real estate broker, and (B) temporarily appointed solely to (i) conclude  
50 the real estate business matters of another broker who is deceased or  
51 incapacitated, (ii) transition such matters to a real estate broker who is  
52 alive and not incapacitated, or (iii) assist in transitioning the deceased  
53 or incapacitated broker's ownership interest in a business entity that is  
54 engaged in the real estate business for the purpose of satisfying the  
55 requirements established in section 20-312, as amended by this act;

56 (9) "Department" means the Department of Consumer Protection;

57 ~~[(3)]~~ (10) "Designated agency" means the appointment by a real estate  
58 broker of one or more brokers or salespersons affiliated with or  
59 employed by the real estate broker to solely represent a buyer or tenant  
60 as a designated buyer's agent and appoint another to represent a seller  
61 or landlord as a designated seller's agent in a transaction;

62 (11) "Designated broker" means the individual real estate broker  
63 whom a real estate broker business entity names as the individual  
64 broker responsible for the supervision and overall operation of such  
65 business entity's engagement in the real estate business in this state;

66 ~~[(4)]~~ (12) "Designated buyer agent" means a [broker or salesperson]  
67 real estate licensee, other than a leasing agent, who is designated by the  
68 real estate broker by whom such real estate licensee is employed, or with  
69 whom [the broker or salesperson] such real estate licensee is affiliated,  
70 [or employed to] solely to represent a named buyer or tenant client of  
71 the real estate broker during the term of a buyer representation  
72 agreement or authorization;

73 ~~[(5)]~~ (13) "Designated seller agent" means a [broker or salesperson]  
74 real estate licensee, other than a leasing agent, who is designated by the

75 real estate broker by whom such real estate licensee is employed, or with  
76 whom [the broker or salesperson] such real estate licensee is affiliated,  
77 [or employed to] solely to represent a named seller or landlord client of  
78 the real estate broker during the term of a listing agreement or  
79 authorization;

80 (14) "Development owner" means (A) the owner of record of a  
81 multiunit development that is offered for lease, or (B) the parent  
82 company of such owner of record if such parent company holds a one  
83 hundred per cent ownership interest in such owner of record;

84 [(6) "Engaging in the real estate business"] (15) "Engage in the real  
85 estate business" means to, while acting for another and for a fee,  
86 commission or other valuable consideration, [in the listing for sale,  
87 selling, exchanging, buying or renting, or offering or attempting to  
88 negotiate a sale, exchange, purchase or rental of] negotiate for or offer,  
89 or attempt to list for sale, sell, exchange, buy or rent, an estate or interest  
90 in real estate or [a resale of] to resell a mobile manufactured home, as  
91 defined in [subdivision (1) of section 21-64, or collecting upon a loan  
92 secured or to be secured by a mortgage or other encumbrance upon or  
93 transfer of real estate] section 21-64;

94 (16) "Incapacity" means any physical or mental incapacity which  
95 prevents an individual from substantially satisfying such individual's  
96 duties and responsibilities as a real estate licensee;

97 (17) "Influence residential real estate appraisals" includes, but is not  
98 limited to, refusing or intentional failing to refer a homebuyer, or  
99 encouraging other real estate licensees not to refer a homebuyer, to a  
100 mortgage broker or lender, as such terms are defined in section 36a-760,  
101 based solely on the fact that the mortgage broker or lender uses an  
102 appraiser who has provided an appraisal reflecting a fair market value  
103 estimate that was less than the sale contract price;

104 (18) "Leasing agent" means any individual who (A) acts as an agent  
105 for a principal for a commission, fee or other valuable consideration, and  
106 (B) engages in leasing or renting activity, including, but not limited to,

107 (i) collecting security deposits, (ii) offering or attempting to negotiate a  
108 rental, or (iii) collecting, offering or attempting to collect rent for the use  
109 of real estate;

110 (19) "Multiunit development" means any residential property with at  
111 least fifty units that are leased or available to be leased;

112 (20) "Negotiate" means acting, directly or indirectly, as an  
113 intermediary by facilitating, or participating in, communications  
114 between parties related to the parties' interests in a real estate or mobile  
115 manufactured home transaction;

116 (21) "Nonmaterial fact concerning real property" means any fact, set  
117 of facts or circumstances surrounding real property which includes, but  
118 is not limited to, the fact that (A) an occupant of real property is or has  
119 been infected with a disease on the list of reportable diseases, emergency  
120 illnesses and health conditions issued by the Commissioner of Public  
121 Health pursuant to section 19a-2a, or (B) the real property was at any  
122 time suspected to have been the site of a death or felony;

123 [(7)] (22) "Person" means any individual [, partnership, association,  
124 limited liability company or corporation] or business entity;

125 (23) "Promotional note" (A) means any promissory note that (i) is  
126 secured by a trust deed executed (I) on unimproved real property, (II)  
127 after construction of an improvement of real property but before the first  
128 sale of such property so improved, or (III) as a means of financing the  
129 first purchase of such property so improved, and (ii) is subordinate, or  
130 which by its terms may become subordinate, to any other trust deed on  
131 such property, and (B) does not include any note which was executed  
132 more than three years prior to being offered for sale or was secured by  
133 a first trust deed on real property in a subdivision, which evidences a  
134 bona fide loan made in connection with the financing of the usual costs  
135 of the development of one or more residential, commercial or industrial  
136 buildings on the property under a written agreement providing (i) for  
137 either the disbursement of the loan funds as costs are incurred or in  
138 relation to the progress of the work, and (ii) for title insurance insuring

139 the priority of the security as against mechanic's liens or for the final  
140 disbursement of at least ten per cent of the loan funds after the  
141 expiration of the period for the filing of mechanic's liens;

142 (24) "Prospective party" means any person that communicates with a  
143 real estate licensee in contemplation of potential representation by the  
144 real estate licensee in a real estate transaction;

145 [(8)] (25) "Real estate broker" or "broker" means (A) any person [,  
146 partnership, association, limited liability company or corporation which  
147 acts for another person or entity and for a fee, commission or other  
148 valuable consideration, lists for sale, sells, exchanges, buys or rents, or  
149 offers or attempts to negotiate a sale, exchange, purchase or rental of, an  
150 estate or interest in real estate, or a resale of a mobile manufactured  
151 home, as defined in subdivision (1) of section 21-64, or collects or offers  
152 or attempts to collect rent for the use of real estate] engaged in the real  
153 estate business, and (B) any person [, partnership, association, limited  
154 liability company or corporation] employed by or on behalf of the owner  
155 or owners of lots or other parcels of real estate, at a stated salary, upon  
156 commission, upon a salary and commission basis or otherwise to sell  
157 such real estate, or any parts thereof, in lots or other parcels, and who  
158 sells or exchanges, or offers, attempts or agrees to negotiate the sale or  
159 exchange of, any such lot or parcel of real estate;

160 (26) "Real estate licensee" means any leasing agent, real estate broker  
161 or real estate salesperson licensed pursuant to this chapter;

162 [(9)] (27) "Real estate salesperson" or "salesperson" means [a person]  
163 any individual who is affiliated with [any real estate broker as an  
164 independent contractor or employed by a real estate broker to list for  
165 sale, sell or offer for sale, to buy or offer to buy or to negotiate the  
166 purchase or sale or exchange of real estate, or to offer for resale, a mobile  
167 manufactured home, as defined in subdivision (1) of section 21-64, or to  
168 lease or rent or offer to lease, rent or place for rent any real estate, or to  
169 collect or offer or attempt to collect rent for the use of real estate] a  
170 supervising licensee to (A) engage in the real estate business for or on  
171 behalf of such [real estate broker, or who offers, sells or attempts to sell

172 the real estate or mobile manufactured homes of a licensed broker]  
173 supervising licensee, or (B) if such individual is acting for another  
174 person as a designated seller agent or designated buyer agent, [lists for  
175 sale, sells, exchanges, buys or rents, or offers or attempts to negotiate a  
176 sale, exchange, purchase or rental of, an estate or interest in real estate,  
177 or a resale of a mobile manufactured home, as defined in subsection (a)  
178 of section 21-64, or collects or offers or attempts to collect rent for the  
179 use of real estate, but does not include employees of any real estate  
180 broker whose principal occupation is clerical work in an office, or  
181 janitors or custodians engaged principally in that occupation] engage in  
182 the real estate business;

183 (28) "Real estate transaction" means any transaction in which (A) real  
184 property is legally transferred to another person, or (B) a lease  
185 agreement is executed between a landlord and a tenant;

186 (29) "Residential real property" means any one to four-family  
187 residential real estate located in this state, including, but not limited to,  
188 (A) a cooperative or condominium where the total number of units in  
189 such cooperative or condominium does not exceed four units, and (B)  
190 any individual unit within a multiunit development;

191 (30) "School" means any person that offers prelicensing or continuing  
192 education courses approved pursuant to this chapter and sections 3 and  
193 4 of this act;

194 (31) "Supervising licensee" means the real estate broker that is  
195 responsible for controlling and supervising another real estate licensee  
196 or a team;

197 [(10)] (32) "Team" means [a group] any combination of at least two  
198 licensed real estate brokers, designated brokers or real estate  
199 salespersons who are affiliated with the same [sponsoring real estate  
200 broker] supervising licensee and engage in advertising as a group using  
201 a team name; and

202 [(11)] (33) "Team name" means the name used to refer to a team in

203 team advertisements.

204 Sec. 2. (NEW) (*Effective April 1, 2024*) (a) No associate broker shall  
205 engage in the real estate business unless the supervising licensee that is  
206 responsible for controlling and supervising the associate broker (1)  
207 knows that such associate broker is engaging in the real estate business,  
208 and (2) has consented to such associate broker engaging in the real estate  
209 business.

210 (b) Each supervising licensee shall be responsible for the actions of  
211 the associate brokers who are under such supervising licensee's control  
212 and supervision to the same extent that such supervising licensee would  
213 be responsible for such associate brokers if such associate brokers were  
214 real estate salespersons affiliated with such supervising licensee.

215 (c) If an associate broker's affiliation with a supervising licensee is  
216 terminated, the associate broker shall notify the department of such  
217 termination not later than fourteen calendar days after such termination  
218 or such associate broker's affiliation with another supervising licensee,  
219 whichever occurs first.

220 (d) Each associate broker shall comply with all advertising  
221 requirements and standards that apply to real estate brokers, and shall  
222 include the name of the supervising licensee who controls and  
223 supervises such associate broker at a prominent location in all of such  
224 associate broker's advertisements.

225 Sec. 3. (NEW) (*Effective April 1, 2024*) (a) (1) A school shall register  
226 with the department, in a form and manner prescribed by the  
227 Commissioner of Consumer Protection, prior to offering any  
228 prelicensing or continuing education course. Such form shall include an  
229 attestation by the school that:

230 (A) All courses offered by such school comply with the requirements  
231 established in section 4 of this act; and

232 (B) All instructors teaching courses at such school are qualified  
233 pursuant to subsection (c) of this section and section 4 of this act.



234 (2) No school shall offer any prelicensing or continuing education  
235 course in this state unless such school maintains an active registration  
236 with the department under this section.

237 (b) Each school registration issued pursuant to this section shall  
238 expire biennially, and the initial registration fee and renewal fee for each  
239 such school registration shall be one hundred dollars.

240 (c) No school shall permit an instructor to teach a course approved  
241 under chapter 392 of the general statutes unless such school has  
242 determined that the instructor has:

243 (1) At least five years of experience as a practicing real estate licensee;

244 (2) Expertise, or a professional designation from an institute or  
245 society, in the field in which such instructor proposes to teach; or

246 (3) Experience teaching a course in a formal education program or  
247 has attended an accredited college or university extension instructors'  
248 seminar. For collegiate level courses that are part of a degree program,  
249 the instructor shall have (A) teaching experience and a master's degree  
250 in an appropriate field, or (B) such other combination of qualifications  
251 as the commission may, in the commission's discretion, approve.

252 (d) No school shall offer any course that does not satisfy the  
253 requirements established in section 4 of this act.

254 Sec. 4. (NEW) (*Effective April 1, 2024*) (a) Each school that is registered  
255 with the department pursuant to section 3 of this act shall register with  
256 the department, in a form and manner prescribed by the Commissioner  
257 of Consumer Protection, each prelicensing or continuing education  
258 course that such school intends to offer in this state. The fee to register  
259 each course under this section shall be fifty dollars, and each course  
260 registration application submitted to the department pursuant to this  
261 section shall include:

262 (1) An outline of the course content detailing the total duration of  
263 such course and the amount of time spent on each subject covered as

264 part of such course;

265 (2) The name of, and contact information for, each course instructor;

266 (3) A copy of the certificate issued to students upon completion of  
267 such course;

268 (4) The cancellation and refund policy available to students for such  
269 course;

270 (5) An attestation by the school that such course meets all the  
271 requirements established in this section, section 20-314a of the general  
272 statutes, as amended by this act, and all regulations adopted pursuant  
273 to chapter 392 of the general statutes; and

274 (6) If such course is provided on an in-person basis, the location at  
275 which such course is provided on an in-person basis.

276 (b) Notwithstanding subdivision (3) of subsection (a) of this section,  
277 a school that offers more than one course may submit to the department  
278 a template course completion certificate for the department's  
279 consideration. If the department approves a template course completion  
280 certificate, the school that submitted such certificate to the department  
281 may use such template to issue all course completion certificates and not  
282 be required to submit a copy of such certificates to the department  
283 pursuant to subdivision (3) of subsection (a) of this section.

284 (c) No prelicensing or continuing education course shall qualify  
285 towards the prelicensing or continuing education requirements  
286 established for a real estate license under chapter 392 of the general  
287 statutes unless such course has been approved by the department  
288 pursuant to this section.

289 (d) The department shall not approve any prelicensing course under  
290 this section unless such course is provided on an in-person basis or by  
291 way of electronic means that incorporates a live online format.

292 (e) (1) Subject to the provisions of subdivision (2) of this subsection,

293 each school that offers a continuing education course under this section  
294 shall ensure that no student may complete such course in less time than  
295 the total course duration specified in the application that such school  
296 filed with the department for such course pursuant to subsection (a) of  
297 this section.

298 (2) If a school offers a course described in subdivision (1) of this  
299 subsection by electronic means, the school may satisfy the requirements  
300 established in subdivision (1) of this subsection by:

301 (A) Offering a live online course format using telecommunications  
302 technology that allows for real-time audio communication between the  
303 instructor and students; or

304 (B) Using technology that prohibits a student from completing the  
305 course in less time than the total course duration specified in the  
306 application that such school filed with the department for such course  
307 pursuant to subsection (a) of this section.

308 (f) If a school offers any prelicensing or continuing education course  
309 under this section by electronic means that do not allow for real-time  
310 audio communication between the instructor and students, such school  
311 shall include in such course periodic interactive assessments to confirm  
312 each student's level of comprehension of, and engagement with, such  
313 course.

314 (g) Each course registration issued pursuant to this section shall  
315 expire five years after such registration is issued.

316 Sec. 5. (NEW) (*Effective April 1, 2024*) (a) If a real estate licensee  
317 engages in the real estate business and a buyer or renter of real estate  
318 uses an interpreter, other than the real estate licensee or an employee of  
319 the real estate licensee, in conducting a real estate transaction or  
320 negotiations, the real estate licensee shall provide to the buyer or renter  
321 and interpreter, and obtain the buyer's or renter's and interpreter's  
322 signatures on, forms containing the following language:

323 "I, (name of buyer or renter), used (name of interpreter) to act as my

324 interpreter during this real estate transaction or these negotiations. The  
325 obligations of this contract or other written agreement were explained  
326 to me in my native language by the interpreter. I understand the  
327 contract or other written agreement.

328 (signature of buyer or renter)

329 (relationship of interpreter to buyer or renter)

330 I, (name of interpreter), acted as interpreter during this real estate  
331 transaction or these negotiations. The obligations of the contract or other  
332 written agreement were explained to (name of buyer or renter) in their  
333 native language. I understand the contract or other written agreement.

334 (signature of interpreter)

335 (relationship of interpreter to buyer or renter)."

336 (b) Except as provided in subsection (c) of this section, if a real estate  
337 licensee engages in the real estate business and acts as an interpreter for  
338 a buyer or renter in conducting a transaction or negotiations, the real  
339 estate licensee shall provide to the buyer or renter, and obtain the  
340 buyer's or renter's signature on, a form containing the following  
341 language written in the buyer's or renter's native language:

342 "This real estate transaction or these negotiations were conducted in  
343 (buyer's or renter's native language), which is my native language. I  
344 voluntarily choose to have the Real Estate (Broker/Salesperson/Leasing  
345 Agent) act as my interpreter during the negotiations. The obligations of  
346 the contract or other written agreement were explained to me in my  
347 native language. I understand the contract or other written agreement."

348 (c) If a language that cannot be reduced to writing is used to conduct  
349 a real estate transaction or negotiations, the form required under  
350 subsection (b) of this section shall be in the English language.

351 Sec. 6. (NEW) (*Effective April 1, 2024*) (a) If a real estate broker dies or  
352 is incapacitated, the executor of such broker's estate or any other person

353 who is legally authorized to act on behalf of such broker in a financial  
354 transaction may apply to the department, in a form and manner  
355 prescribed by the department, for the appointment of a custodial broker.  
356 If the department approves an application for the appointment of a  
357 custodial broker, the department shall appoint a custodial broker for the  
358 deceased or incapacitated broker. Except as provided in subsection (b)  
359 of this section, each custodial broker who is appointed pursuant to this  
360 subsection shall serve for a term not to exceed one hundred eighty days.

361 (b) The department may, in the department's discretion, extend a  
362 custodial broker's term beyond one hundred eighty days if the  
363 department receives a hardship application that is submitted to the  
364 department in a form and manner prescribed by the department.

365 (c) Each custodial broker shall act to preserve the financial interests  
366 of the deceased or incapacitated real estate broker, or the estate of the  
367 deceased real estate broker, for whom such custodial broker is  
368 appointed.

369 (d) No real estate broker who is appointed as a custodial broker to  
370 conclude the business of a deceased or incapacitated individual real  
371 estate broker shall negotiate the purchase, sale or lease of any real estate  
372 on behalf of such deceased or incapacitated broker unless:

373 (1) The prospective purchaser, seller, lessor or lessee of such real  
374 estate entered into a preexisting buyer agreement, listing agreement or  
375 leasing agreement with such deceased or incapacitated broker; and

376 (2) The prospective purchaser or lessor of such real estate has  
377 executed a contract or paid a deposit to a seller or lessee to reserve a  
378 right to purchase or lease such real estate from such seller or lessee.

379 (e) No business entity shall engage in the real estate business while  
380 the designated broker for such business entity is deceased or  
381 incapacitated unless a custodial broker has been appointed for such  
382 business entity.

383 (f) If a custodial broker is appointed to serve as a designated broker

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384 for a business entity, the business entity may engage in the real estate  
385 business to the same extent that such business entity would engage in  
386 such business if such designated broker was not a custodial broker.

387 (g) No real estate salesperson or team member shall engage in the real  
388 estate business while the supervising licensee that is responsible for  
389 controlling and supervising such salesperson or team is deceased or  
390 incapacitated unless a custodial broker has been appointed for such  
391 supervising licensee.

392 Sec. 7. (NEW) (*Effective April 1, 2024*) (a) No leasing agent shall engage  
393 in the real estate business except for leasing or renting real property that  
394 is exclusively used for residential occupancy. No licensed real estate  
395 broker or salesperson shall be required to obtain a leasing agent license  
396 to perform leasing activities. Leasing agents shall not engage in any  
397 activity that requires a real estate broker's or real estate salesperson's  
398 license, including, but not limited to, selling, offering, listing,  
399 negotiating, referring or showing for sale, entering into lease-to-own  
400 agreements or leasing commercial real estate. A leasing agent shall be  
401 employed by a development owner. A leasing agent shall not offer  
402 leasing services for any person that is not a development owner. No  
403 leasing agent shall engage in the real estate business concerning any  
404 property other than on behalf of the owner of record of a multiunit  
405 development that employs such leasing agent. A leasing agent shall  
406 obtain a written contract from the development owner to demonstrate  
407 such employment prior to engaging in any leasing activity at such  
408 development. Such contract shall be made available to the department,  
409 and produced by the leasing agent in an electronic form, upon a request  
410 by the department for such contract.

411 (b) If a leasing agent's affiliation with a development owner is  
412 terminated, the leasing agent shall notify the department of such  
413 termination not later than fourteen calendar days after such termination  
414 or such leasing agent's affiliation with another development owner,  
415 whichever occurs first.

416 Sec. 8. Section 20-311b of the general statutes is repealed and the

417 following is substituted in lieu thereof (*Effective April 1, 2024*):

418 (a) Within thirty days after the appointment of the members of the  
419 commission, the commission shall meet in the city of Hartford for the  
420 purpose of organizing by selecting such officers other than a  
421 chairperson as the commission may deem necessary and appropriate. A  
422 majority of the members of the commission shall constitute a quorum  
423 for the exercise of the powers or authority conferred upon it.

424 (b) [(1)] The commission shall authorize the [Department of  
425 Consumer Protection] department to issue licenses to real estate  
426 [brokers and real estate salespersons] licensees.

427 [(2)] (c) The commission shall administer the provisions of this  
428 chapter as to licensure and issuance, renewal, suspension or revocation  
429 of licenses concerning the real estate business.

430 [(c)] (d) The commission shall be provided with the necessary office  
431 space in Hartford by the Commissioner of Administrative Services. The  
432 place of business of the commission and all files, records and property  
433 of the commission shall at all times be and remain at such office, except  
434 that inactive files shall be stored at a location designated by the  
435 commission.

436 [(d)] (e) The commission shall hold meetings and hearings in  
437 Hartford, in space provided by the Commissioner of Administrative  
438 Services, or at such places outside of Hartford as shall be determined by  
439 the chairman of the commission. The commission shall meet at least  
440 once in each three-month period and may meet more often at the call of  
441 its chairman. The chairman of the commission shall call a meeting of the  
442 commission whenever requested to do so by a majority of the members  
443 of the commission.

444 [(e)] (f) The commission shall vote on all matters requiring a decision  
445 and votes shall be recorded in the commission's minutes.

446 Sec. 9. Section 20-312 of the general statutes is repealed and the  
447 following is substituted in lieu thereof (*Effective April 1, 2024*):

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

454 (b) The practice of engaging in the real estate business, or the offer to  
455 [practice real estate brokerage] engage in the real estate business in this  
456 state by [individual licensed real estate brokers or real estate  
457 salespersons as a corporation, limited liability company, partnership or  
458 limited liability partnership, a] real estate licensees, as a business entity  
459 is permitted, provided:

460 (1) A material part of the business entity's business [of which]  
461 includes engaging in the real estate [brokerage, is permitted, provided  
462 (1) the] business;

463 (2) The business entity's personnel [of such corporation, limited  
464 liability company, partnership or limited liability partnership] who  
465 engage in the real estate [brokerage] business [as real estate brokers or  
466 real estate salespersons, and the real estate brokers whose ownership,  
467 control, membership or partnership interest is credited toward the  
468 requirements of subdivision (3) of this subsection, are licensed or  
469 exempt from licensure under this chapter, (2) the corporation, limited  
470 liability company, partnership or limited liability partnership] are  
471 licensed, or exempt from licensure, under this chapter;

472 (3) The business entity has been issued a real estate broker license [by  
473 the commission as provided] as set forth in this section; [and]

474 (4) The business entity has paid the license or renewal fee required  
475 for a real estate broker's license as set forth in section 20-314, as amended  
476 by this act; [and (3) except for] and

477 (5) The business entity is a publicly traded corporation or, if the  
478 business entity is not a publicly traded corporation:



479 (A) [with respect to a corporation other than a nonstock corporation,]  
480 The business entity is a stock corporation and one or more real estate  
481 brokers, who are either licensed or exempt from licensure under this  
482 chapter, own or control fifty-one per cent or more of the total issued  
483 shares of the corporation; [.]

484 (B) [with respect to] The business entity is a nonstock corporation [.]  
485 and one or more real estate brokers, who are licensed or exempt from  
486 licensure under this chapter, constitute at least fifty-one per cent of the  
487 members of the nonstock corporation; [.]

488 (C) [with respect to] The business entity is a limited liability company  
489 [.] and one or more real estate brokers, who are licensed or exempt from  
490 licensure under this chapter, own or control at least fifty-one per cent of  
491 the interest in the limited liability company, as defined in section 34-  
492 243a; [.] or

493 (D) [with respect to] The business entity is a partnership or limited  
494 liability partnership [, one or more real estate brokers'] and the  
495 partnership interest, as defined in section 34-301, of one or more real  
496 estate brokers, who are licensed or exempt from licensure under this  
497 chapter, constitutes at least fifty-one per cent of the total partnership  
498 interest. [No such corporation, limited liability company, partnership or  
499 limited liability partnership shall be relieved of responsibility for the  
500 conduct or acts of its agents, employees or officers by reason of its  
501 compliance with this section, nor shall any individual practicing real  
502 estate brokerage be relieved of responsibility for real estate services  
503 performed by reason of the individual's employment or relationship  
504 with such corporation, limited liability company, partnership or limited  
505 liability partnership. The Real Estate Commission may refuse to  
506 authorize the issuance or renewal of a license if any facts exist that  
507 would entitle the commission to suspend or revoke an existing license.]

508 (c) A [corporation, limited liability company, partnership or limited  
509 liability partnership] business entity desiring a real estate broker license  
510 shall file with the commission or the [commissioner] Commissioner of  
511 Consumer Protection an application on such forms and in such manner

512 as prescribed by the [Department of Consumer Protection] department.  
513 Each such [corporation, limited liability company, partnership or  
514 limited liability partnership] business entity shall file with the  
515 commission, [a designation of at least one individual licensed or  
516 qualified to be licensed as a real estate broker in this state who shall be  
517 in charge of the real estate brokerage business of such corporation,  
518 limited liability company, partnership or limited liability partnership in  
519 this state] in a form and manner prescribed by the department, the  
520 identity of, and contact information for, at least one designated broker.  
521 Such [corporation, limited liability company, partnership or limited  
522 liability partnership] business entity shall notify the commission of any  
523 change in [such designation] the identity of, or contact information for,  
524 such designated broker not later than thirty days after such change  
525 becomes effective.

526 (d) The Real Estate Commission may impose a fine of not more than  
527 [one] five thousand dollars per violation on any [corporation, limited  
528 liability company, partnership or limited liability partnership] person  
529 that engages in the real estate business, including, but not limited to,  
530 leasing or rental activity, without a license required by this section. Any  
531 such imposition of a fine by the commission shall be a proposed final  
532 decision and submitted to the [commissioner] Commissioner of  
533 Consumer Protection in accordance with the provisions of subsection  
534 (b) of section 21a-7.

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

546 pursuant to this [subparagraph] subsection:

547 [(i) The] (1) Such team's team name, which shall:

548 [(I)] (A) Include the full name of at least one licensed real estate  
549 broker or real estate salesperson who is part of [the] such team or be  
550 immediately followed by "at/of [full name of the [sponsoring real estate  
551 broker] team's supervising licensee";

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

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

558 [(ii)] (2) The name of, and contact information for, [the] such team's  
559 [sponsoring real estate broker] supervising licensee, who shall serve as  
560 [the] such team's primary contact, ensure that [the] such team complies  
561 with all applicable laws and regulations concerning team  
562 advertisements and ensure that [the] such team timely files accurate  
563 registration forms and registration updates with the department  
564 pursuant to this [subdivision] subsection; and

565 [(iii)] (3) The name and contact information for each real estate broker  
566 or real estate salesperson who is part of [the] such team.

567 [(B)] (f) A team shall send notice to the department disclosing any  
568 change to the information contained in the team's registration form. The  
569 team shall send such notice to the department, on a form and in a  
570 manner prescribed by the [commissioner] Commissioner of Consumer  
571 Protection, not later than twelve days after the date of such change. A  
572 team may transfer the team's registration from one supervising licensee  
573 to another supervising licensee, without applying for a new team  
574 registration, if (1) all members of such team transfer to such other  
575 supervising licensee, and (2) both supervising licensees agree to such  
576 transfer.

577 [(C)] (g) Each team shall comply with all advertising requirements  
578 and standards that apply to real estate brokers, and shall include the  
579 name of [the] such team's [sponsoring real estate broker] supervising  
580 licensee at a prominent location in all of [the] such team's  
581 advertisements.

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

588 Sec. 10. Section 20-312b of the general statutes is repealed and the  
589 following is substituted in lieu thereof (*Effective April 1, 2024*):

590 A [licensed] real estate [broker or real estate salesperson] licensee  
591 shall not be considered an employee under the provisions of section 31-  
592 275 if substantially all of the remuneration for the services performed by  
593 such [broker or salesperson] real estate licensee, whether paid in cash or  
594 otherwise, is directly related to sales or other output rather than to the  
595 number of hours worked, and such services are performed by the  
596 [broker or salesperson] real estate licensee pursuant to a written contract  
597 that contains the following provisions:

598 (1) The [broker or salesperson] real estate licensee, for purposes of  
599 workers' compensation, is engaged as an independent contractor  
600 associated with the person for whom services are performed;

601 (2) The [broker or salesperson] real estate licensee shall be paid a  
602 commission based on [his] such real estate licensee's gross sales or  
603 leases, if any, without deduction for taxes, which commission shall be  
604 directly related to sales, leases or other output;

605 (3) The [broker or salesperson] real estate licensee shall not receive  
606 any remuneration related to the number of hours worked and shall not  
607 be treated as an employee with respect to such services for purposes of

608 workers' compensation;

609 (4) The [broker or salesperson] real estate licensee shall be permitted  
610 to work any hours [he] such real estate licensee chooses;

611 (5) The [broker or salesperson] real estate licensee shall be permitted  
612 to work out of [his] such real estate licensee's own home or the office of  
613 the person for whom services are performed;

614 (6) The [broker or salesperson] real estate licensee shall be free to  
615 engage in outside employment;

616 (7) The person for whom the services are performed may provide  
617 office facilities and supplies for the use of the [broker or salesperson]  
618 real estate licensee, but [the broker or salesperson] such real estate  
619 licensee shall otherwise pay [his] such real estate licensee's own  
620 expenses, including, but not limited to, automobile, travel and  
621 entertainment expenses; and

622 (8) The contract may be terminated by either party to such contract at  
623 any time upon notice given to the other party to such contract.

624 Sec. 11. Section 20-314 of the general statutes is repealed and the  
625 following is substituted in lieu thereof (*Effective April 1, 2024*):

626 (a) Licenses shall be granted under this chapter only to persons who  
627 bear a good reputation for honesty, truthfulness and fair dealing and  
628 who are competent to transact the business of a leasing agent, real estate  
629 broker or real estate salesperson in such manner as to safeguard the  
630 interests of the public.

631 (b) Each application for a license or for a renewal thereof shall be  
632 made in writing, on such forms and in such manner as is prescribed by  
633 the [Department of Consumer Protection and accompanied by such  
634 evidence in support of such application as is prescribed by the  
635 commission. The commission may require such information with regard  
636 to an applicant as the commission deems desirable, with due regard to  
637 the paramount interests of the public, as to the honesty, truthfulness,

638 integrity and competency of the applicant and, where the applicant is a  
639 corporation, association or partnership, as to the honesty, truthfulness,  
640 integrity and competency of the officers of such corporation or the  
641 members of such association or partnership] department.

642 (c) In order to determine the competency of any applicant for a real  
643 estate [broker's license or a real estate salesperson's] licensee's license,  
644 the commission or Commissioner of Consumer Protection shall, on  
645 payment of an application fee of one hundred twenty dollars by an  
646 applicant for a real estate broker's license or an application fee of eighty  
647 dollars by an applicant for a leasing agent's or real estate salesperson's  
648 license, subject such applicant to personal written examination as to the  
649 applicant's competency to act as a leasing agent, real estate broker or  
650 real estate salesperson, as the case may be. [Such] Each examination  
651 shall be prepared by the [Department of Consumer Protection]  
652 department or by a national testing service designated by the  
653 [Commissioner of Consumer Protection] commissioner and shall be  
654 administered to applicants by the [Department of Consumer Protection]  
655 department or by such testing service at such times and places as the  
656 commissioner may deem necessary. The commission or [Commissioner  
657 of Consumer Protection] commissioner may waive the uniform portion  
658 of the written examination requirement in the case of an applicant who  
659 has taken the national testing service examination in another state  
660 within two years from the date of application and has received a score  
661 deemed satisfactory by the commission or [Commissioner of Consumer  
662 Protection] commissioner. The [Commissioner of Consumer Protection]  
663 commissioner shall adopt regulations, in accordance with chapter 54,  
664 establishing passing scores for examinations. In addition to such  
665 application fee, applicants taking the examination administered by a  
666 national testing service shall be required to pay directly to such testing  
667 service an examination fee covering the cost of such examination. Each  
668 payment of such application fee shall entitle the applicant to take such  
669 examination within the one-year period from the date of payment.

670 [(d) (1) (A) Each applicant applying for a real estate broker's license  
671 on or after July 1, 2016, but before January 1, 2022, shall, before being

672 admitted to such examination, prove to the satisfaction of the  
673 commission or the Commissioner of Consumer Protection that the  
674 applicant (i) (I) has been actively engaged for at least two years as a  
675 licensed real estate salesperson under the supervision of a licensed real  
676 estate broker in this state, (II) has successfully completed a course  
677 approved by the commission or commissioner in real estate principles  
678 and practices of at least sixty classroom hours of study, (III) has  
679 successfully completed a course approved by the commission or  
680 commissioner in real estate legal compliance consisting of at least fifteen  
681 classroom hours of study, (IV) has successfully completed a course  
682 approved by the commission or commissioner in real estate brokerage  
683 principles and practices consisting of at least fifteen classroom hours,  
684 and (V) has successfully completed two elective courses, each consisting  
685 of fifteen classroom hours of study, as prescribed by the commission or  
686 commissioner, or (ii) has equivalent experience or education as  
687 determined by the commission or commissioner.]

688 [(B)] (d) (1) Each applicant [applying for a real estate broker's license  
689 on or after January 1, 2022,] shall, before being admitted to such  
690 examination, prove to the satisfaction of the commission or the  
691 Commissioner of Consumer Protection that the applicant [(i) (I)] (A) (i)  
692 has been actively engaged as a licensed real estate salesperson under the  
693 supervision of a [licensed real estate broker in this state for a]  
694 supervising licensee, who is licensed in this state, for a minimum period  
695 of three years immediately preceding the date the applicant filed such  
696 applicant's application, during which period such salesperson engaged  
697 in the real estate business for at least one thousand five hundred hours  
698 [during the three years immediately preceding the date on which such  
699 applicant filed such applicant's application,] and such supervising  
700 [licensed real estate broker] licensee, or such supervising [licensed real  
701 estate broker's] licensee's authorized representative, has certified the  
702 accuracy of a record of such applicant's active engagement on a form  
703 provided by such applicant to such supervising [licensed real estate  
704 broker] licensee or authorized representative, [(II)] (ii) has successfully  
705 completed a course approved by the commission or commissioner in  
706 real estate principles and practices of at least sixty classroom hours of

707 study, [(III)] (iii) has successfully completed a course approved by the  
708 commission or commissioner in real estate legal compliance consisting  
709 of at least fifteen classroom hours of study, [(IV)] (iv) has successfully  
710 completed a course approved by the commission or commissioner in  
711 real estate brokerage principles and practices consisting of at least  
712 fifteen classroom hours, [(V)] (v) has successfully completed two  
713 elective courses, each consisting of fifteen classroom hours of study, as  
714 prescribed by the commission or commissioner, and [(VI)] (vi) has  
715 represented a seller, buyer, lessor or lessee in at least four real estate  
716 transactions that closed during the three years immediately preceding  
717 the date on which such applicant filed such applicant's application, or  
718 [(ii)] (B) has equivalent experience or education as determined by the  
719 commission or commissioner. Each supervising [licensed real estate  
720 broker] licensee, or authorized representative of such supervising  
721 [licensed real estate broker] licensee, shall certify the accuracy or  
722 inaccuracy of a record provided by an applicant to such supervising  
723 [licensed real estate broker] licensee or authorized representative under  
724 subparagraph [(B)(i)(I)] (A)(i) of this subdivision not later than ninety  
725 days after such applicant provides such record to such supervising  
726 [licensed real estate broker] licensee or authorized representative.

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

736 (3) Each applicant for a real estate salesperson's license shall, before  
737 being admitted to such examination, prove to the satisfaction of the  
738 commission or the [Commissioner of Consumer Protection]  
739 commissioner that the applicant (A) has successfully completed a course  
740 approved by the commission or commissioner in real estate principles



741 and practices consisting of at least sixty classroom hours of study, or (B)  
742 has equivalent experience or education as determined by the  
743 commission or commissioner.

744 (4) Each applicant for a leasing agent license shall, before being  
745 admitted to such examination, prove to the satisfaction of the  
746 commission or the commissioner that the applicant (A) has successfully  
747 completed a course or courses approved by the commission or  
748 commissioner in real estate leasing, including, but not limited to,  
749 training on fair housing law, landlord tenant law and security deposit  
750 management, consisting of at least twenty classroom hours of study, or  
751 (B) has equivalent experience or education as determined by the  
752 commission or commissioner.

753 (e) The provisions of subsections (c) and (d) of this section shall not  
754 apply to any renewal of a real estate broker's license, or a real estate  
755 salesperson's license issued prior to October 1, 1973.

756 (f) All licenses issued under the provisions of this chapter shall expire  
757 [annually] biennially. At the time of application for a real estate broker's  
758 license, there shall be paid to the [commission] department, for each  
759 individual applicant and for each [proposed active member or officer of  
760 a firm, partnership, association or corporation] business entity, the sum  
761 of [five hundred sixty-five] one thousand one hundred thirty dollars,  
762 and for the [annual] biennial renewal thereof, the sum of [three hundred  
763 seventy-five] seven hundred fifty dollars, except that for licenses  
764 expiring on March 31, 2022, a prorated renewal fee shall be charged to  
765 reflect the fact that the March 2022, renewal shall expire on November  
766 30, 2023. At the time of application for a real estate salesperson's or  
767 leasing agent's license, there shall be paid to the [commission two  
768 hundred eighty-five] department five hundred seventy dollars and for  
769 the [annual] biennial renewal thereof the sum of [two hundred eighty-  
770 five] five hundred seventy dollars. [Three] Six dollars of each such  
771 [annual] biennial renewal fee shall be payable to the Real Estate  
772 Guaranty Fund established pursuant to section 20-324a, as amended by  
773 this act. A real estate broker's license issued to any [partnership,

774 association or corporation] business entity shall entitle the [individual  
775 designated in the application, as provided in section 20-312] designated  
776 broker, upon compliance with the terms of this chapter, but without the  
777 payment of any further fee, to perform all of the acts of a real estate  
778 broker under this chapter on behalf of such [partnership, association or  
779 corporation] business entity. Any license which expires and is not  
780 renewed [pursuant to this subsection] on or before the ninetieth day  
781 following the expiration date of such license may be reinstated by the  
782 commission [, if, not later than two years after the date of expiration, the  
783 former licensee pays to the commission for] or department, in the  
784 commission's or department's discretion, provided such license has  
785 expired for less than three years and the former licensee (1) attests that  
786 such former licensee did not work in this state in the occupation or  
787 profession in which such former licensee was licensed while such  
788 former licensee's license was lapsed, (2) pays the renewal fee due for  
789 such license for the year in which such license is reinstated, and (3)  
790 completes any continuing education required for such license for the  
791 year preceding such reinstatement. If an applicant for reinstatement  
792 worked in this state in the occupation or profession in which such  
793 applicant was formerly licensed while such license was lapsed, the  
794 applicant shall pay all license and late fees due and owing for the lapse  
795 period and demonstrate that such applicant has completed all  
796 continuing education required for such license for the year preceding  
797 such reinstatement. Such late fees shall be assessed for each real estate  
798 broker's license [the sum] in the amount of three hundred seventy-five  
799 dollars and for each real estate salesperson's or leasing agent's license  
800 [the sum] in the amount of two hundred eighty-five dollars for each year  
801 or fraction thereof from the date of expiration of the previous license to  
802 the date of payment for reinstatement. [, except that any] If a license has  
803 lapsed for at least three years, the former licensee is ineligible for  
804 reinstatement under this subsection and may apply for a new license.  
805 Notwithstanding any contrary provision of this subsection, a former  
806 licensee whose license expired after such former licensee entered  
807 military service shall be reinstated without payment of any fee if an  
808 application for reinstatement is filed with the commission [within two

809 years after the date of expiration] or department before the third  
810 anniversary of such expiration date, and the former licensee provides  
811 evidence that is sufficient to demonstrate to the commission or  
812 department that such former licensee completed at least six hours of  
813 continuing education for such license, including, but not limited to, the  
814 mandatory continuing education required for such license, during the  
815 calendar year preceding the date on which such application for  
816 reinstatement is filed. Any such reinstated broker's license shall expire  
817 on the next succeeding November thirtieth. [, except that any broker's  
818 license that is reinstated before March 31, 2022, shall expire on March  
819 31, 2022.] Any such reinstated real estate salesperson's license shall  
820 expire on the next succeeding May thirty-first.

821 (g) [Any person whose application has been filed as provided in this  
822 section and who is refused a license shall be given notice and afforded  
823 an opportunity for hearing as provided in the regulations adopted by  
824 the Commissioner of Consumer Protection.] Following a denial of a  
825 license or license renewal application filed under this section, the  
826 department shall send a notice to the applicant who filed such  
827 application disclosing such denial and that such applicant may request  
828 a hearing by submitting to the Commissioner of Consumer Protection a  
829 written hearing request not later than thirty days after the date such  
830 denial notice was sent to such applicant. If the applicant requests a  
831 hearing during such thirty-day period, the department shall send a  
832 notice to such applicant disclosing the grounds for such denial and  
833 conduct a hearing concerning such denial in accordance with the  
834 provisions of chapter 54. If the commissioner's denial is sustained after  
835 such hearing, the applicant may file a new application for such license  
836 or license renewal not sooner than one year after the date on which such  
837 denial was sustained.

838 Sec. 12. Section 20-314a of the general statutes is repealed and the  
839 following is substituted in lieu thereof (*Effective April 1, 2024*):

840 (a) The Commissioner of Consumer Protection, with the advice and  
841 assistance of the commission, may adopt regulations, in accordance

842 with chapter 54, relating to the approval of schools offering prelicensing  
843 and continuing education courses, [in real estate principles and practice  
844 and related subjects,] the content of such courses and the advertising to  
845 the public of the services [of] offered by such schools. Such regulations  
846 shall not require [(1)] approval of instructors at such schools, [ or (2) a  
847 course to be conducted in a classroom location approved for such use  
848 by a local fire marshal provided the course is conducted in a hotel,  
849 restaurant or other public building or a place of public assembly, as  
850 defined in section 19-13-B105 of the regulations of Connecticut state  
851 agencies.] No school may be disapproved solely because the school's  
852 courses are offered or taught by electronic means, and no course may be  
853 disapproved solely because the course is offered or taught by electronic  
854 means if such course satisfies the requirements established in section 4  
855 of this act.

856 (b) The commission or department may exempt any applicant for a  
857 real estate broker's license from the requirements concerning experience  
858 under the provisions of subsection (d) of section 20-314, as amended by  
859 this act, if the commission or department determines that such applicant  
860 is unable to meet such requirements solely because such applicant has  
861 been subjected to discrimination based on race, creed or color, which  
862 discrimination interfered with such applicant's ability to meet such  
863 requirements.

864 Sec. 13. Subsections (b) and (c) of section 20-316 of the general statutes  
865 are repealed and the following is substituted in lieu thereof (*Effective*  
866 *April 1, 2024*):

867 (b) No license under this chapter shall be issued by the [Department  
868 of Consumer Protection] department to any applicant (1) whose  
869 application for a license as a real estate [broker or real estate salesperson]  
870 licensee has, within one year prior to the date of [his] such applicant's  
871 application under this chapter, been rejected in this state, in any other  
872 state or in the District of Columbia, or (2) whose license as a real estate  
873 [broker or real estate salesperson] licensee has, within one year prior to  
874 the date of [his] such applicant's application under this chapter, been

875 revoked in this state, in any other state or in the District of Columbia.

876 (c) No real estate license [as a real estate broker or real estate  
877 salesperson] shall be issued under this chapter to any person who [has  
878 not attained the age of] is younger than eighteen years of age.

879 Sec. 14. Section 20-317 of the general statutes is repealed and the  
880 following is substituted in lieu thereof (*Effective April 1, 2024*):

881 (a) A person licensed in another state [as a real estate broker or  
882 salesperson] to engage in the real estate business may become a real  
883 estate [broker or real estate salesperson] licensee in this state by  
884 conforming to all of the provisions of this chapter. The commission or  
885 Commissioner of Consumer Protection shall recognize a current, valid  
886 license issued to a currently practicing, competent real estate [broker or  
887 real estate salesperson] professional engaging in the real estate business  
888 in, and recognized by, another state as satisfactorily qualifying [the  
889 broker or salesperson] such real estate professional for a license as a real  
890 estate [broker or real estate salesperson] licensee under this chapter,  
891 provided (1) the laws of the state in which [the broker or salesperson]  
892 such real estate professional is licensed require that applicants for  
893 licenses as real estate [brokers and real estate salespersons] licensees  
894 establish their competency by written examinations, [and allow licenses  
895 to be issued to residents of the state of Connecticut, licensed under this  
896 chapter, without examination,] (2) the licensure requirements of such  
897 state are substantially similar to or higher than those of this state, and  
898 (3) [the broker or salesperson] such real estate professional has no  
899 disciplinary proceeding or unresolved complaint pending against [the  
900 broker or salesperson] such real estate professional. If [the] an applicant  
901 real estate professional is licensed in a state that does not have such  
902 requirements, such applicant real estate professional shall be required  
903 to pass the Connecticut portion of the real estate examination.

904 (b) [Every applicant licensed in another state shall file an irrevocable  
905 consent that suits and actions may be commenced against such  
906 applicant in the proper court in any judicial district of the state in which  
907 a cause of action may arise or in which the plaintiff may reside, by the

908 service of any process or pleading, authorized by the laws of this state,  
909 on the chairperson of the commission, such consent stipulating and  
910 agreeing that such service of such process or pleading shall be taken and  
911 held in all courts to be as valid and binding as if service had been made  
912 upon such applicant in the state of Connecticut. If any process or  
913 pleadings under this chapter are served upon the chairperson, it shall  
914 be by duplicate copies, one of which shall be filed in the office of the  
915 commission, and the other immediately forwarded by registered or  
916 certified mail, to the applicant against whom such process or pleadings  
917 are directed, at the last-known address of such applicant as shown by  
918 the records of the department. No default in any such proceedings or  
919 action shall be taken unless it appears by affidavit of the chairperson of  
920 the commission that a copy of the process or pleading was mailed to the  
921 defendant as required by this subsection, and no judgment by default  
922 shall be taken in any such action or proceeding within twenty days after  
923 the date of mailing of such process or pleading to the out-of-state  
924 defendant.] A real estate professional who satisfies the requirements  
925 established in subsection (a) of this section may apply for licensure in  
926 this state as set forth in section 21a-11b.

927 Sec. 15. Section 20-319 of the general statutes is repealed and the  
928 following is substituted in lieu thereof (*Effective April 1, 2024*):

929 (a) The commission shall authorize the [Department of Consumer  
930 Protection] department to issue [an annual] a two-year renewal license  
931 to any applicant who possesses the qualifications specified in, and  
932 [otherwise] has otherwise complied with the provisions of, this chapter  
933 and any regulation adopted [under] pursuant to this chapter. The  
934 commission shall authorize [said] the department to issue [an annual] a  
935 two-year renewal of a real estate broker's license to any business entity  
936 licensed pursuant to subsection (b) of section 20-312, as amended by this  
937 act, provided such business entity: (1) Was so licensed as of September  
938 30, 2005, notwithstanding the fact such business entity does not meet the  
939 requirements for publicly traded corporations required by subdivision  
940 [(3)] (5) of subsection (b) of section 20-312, as amended by this act, or (2)  
941 changes [its] such business entity's designated [real estate] broker

942 pursuant to subsection (c) of section 20-312, as amended by this act.

943 (b) There [is] are hereby established [an annual] two-year renewal  
944 [license] licenses to be issued by the [Department of Consumer  
945 Protection. Persons licensed in accordance with the provisions of this  
946 chapter] department to real estate licensees. Each real estate licensee  
947 who files an application with the department seeking a two-year  
948 renewal license shall fulfill a continuing education requirement.  
949 [Applicants] Each applicant for [an annual] a two-year renewal license  
950 [for real estate brokers or real estate salespersons] shall, in addition to  
951 the other requirements imposed by the provisions of this chapter, [in  
952 any even-numbered year,] submit to the commission or department  
953 proof [of] that such applicant is in compliance with the continuing  
954 education requirements [of] established in this [subsection to the  
955 commission. Each] section. Each real estate licensee shall pay [an annual  
956 four-dollar] a biennial eight-dollar continuing education processing fee  
957 to cover the administrative costs associated with [the review] reviewing  
958 and auditing [of] continuing education submissions. The continuing  
959 education requirement for real estate licensees, other than leasing  
960 agents, may be satisfied by successful completion of any of the following  
961 during the two-year period preceding [such] a renewal: (1) A course or  
962 courses, approved by the commission or department, of continuing  
963 education in current real estate practices and licensing laws, including,  
964 but not limited to, practices and laws concerning common interest  
965 communities, consisting of not less than twelve hours of classroom  
966 study; or (2) a written examination prepared and administered by either  
967 the [Department of Consumer Protection] department, or by a national  
968 testing service approved by the department, which demonstrates a  
969 knowledge of current real estate practices and licensing laws; or (3)  
970 equivalent continuing educational experience or study as determined  
971 by regulations adopted pursuant to subsection (d) of this section. An  
972 applicant for examination under subdivision (2) of this subsection shall  
973 pay the required examination fee to the national testing service, if  
974 administered by such testing service, or to the [Department of  
975 Consumer Protection] department, if administered by the department.  
976 In order to receive a two-year renewal license under this section, a

977 leasing agent shall complete at least four hours of continuing education  
978 during the two-year period beginning twenty-seven months before the  
979 renewal date and ending three months before the renewal date, and at  
980 least one hour of such continuing education shall address fair housing  
981 law.

982 (c) If the commission or department refuses to grant [an annual] a  
983 two-year renewal license, the licensee or applicant, upon written notice  
984 received as provided for in this chapter, may have recourse to any of the  
985 remedies provided by sections 20-314, as amended by this act, and 20-  
986 322.

987 (d) The Commissioner of Consumer Protection, in consultation with  
988 the commission, shall adopt regulations, in accordance with chapter 54,  
989 [concerning the approval of schools, institutions or organizations  
990 offering courses in current real estate practices and licensing laws,  
991 including, but not limited to, practices and laws concerning common  
992 interest communities, and the content of such courses] to establish  
993 continuing education requirements. Such regulations shall include, but  
994 not be limited to: (1) Specifications for meeting equivalent continuing  
995 educational experience or study; and (2) exceptions from continuous  
996 education requirements for reasons of health or instances of individual  
997 hardship. [No school, institution or organization that offers a course in  
998 current real estate practices and licensing laws may be disapproved  
999 solely because its courses are offered or taught by electronic means, and  
1000 no course may be disapproved solely because it is offered or taught by  
1001 electronic means.]

1002 (e) If a real estate licensee fails to satisfy the continuing education  
1003 requirements established pursuant to this section for any two-year  
1004 license period, the real estate licensee shall pay to the department a fee  
1005 in the amount of:

1006 (1) Three hundred fifteen dollars if such licensee reports to the  
1007 department, in a form and manner prescribed by the department, that  
1008 such real estate licensee failed to satisfy such continuing education  
1009 requirements during such license period but completed such continuing



1010 education requirements not later than two months after such license  
1011 period expired; or

1012 (2) Six hundred twenty-five dollars if such licensee reports to the  
1013 department, in a form and manner prescribed by the department, that  
1014 such real estate licensee failed to satisfy such continuing education  
1015 requirements during such license period but completed such continuing  
1016 education requirements more than two months after such license period  
1017 expired but not later than four months after such license period expired.

1018 Sec. 16. Section 20-319a of the general statutes is repealed and the  
1019 following is substituted in lieu thereof (*Effective April 1, 2024*):

1020 (a) [Any] Each licensed real estate salesperson, associate broker or  
1021 leasing agent who transfers [his employment from one broker to another  
1022 or his] such real estate salesperson's, associate broker's or leasing agent's  
1023 affiliation with a broker [as an independent contractor] or property  
1024 owner shall register such transfer with, and pay a registration fee of  
1025 twenty-five dollars to, the [commission] department.

1026 (b) A fee of twenty-five dollars shall be paid to the [commission]  
1027 department for the issuance of a license certification.

1028 (c) A fee of twenty-five dollars shall be paid to the [Department of  
1029 Consumer Protection] department for any change made to, or transfer  
1030 of, a team's registration after the team files an initial registration with  
1031 the department pursuant to [subdivision (1) of] subsection (e) of section  
1032 20-312, as amended by this act.

1033 (d) If a team transfers to a new supervising licensee, the new  
1034 supervising licensee shall electronically update the team's registration  
1035 information with the department not later than fourteen calendar days  
1036 after such transfer.

1037 Sec. 17. Section 20-320 of the general statutes is repealed and the  
1038 following is substituted in lieu thereof (*Effective April 1, 2024*):

1039 (a) The [Department of Consumer Protection] department may [,

1040 upon the request of the commission or upon the verified complaint in  
1041 writing of any person, if such complaint, or such complaint together  
1042 with evidence, documentary or otherwise, presented in connection with  
1043 such complaint, shall make out a prima facie case,] investigate the  
1044 actions of any [real estate broker or real estate salesperson or any person  
1045 who assumes to act in any of such capacities] person who engages in the  
1046 real estate business or offers real estate courses within this state. The  
1047 commission or department may temporarily suspend or permanently  
1048 revoke any license or registration issued under the provisions of this  
1049 chapter and, in addition to or in lieu of such suspension or revocation,  
1050 may, in [its] the commission's or department's discretion, impose a fine  
1051 of not more than [two] five thousand dollars per violation at any time  
1052 when, after proceedings as provided in section 20-321, the commission  
1053 or department finds that the real estate licensee has by false or  
1054 fraudulent misrepresentation obtained a license or registration or that  
1055 the real estate licensee [is guilty of any of the following] has: (1)  
1056 [Making] Made any material misrepresentation; (2) [making] made any  
1057 false promise of a character likely to influence, persuade or induce; (3)  
1058 [acting] acted as an agent for more than one party in a transaction  
1059 without the knowledge of all parties for whom the real estate licensee  
1060 [acts] acted; (4) [representing or attempting] represented, or attempted  
1061 to represent, a real estate broker, other than the real estate licensee's  
1062 [employer or the broker with whom the licensee is affiliated] affiliated  
1063 or supervising licensee, without the express knowledge and consent of  
1064 [the] such real estate licensee's [employer or] affiliated [broker] or  
1065 supervising licensee; (5) [failing] failed, within a reasonable time, to  
1066 account for or remit any moneys [coming] which came into the real  
1067 estate licensee's possession and which belong to others; (6) [entering]  
1068 entered into an exclusive listing contract or buyer agency contract which  
1069 contains a fixed termination date if such contract also provides for an  
1070 automatic continuation of the period of such contract beyond such date;  
1071 (7) [failing] failed to deliver immediately a copy of any instrument to  
1072 any party or parties executing [the] such instrument, where such  
1073 instrument has been prepared by the real estate licensee or under [the]  
1074 such real estate licensee's supervision and where such instrument

1075 relates to the employment of [the] such real estate licensee or to any  
1076 matters pertaining to the consummation of a lease, or the purchase, sale  
1077 or exchange of real property or any other type of real estate transaction  
1078 in which [the] such real estate licensee may participate as a [broker or a  
1079 salesperson] real estate licensee; (8) [conviction] been convicted, in a  
1080 court of competent jurisdiction, of forgery, embezzlement, obtaining  
1081 money under false pretenses, larceny, extortion, conspiracy to defraud  
1082 [or other like] or a similar offense, [or offenses,] provided suspension  
1083 or revocation under this subdivision shall be subject to the provisions of  
1084 section 46a-80; (9) [collecting] collected compensation or a commission  
1085 in advance of services to be performed and [failing] failed, upon  
1086 demand of the person [paying the] who paid such compensation or [the]  
1087 commission, to render an accounting of the use of such [money]  
1088 compensation or commission; (10) [commingling] commingled funds of  
1089 others with the real estate licensee's own funds, or [failing] failed to keep  
1090 funds of others in an escrow or [trustee] trust account; (11) engaged in  
1091 any act or conduct which constitutes dishonest, fraudulent or improper  
1092 dealings; (12) [failing] failed to provide the disclosures required by  
1093 section 20-325c, [;] as amended by this act; or (13) [a violation of] violated  
1094 any provision of this chapter or any regulation adopted under this  
1095 chapter. [Any such suspension or revocation of a license or imposition  
1096 of a fine by the commission shall be a proposed final decision and  
1097 submitted to the commissioner in accordance with the provisions of  
1098 subsection (b) of section 21a-7.] Any fine collected pursuant to this  
1099 section shall be deposited in the Real Estate Guaranty Fund established  
1100 pursuant to section 20-324a, as amended by this act.

1101 (b) No person shall be relieved of responsibility for the conduct or  
1102 actions of such person's agents, employees or officers by reason of such  
1103 person's compliance with the provisions of this chapter. No person who  
1104 engages in the real estate business shall be relieved of responsibility for  
1105 such person's own conduct or actions by reason of such person's  
1106 employment by, or association with, any real estate licensee or  
1107 development owner.

1108 Sec. 18. Section 20-320a of the general statutes is repealed and the

1109 following is substituted in lieu thereof (*Effective April 1, 2024*):

1110 [(a)] No real estate [broker or real estate salesperson] licensee, no  
1111 person affiliated with [such broker or salesperson] a real estate licensee,  
1112 and no person engaging in the real estate business may receive a fee,  
1113 commission or other form of referral fee for the referral of any buyer of  
1114 real property to (1) an attorney-at-law admitted to practice in this state  
1115 or any person affiliated with such attorney or (2) any mortgage broker,  
1116 any lender, as defined in subdivision (5) of section 49-31d, or any person  
1117 affiliated with such mortgage broker or lender.

1118 [(b)] The Department of Consumer Protection may, upon the request  
1119 of the commission or upon the verified complaint in writing of any  
1120 person, if such complaint, or such complaint together with evidence,  
1121 documentary or otherwise, presented in connection with such  
1122 complaint, shall make out a prima facie case, investigate the actions of  
1123 any real estate broker or real estate salesperson or any person who  
1124 assumes to act in any of such capacities within this state. The  
1125 commission may temporarily suspend or permanently revoke any  
1126 license issued under the provisions of this chapter, and, in addition to  
1127 or in lieu of such suspension or revocation, may, in its discretion, impose  
1128 a fine of not more than one thousand dollars for the first offense at any  
1129 time when, after proceedings as provided in section 20-321, the  
1130 commission finds that the licensee is guilty of violating any of the  
1131 provisions of subsection (a) of this section. Any such suspension or  
1132 revocation of a license or imposition of a fine by the commission shall  
1133 be a proposed final decision and submitted to the commissioner in  
1134 accordance with the provisions of subsection (b) of section 21a-7.]

1135 Sec. 19. Subsection (a) of section 20-320b of the general statutes is  
1136 repealed and the following is substituted in lieu thereof (*Effective April*  
1137 *1, 2024*):

1138 (a) A real estate [broker or real estate salesperson licensed under this  
1139 chapter] licensee shall not influence residential real estate appraisals.  
1140 [For the purposes of this section, "influence residential real estate  
1141 appraisals" includes, but is not limited to, refusal or intentional failure

1142 to refer a homebuyer, or encouraging other real estate brokers or real  
1143 estate salespersons not to refer a homebuyer, to a mortgage broker, as  
1144 defined in section 36a-760, or a lender, as defined in section 36a-760,  
1145 based solely on the fact that the mortgage broker or lender uses an  
1146 appraiser who has provided an appraisal reflecting a fair market value  
1147 estimate that was less than the sale contract price.]

1148 Sec. 20. Section 20-323 of the general statutes is repealed and the  
1149 following is substituted in lieu thereof (*Effective April 1, 2024*):

1150 Any real estate licensee under this chapter who is convicted of a  
1151 violation of any of the offenses enumerated in subdivision (8) of  
1152 subsection (a) of section 20-320, as amended by this act, may incur a  
1153 forfeiture of [his or her] such real estate licensee's license and all moneys  
1154 that may have been paid for such license. The clerk of any court in which  
1155 such conviction has been rendered shall forward to the commission  
1156 without charge a certified copy of such conviction. The [commissioner]  
1157 Commissioner of Consumer Protection may revoke such licensee's  
1158 license after proceedings as provided in section 20-321. Such notice shall  
1159 be conclusive of the revocation of such license. Application for  
1160 reinstatement of such license shall be subject to the provisions of section  
1161 46a-80.

1162 Sec. 21. Section 20-324a of the general statutes is repealed and the  
1163 following is substituted in lieu thereof (*Effective April 1, 2024*):

1164 The commission shall establish and maintain a Real Estate Guaranty  
1165 Fund from which, subject to the provisions of this section and sections  
1166 [20-324a] 20-324b to [20-324j] 20-324i, inclusive, as amended by this act,  
1167 any person aggrieved by any action of a real estate [broker or real estate  
1168 salesperson] licensee, duly licensed in this state under section 20-312, as  
1169 amended by this act, by reason of the embezzlement of money or  
1170 property, or money or property unlawfully obtained from any person  
1171 by false pretenses, artifice or forgery or by reason of any fraud,  
1172 misrepresentation or deceit by or on the part of any such real estate  
1173 [broker or real estate salesperson] licensee or the unlicensed employee  
1174 of any such real estate [broker] licensee, may recover, upon approval by

1175 the commission of an application brought pursuant to the provisions of  
1176 section 20-324e, as amended by this act, compensation in an amount not  
1177 exceeding in the aggregate the sum of twenty-five thousand dollars in  
1178 connection with any one real estate transaction or claim, regardless of  
1179 the number of persons aggrieved or parcels of real estate involved in  
1180 such real estate transaction or claim.

1181 Sec. 22. Section 20-324b of the general statutes is repealed and the  
1182 following is substituted in lieu thereof (*Effective April 1, 2024*):

1183 [Any person who receives a real estate broker's or real estate  
1184 salesperson's license under this chapter for the first time shall] Each real  
1185 estate licensee shall, upon application for a license under this chapter,  
1186 pay an additional one-time fee of twenty dollars in addition to all other  
1187 fees payable, which additional fee shall be credited to the Real Estate  
1188 Guaranty Fund. The Real Estate Guaranty Fund shall also be credited as  
1189 provided in sections 20-314, as amended by this act, and 20-320, as  
1190 amended by this act.

1191 Sec. 23. Section 20-324d of the general statutes is repealed and the  
1192 following is substituted in lieu thereof (*Effective April 1, 2024*):

1193 No application to recover compensation under sections 20-324a to  
1194 [20-324j] 20-324i, inclusive, as amended by this act, which might  
1195 subsequently result in an order for collection from the Real Estate  
1196 Guaranty Fund shall be brought later than two years from the final  
1197 determination of, or expiration of time for appeal in connection with,  
1198 any judgment.

1199 Sec. 24. Subsections (a) to (f), inclusive, of section 20-324e of the  
1200 general statutes are repealed and the following is substituted in lieu  
1201 thereof (*Effective April 1, 2024*):

1202 (a) When any aggrieved person commences any action for a  
1203 judgment which may result in collection from the Real Estate Guaranty  
1204 Fund, the aggrieved person shall notify the commission or department  
1205 in writing to this effect at the time of the commencement of such action.

1206 Such written notice shall toll the time for making application to the  
1207 commission pursuant to section 20-324d, as amended by this act. The  
1208 commission or department shall have the right to enter an appearance,  
1209 intervene in or defend any such action and may waive the required  
1210 written notice for good cause shown.

1211 (b) When any aggrieved person recovers a valid judgment in the  
1212 Superior Court against any real estate [broker or real estate salesperson]  
1213 licensee or the unlicensed employee of any such real estate [broker]  
1214 licensee for loss or damages sustained by reason of the embezzlement  
1215 of money or property, or money or property unlawfully obtained from  
1216 any person by false pretenses, artifice or forgery or by reason of any  
1217 fraud, misrepresentation or deceit by or on the part of such real estate  
1218 [broker or salesperson] licensee or the unlicensed employee of any such  
1219 real estate broker, such aggrieved person may upon the final  
1220 determination of, or expiration of time for appeal in connection with,  
1221 any judgment, apply to the commission for an order directing payment  
1222 out of the Real Estate Guaranty Fund of the amount unpaid upon the  
1223 judgment, subject to the limitations stated in section 20-324a, as  
1224 amended by this act, and the limitations specified in this section.

1225 (c) The commission shall proceed upon such application in a  
1226 summary manner, and, upon the hearing thereof, the aggrieved person  
1227 shall be required to show that: (1) [He] Such aggrieved person is not a  
1228 spouse of the debtor or the personal representative of such spouse; (2)  
1229 [he] such aggrieved person has complied with all the requirements of  
1230 this section; (3) [he] such aggrieved person has obtained a judgment as  
1231 provided in subsection (b) of this section, stating the amount thereof and  
1232 the amount owing thereon at the date of the application; (4) [he] such  
1233 aggrieved person has caused to be issued a writ of execution upon the  
1234 judgment and the officer executing the same has made a return showing  
1235 that no personal or real property of the judgment debtor liable to be  
1236 levied upon in satisfaction of the judgment could be found, or that the  
1237 amount realized on the sale of them or of such of them as were found,  
1238 under the execution, was insufficient to satisfy the judgment, stating the  
1239 amount so realized and the balance remaining due on the judgment

1240 after application thereon of the amount realized; (5) [he] such aggrieved  
1241 person has made all reasonable searches and inquiries to ascertain  
1242 whether the judgment debtor possesses real or personal property or  
1243 other assets, liable to be sold or applied in satisfaction of the judgment;  
1244 and (6) that by such search [he] such aggrieved person has discovered  
1245 no personal or real property or other assets liable to be sold or applied,  
1246 or that [he] such aggrieved person has discovered certain of them,  
1247 describing them, owned by the judgment debtor and liable to be so  
1248 applied, and that [he] such aggrieved person has taken all necessary  
1249 action and proceedings for the realization thereof, and that the amount  
1250 thereby realized was insufficient to satisfy the judgment, stating the  
1251 amount so realized and the balance remaining due on the judgment  
1252 after application of the amount realized.

1253 (d) Whenever the aggrieved person satisfies the commission that it is  
1254 not practicable to comply with one or more of the requirements  
1255 enumerated in subdivisions (4), (5) and (6) of subsection (c) of this  
1256 section and that [the] such aggrieved person has taken all reasonable  
1257 steps to collect the amount of the judgment or the unsatisfied part  
1258 thereof and has been unable to collect the same, the commission may in  
1259 its discretion waive such requirements.

1260 (e) The commission shall order payment from the Real Estate  
1261 Guaranty Fund of any sum it shall find to be payable upon the claim,  
1262 pursuant to the provisions of and in accordance with the limitations  
1263 contained in this section and section 20-324a, as amended by this act, if  
1264 the commission is satisfied, upon the hearing, of the truth of all matters  
1265 required to be shown by the aggrieved person by subsection (c) of this  
1266 section and that [the] such aggrieved person has fully pursued and  
1267 exhausted all remedies available to [him] such aggrieved person for  
1268 recovering the amount awarded by the judgment of the court.

1269 (f) If the commission pays from the Real Estate Guaranty Fund any  
1270 amount in settlement of a claim or toward satisfaction of a judgment  
1271 against a [licensed real estate broker or real estate salesperson] real  
1272 estate licensee pursuant to an order under subsection (e) of this section,



1273 such [broker or salesperson] real estate licensee shall not be eligible to  
1274 receive a new license until [he] such real estate licensee has repaid in  
1275 full, plus interest at a rate to be determined by the commission and  
1276 which shall reflect current market rates, the amount paid from the fund  
1277 on [his] such real estate licensee's account. A discharge in bankruptcy  
1278 shall not relieve a person from the penalties and disabilities provided in  
1279 this subsection.

1280 Sec. 25. Section 20-324i of the general statutes is repealed and the  
1281 following is substituted in lieu thereof (*Effective April 1, 2024*):

1282 The Commissioner of Consumer Protection, with the advice and  
1283 assistance of the commission, may adopt regulations, in accordance  
1284 with chapter 54, to carry out the provisions of sections 20-324a to [20-  
1285 324j] 20-324h, inclusive, as amended by this act.

1286 Sec. 26. Section 20-325 of the general statutes is repealed and the  
1287 following is substituted in lieu thereof (*Effective April 1, 2024*):

1288 Any person who engages in the real estate business [of a real estate  
1289 broker or real estate salesperson] without obtaining a license as  
1290 provided in this chapter shall be fined not more than one thousand  
1291 dollars per violation or imprisoned not more than six months or both,  
1292 and shall be ineligible to obtain a license for one year from the date of  
1293 conviction of such offense, except that the commission or Commissioner  
1294 of Consumer Protection may grant a license to such person within such  
1295 one-year period upon application and after a hearing on such  
1296 application.

1297 Sec. 27. Subsection (a) of section 20-325a of the general statutes is  
1298 repealed and the following is substituted in lieu thereof (*Effective April*  
1299 *1, 2024*):

1300 (a) [No] Except for an out-of-state real estate licensee who is an  
1301 individual and seeking to recover agreed compensation authorized  
1302 under subsection (e) of section 20-325l, as amended by this act, no  
1303 person who is not licensed under the provisions of this chapter, and who

1304 was not so licensed at the time the person performed the acts or  
1305 rendered the services for which recovery is sought, shall commence or  
1306 bring any action in any court of this state, after October 1, 1971, to  
1307 recover any commission, compensation or other payment with respect  
1308 to any act done or service rendered by the person, the doing or  
1309 rendering of which is prohibited under the provisions of this chapter  
1310 except by persons duly licensed under this chapter.

1311 Sec. 28. Section 20-325c of the general statutes is repealed and the  
1312 following is substituted in lieu thereof (*Effective April 1, 2024*):

1313 [(a) As used in this section "residential real property" means one to  
1314 four-family residential real estate located in this state.]

1315 [(b)] (a) Notwithstanding any provision of the general statutes, [to the  
1316 contrary,] no real estate [broker or real estate salesperson] licensee, other  
1317 than a leasing agent, and no person affiliated with such [broker or  
1318 salesperson] real estate licensee, who receives a fee, commission or other  
1319 valuable consideration for the sale of residential real property, may  
1320 receive a fee, commission or other valuable consideration for  
1321 negotiating, soliciting, arranging, placing or finding a first mortgage  
1322 loan for the buyer in connection with the same sale unless disclosure is  
1323 made in accordance with the provisions of subsection [(c)] (b) of this  
1324 section. Any fee, commission or other valuable consideration received  
1325 by such [broker or salesperson] real estate licensee for negotiating,  
1326 soliciting, arranging, placing or finding a first mortgage loan shall (1) be  
1327 related to the services actually performed, as determined by the Banking  
1328 Commissioner by regulations adopted pursuant to chapter 54, (2) not be  
1329 imposed for the referral of the buyer to the mortgage lender by such  
1330 [broker or salesperson] real estate licensee, and (3) be paid directly to  
1331 [the broker or salesperson] such real estate licensee by the buyer rather  
1332 than from the mortgage loan proceeds at the time of closing.

1333 [(c)] (b) Any disclosure made pursuant to subsection [(b)] (a) of this  
1334 section shall be made to and acknowledged by the buyer prior to the  
1335 time the buyer signs a contract with the real estate [broker or  
1336 salesperson] licensee for mortgage brokering services. Such disclosure

1337 shall include the following notice printed in at least ten-point boldface  
1338 capital letters:

1339 I UNDERSTAND THAT THE REAL ESTATE BROKER OR  
1340 SALESPERSON IN THIS TRANSACTION HAS OFFERED TO ASSIST  
1341 ME IN FINDING A MORTGAGE LOAN. ADDITIONALLY, I  
1342 UNDERSTAND THAT THIS REAL ESTATE BROKER OR  
1343 SALESPERSON DOES NOT REPRESENT ANY PARTICULAR  
1344 MORTGAGE LENDER AND WILL ATTEMPT TO OBTAIN THE BEST  
1345 TERMS AVAILABLE WITHIN THE MORTGAGE LOAN MARKET  
1346 FOR MY SPECIFIC HOME FINANCING NEEDS. IF THE REAL  
1347 ESTATE BROKER OR SALESPERSON DOES NOT FULFILL HIS  
1348 FIDUCIARY OBLIGATION I MAY FILE A COMPLAINT WITH THE  
1349 DEPARTMENT OF BANKING. I ALSO UNDERSTAND THAT I MAY  
1350 ATTEMPT TO FIND A MORTGAGE LOAN TO FINANCE THE  
1351 PURCHASE OF MY HOME WITHOUT THE ASSISTANCE OF THE  
1352 REAL ESTATE BROKER OR SALESPERSON IN WHICH CASE I WILL  
1353 NOT BE OBLIGATED TO PAY A FEE TO THE REAL ESTATE BROKER  
1354 OR SALESPERSON.

1355 [(d)] (c) No mortgage lender may refuse to close a mortgage loan  
1356 secured by residential real property because the buyer has not paid a  
1357 fee, commission or other valuable consideration to a real estate [broker  
1358 or salesperson] licensee for negotiating, soliciting, arranging, placing or  
1359 finding the first mortgage loan.

1360 Sec. 29. Section 20-325d of the general statutes is repealed and the  
1361 following is substituted in lieu thereof (*Effective April 1, 2024*):

1362 (a) [On and after January 1, 2018, a real estate broker or real estate  
1363 salesperson licensed under this chapter] A real estate licensee who  
1364 represents a seller, lessor, prospective purchaser or lessee in a real estate  
1365 transaction shall, upon request, disclose [,] in writing [,] the identity of  
1366 [his or her] the real estate licensee's client to any party to the transaction  
1367 who is not represented by another real estate [broker or real estate  
1368 salesperson licensed under this chapter. The real estate broker or real  
1369 estate salesperson shall make the disclosure required under this section:

1370 (1) If the transaction concerns residential real property, as defined in  
1371 section 20-325c, (A) at the beginning of the first personal meeting  
1372 concerning the prospective purchaser's or lessee's specific needs in the  
1373 transaction, or (B) at the beginning of the first personal meeting with the  
1374 seller or lessor concerning the seller's or lessor's real property; or (2) if  
1375 the transaction is a commercial real estate transaction, as defined in  
1376 section 20-311, before the prospective purchaser or lessee signs the  
1377 purchase contract or lease. Such disclosure shall be signed by a  
1378 prospective purchaser or lessee and attached to any offer or agreement  
1379 to purchase or lease signed by a prospective purchaser or lessee]  
1380 licensee.

1381 (b) Not later than the first personal meeting, a real estate licensee  
1382 shall: (1) Disclose in writing to a prospective party (A) the types of  
1383 agency relationships available to the prospective party, and (B) that the  
1384 prospective party should not share confidential information with the  
1385 real estate licensee until such prospective party has entered into a  
1386 written representation agreement with such real estate licensee; and (2)  
1387 for residential real estate transactions, provide to a prospective party  
1388 information on fair housing discrimination, including a description of  
1389 federal and state fair housing laws, protected classes, where to obtain  
1390 additional information and available resources. The disclosures  
1391 required pursuant to this subsection may be delivered electronically to  
1392 the prospective party.

1393 (c) The Commissioner of Consumer Protection shall adopt such  
1394 regulations, in accordance with chapter 54, as the commissioner deems  
1395 necessary to carry out the provisions of this section.

1396 Sec. 30. Section 20-325f of the general statutes is repealed and the  
1397 following is substituted in lieu thereof (*Effective April 1, 2024*):

1398 No real estate broker shall make any unilateral offer of subagency or  
1399 agree to compensate, appoint, employ, cooperate with or otherwise  
1400 affiliate with a subagent for the sale or purchase of real property.  
1401 [without the informed written consent of the person whom the real  
1402 estate broker represents. Such written consent shall contain the name

1403 and real estate license number of the real estate broker to be appointed  
1404 as the subagent and shall contain a statement notifying the person  
1405 whom the real estate broker represents that the law imposes vicarious  
1406 liability on the principal for the acts of the subagent.]

1407 Sec. 31. Section 20-325h of the general statutes is repealed and the  
1408 following is substituted in lieu thereof (*Effective April 1, 2024*):

1409 [(a)] No real estate licensee shall: (1) Reveal any confidential  
1410 information concerning a prospective party or a person whom the real  
1411 estate licensee represented either as an agent, designated buyer agent or  
1412 [a] designated seller agent; (2) use any confidential information  
1413 concerning [that] such prospective party or person to [the] such  
1414 prospective party's or person's disadvantage; or (3) use any confidential  
1415 information concerning [that] such prospective party or person for [the]  
1416 such real estate [broker's or real estate salesperson's] licensee's  
1417 advantage or the advantage of a third party, except (A) as required by  
1418 legal process, (B) as necessary to defend [the] such real estate [broker or  
1419 real estate salesperson] licensee from allegations of wrongful or  
1420 negligent conduct, or (C) as necessary to prevent the commission of a  
1421 crime.

1422 [(b) As used in this section, "confidential information" means facts  
1423 concerning a person's assets, liabilities, income, expenses, motivations  
1424 to purchase, rent or sell real property and previous offers received or  
1425 made to purchase or lease real property which are not authorized by the  
1426 client, a matter of general knowledge, part of a public record or file to  
1427 which access is authorized pursuant to section 1-210 or otherwise  
1428 subject to disclosure under any other provision of the general statutes  
1429 or any regulation of Connecticut state agencies.]

1430 Sec. 32. Section 20-325l of the general statutes is repealed and the  
1431 following is substituted in lieu thereof (*Effective April 1, 2024*):

1432 [(a) As used in this section: (1) "Licensed broker" means a person  
1433 licensed under this chapter as a real estate broker, (2) "licensed  
1434 salesperson" means a person licensed under this chapter as a real estate

1435 salesperson, (3) "out-of-state broker" means a person licensed in another  
1436 state as a real estate broker who is not licensed as a real estate broker  
1437 under this chapter, (4) "out-of-state salesperson" means a person  
1438 licensed in another state as a real estate salesperson who is not licensed  
1439 as a real estate salesperson under this chapter, (5) "person" means a  
1440 person, as defined in section 20-311, and (6) "advertising" means  
1441 advertising, as defined in section 20-329a.]

1442 [(b)] (a) An out-of-state broker may perform acts with respect to a  
1443 commercial real estate transaction that require a license under this  
1444 chapter, provided the out-of-state broker: [complies with the laws of this  
1445 state with respect to the transaction and:]

1446 (1) Works in cooperation with a licensed broker, whether in a  
1447 cobrokerage, referral or other cooperative agreement or arrangement;

1448 (2) Enters into a written agreement with a licensed broker that  
1449 includes the terms of cooperation and any compensation to be paid by  
1450 the licensed broker and a statement that the out-of-state broker and the  
1451 out-of-state broker's agents will comply with the laws of this state;

1452 (3) Provides the licensed broker a copy of the out-of-state broker's  
1453 license or other proof of licensure from the [jurisdictions] states where  
1454 the out-of-state broker maintains a license as a real estate broker; [and]

1455 (4) Deposits all escrow funds, security deposits, and other money  
1456 received pursuant to the commercial real estate transaction to be held as  
1457 provided in section 20-324k unless the agreement required in  
1458 subdivision (2) of this subsection specifies otherwise; [.]

1459 (5) Complies with the laws of this state with respect to the transaction;  
1460 and

1461 (6) Is credentialled as a real estate broker in another state.

1462 [(c)] (b) An out-of-state salesperson may perform acts with respect to  
1463 a commercial real estate transaction that require a license as a real estate  
1464 salesperson under this chapter, provided the out-of-state salesperson

1465 complies with the laws of this state with respect to the transaction and:

1466 (1) Works under the direct supervision of an out-of-state broker who  
1467 meets the requirements set forth in [subdivision (1)] subdivisions (1), (5)  
1468 and (6) of subsection [(b)] (a) of this section; and

1469 (2) Provides the licensed broker who is working in cooperation with  
1470 the out-of-state broker a copy of the out-of-state salesperson's license or  
1471 other proof of licensure from the [jurisdictions] states where the out-of-  
1472 state salesperson maintains a license as a real estate salesperson.

1473 [(d)] (c) Any out-of-state broker or out-of-state salesperson licensed  
1474 in a state that has no distinction between a real estate broker license and  
1475 a real estate salesperson license shall be subject to the requirements of  
1476 subsection [(b)] (a) of this section with regard to any commercial real  
1477 estate transaction in this state.

1478 [(e)] (d) Each out-of-state broker or out-of-state salesperson that  
1479 advertises for sale commercial real estate pursuant to this section shall  
1480 include in any advertising material the name of the licensed broker with  
1481 whom the out-of-state broker has a written agreement pursuant to  
1482 subdivision (2) of subsection [(b)] (a) of this section. Nothing in this  
1483 section shall permit an out-of-state broker or out-of-state salesperson to  
1484 accompany a prospective buyer at the site of commercial real estate  
1485 pursuant to a real estate transaction in this state.

1486 (e) An out-of-state real estate licensee, other than an out-of-state  
1487 leasing agent, may receive compensation for referring to a real estate  
1488 licensee in this state a prospective party to a real estate transaction in  
1489 this state.

1490 Sec. 33. Section 20-325m of the general statutes is repealed and the  
1491 following is substituted in lieu thereof (*Effective April 1, 2024*):

1492 (a) Any real estate broker licensed under the provisions of this  
1493 chapter who engages in the real estate business [, as defined in section  
1494 20-311,] shall retain the following records for a period of not less than  
1495 seven years after any real estate transaction closes, all funds held in

1496 escrow for such transaction are disbursed or the listing agreement or  
1497 buyer or tenant representation agreement expires, whichever occurs  
1498 later: (1) All purchase contracts, leases, options, written offers or  
1499 counteroffers drafted by such broker or on behalf of such broker; (2) the  
1500 listing agreement or buyer or tenant representation agreement, any  
1501 extensions of or amendments to such agreements and any disclosures  
1502 or agreements required pursuant to sections 20-325a to 20-325l,  
1503 inclusive, as amended by this act; and (3) all canceled checks, unused  
1504 checks, checkbooks and bank statements for any escrow or trust account  
1505 maintained pursuant to section 20-324k. [Such]

1506 (b) Each leasing agent licensed under the provisions of this chapter  
1507 shall retain copies of such leasing agent's employment agreement or  
1508 contract with a development owner for a period of not less than seven  
1509 years.

1510 (c) All records [may] required under subsection (a) or (b) of this  
1511 section shall be retained in [any format, electronic or otherwise,] an  
1512 electronic format that is capable of producing an accurate copy of the  
1513 original documents unless it is commercially impractical for a real estate  
1514 broker or leasing agent to retain such records in such format. If it is  
1515 commercially impractical for a real estate broker or leasing agent to  
1516 retain such records in an electronic format, the real estate broker or  
1517 leasing agent shall retain such records in a paper format that is capable  
1518 of producing an accurate copy [in paper format] of the original  
1519 [document] documents. Each real estate broker or leasing agent shall  
1520 make such records available to the department upon any request made  
1521 by the department for such records.

1522 Sec. 34. Section 20-327c of the general statutes is repealed and the  
1523 following is substituted in lieu thereof (*Effective April 1, 2024*):

1524 (a) On or after January 1, 1996, every agreement to purchase  
1525 residential real estate, for which a written residential condition report  
1526 is, or written residential condition reports are, required pursuant to  
1527 section 20-327b, shall include a requirement that the seller credit the  
1528 purchaser with the sum of five hundred dollars at closing should the



1529 seller fail to furnish the written residential condition report or reports as  
1530 required by sections 20-327b to 20-327e, inclusive.

1531 (b) [(1)] No seller who credits a purchaser pursuant to subsection (a)  
1532 of this section shall, by reason of such credit, be excused from disclosing  
1533 to the purchaser any defect in the residential real estate if such defect:

1534 [(A)] (1) Is subject to disclosure pursuant to section 20-327b;

1535 [(B)] (2) Is within the seller's actual knowledge of such residential real  
1536 estate; and

1537 [(C)] (3) Significantly impairs [(i)] (A) the value of such residential  
1538 real estate, [(ii)] (B) the health or safety of future occupants of such  
1539 residential real estate, or [(iii)] (C) the useful life of such residential real  
1540 estate.

1541 [(2)] (c) A purchaser may, without limiting any other remedies  
1542 available to the purchaser, bring a civil action in the judicial district in  
1543 which the residential real estate is located to recover actual damages  
1544 from a seller who fails to disclose to such purchaser any defect described  
1545 in [subdivision (1) of this subsection to such purchaser] subsection (b)  
1546 of this section.

1547 Sec. 35. Subsections (a) and (b) of section 20-327f of the general  
1548 statutes are repealed and the following is substituted in lieu thereof  
1549 (*Effective April 1, 2024*):

1550 (a) With respect to a contract for the sale of [a one-to-four family]  
1551 residential real property, if the seller provides written notice to the  
1552 purchaser, prior to, or upon, entering into the contract, of the availability  
1553 of the lists of hazardous waste facilities pursuant to section 22a-134f, the  
1554 seller and any real estate licensee shall be deemed to have fully satisfied  
1555 any duty to disclose the presence of all hazardous waste facilities, as  
1556 defined in section 22a-134f even if: (1) The list required to be submitted  
1557 pursuant to section 22a-134f has not been submitted, (2) the list has not  
1558 been received or made available as required in section 22a-134f, or (3)  
1559 there is an error, omission or inaccuracy in the list.

1560 (b) With respect to a contract for the sale of [a one-to-four family]  
1561 residential real property, if the seller provides written notice to the  
1562 purchaser, prior to, or upon, entering into the contract, of the availability  
1563 of information concerning environmental matters from the United  
1564 States Environmental Protection Agency, the National Response Center,  
1565 the United States Department of Defense and third-party providers, the  
1566 seller and any real estate licensee shall be deemed to have fully satisfied  
1567 any duty to disclose environmental matters concerning properties other  
1568 than the property that is the subject of the contract.

1569 Sec. 36. Subsection (a) of section 20-327g of the general statutes is  
1570 repealed and the following is substituted in lieu thereof (*Effective April*  
1571 *1, 2024*):

1572 (a) With respect to a contract for the sale of [a one-to-four family]  
1573 residential real property, if the seller provides written notice to the  
1574 purchaser, prior to, or upon, entering into the contract, that a list of local  
1575 properties upon which hunting or shooting sports regularly take place  
1576 may be available at the office of the town clerk, the seller and any real  
1577 estate licensee shall be deemed to have fully satisfied any duty to  
1578 disclose the presence of local properties upon which hunting or  
1579 shooting sports regularly take place, even if (1) the list is not available  
1580 at the office of the town clerk, or (2) there is an error, omission or  
1581 inaccuracy in the list.

1582 Sec. 37. Subsection (b) of section 20-327h of the general statutes is  
1583 repealed and the following is substituted in lieu thereof (*Effective April*  
1584 *1, 2024*):

1585 (b) Commencing sixty days after the date on which the Commission  
1586 on Human Rights and Opportunities makes a disclosure form available  
1587 pursuant to subsection (a) of this section, each person who offers a  
1588 residential real property [containing two or more units] in the state for  
1589 sale, exchange or for lease with option to buy shall attach a photocopy,  
1590 duplicate original, facsimile transmission or other exact reproduction or  
1591 duplicate of such disclosure form, signed by the prospective purchaser,  
1592 to any purchase agreement, option or lease containing a purchase

1593 option, at the time of closing.

1594 Sec. 38. Section 20-328 of the general statutes is repealed and the  
1595 following is substituted in lieu thereof (*Effective April 1, 2024*):

1596 The Commissioner of Consumer Protection, with advice and  
1597 assistance from the commission, may adopt regulations, in accordance  
1598 with chapter 54, relating to the form and manner of filing applications  
1599 for licenses under this chapter and the manner in which [licensed real  
1600 estate brokers and licensed real estate salespersons] real estate licensees  
1601 shall conduct the real estate business.

1602 Sec. 39. Section 20-329 of the general statutes is repealed and the  
1603 following is substituted in lieu thereof (*Effective April 1, 2024*):

1604 The provisions of this chapter concerning the licensure of real estate  
1605 [brokers and real estate salespersons] licensees shall not apply to: (1)  
1606 Any person who as owner or lessor performs any of the acts enumerated  
1607 in section 20-311, as amended by this act, with reference to property  
1608 owned, leased or sought to be acquired or leased by the person, or to the  
1609 person's regular employees who live at such property and are employed  
1610 as on-site residential superintendents, janitors or custodians, with  
1611 respect to the property so owned or leased or sought to be acquired or  
1612 leased when such acts are performed in the regular course of, or incident  
1613 to, the management of such property and the investment therein; (2) any  
1614 person acting as attorney-in-fact under a duly executed power of  
1615 attorney from the owner authorizing the final consummation by  
1616 performance of any contract for the sale, leasing or exchange of real  
1617 estate, or to service rendered by any attorney-at-law in the performance  
1618 of the attorney-at-law's duties as such attorney-at-law; (3) a receiver,  
1619 trustee in bankruptcy, administrator, executor or other fiduciary, while  
1620 acting as such, or any person selling real estate under order of any court,  
1621 or to a trustee acting under a trust agreement, deed of trust or will, or  
1622 the regular salaried employees thereof; (4) witnesses in court as to the  
1623 values of real estate; (5) persons in the employ of the federal or state  
1624 government or any political subdivision thereof while acting in the  
1625 course of such employment; (6) any employee of any nonprofit housing

1626 corporation that (A) has been certified as a tax-exempt organization  
1627 under Section 501(c)(3) of the Internal Revenue Code of 1986, or any  
1628 subsequent corresponding internal revenue code of the United States,  
1629 as from time to time amended, and manages a housing project, or (B)  
1630 manages a housing project assisted in whole or in part by the federal  
1631 government pursuant to Section 8 of The United States Housing Act of  
1632 1937, as amended from time to time, while such employee is performing  
1633 duties in the regular course of, or incidental to, the management of such  
1634 housing project; (7) any person licensed to maintain or operate a mobile  
1635 manufactured home park under chapter 412 who performs any of the  
1636 acts enumerated in section 20-311, as amended by this act, with  
1637 reference to lots or mobile manufactured homes within the park or to  
1638 the person's employees with respect to lots or mobile manufactured  
1639 homes within such park when such acts are performed in the regular  
1640 course of, or incidental to, the management of such property and the  
1641 investment therein; (8) persons licensed as sellers of mobile  
1642 manufactured homes under section 21-67; [or] (9) any person or such  
1643 person's regular employee who, as owner, lessor, licensor, manager,  
1644 representative or agent manages, leases, or licenses space on or in a  
1645 tower, building or other structure for (A) "personal wireless services  
1646 facilities" or facilities for "private mobile service" as those terms are  
1647 defined in 47 USC 332, which facilities shall be unattended, and the  
1648 installation and maintenance of related devices authorized by the  
1649 Federal Communications Commission, and ancillary equipment used to  
1650 operate such devices and equipment shelters therefor, in an area not to  
1651 exceed three hundred sixty square feet for any one service established  
1652 by the Federal Communications Commission in 47 CFR, as amended  
1653 from time to time, by a provider of any such service, and (B) any right  
1654 appropriate to access such facilities and connect or use utilities in  
1655 connection with such facilities; and (10) any person who is employed by  
1656 a broker to perform clerical services, which person shall not negotiate  
1657 the terms of an agreement, list a property unless on behalf of a real estate  
1658 licensee, open or be listed as a signatory on a broker's escrow or trust  
1659 account or sell, buy or lease real property for another person for  
1660 compensation.

1661 Sec. 40. Section 20-329a of the general statutes is repealed and the  
1662 following is substituted in lieu thereof (*Effective April 1, 2024*):

1663 As used in this section and sections [20-329a] 20-329b to 20-329n,  
1664 inclusive, as amended by this act:

1665 (1) "Disposition" or "dispose of" means any sale, exchange, lease,  
1666 assignment, award by lottery or other transaction designed to convey  
1667 an interest in a subdivision or parcel, lot, or unit in a subdivision when  
1668 undertaken for gain or profit;

1669 (2) "Offer" means every inducement, solicitation or attempt to bring  
1670 about a disposition;

1671 (3) "Person" means an individual, firm, company, association,  
1672 corporation, limited liability company, government or governmental  
1673 subdivision or agency, business trust, estate, trust, partnership,  
1674 unincorporated association or organization, two or more of any of the  
1675 foregoing having a joint or common interest, or any other legal or  
1676 commercial entity;

1677 (4) "Broker" means a resident real estate broker duly licensed under  
1678 this chapter;

1679 (5) "Salesperson" means any person duly licensed as a real estate  
1680 salesperson under this chapter;

1681 (6) "Purchaser" means a person who acquires an interest in any lot,  
1682 parcel or unit in a subdivision; and

1683 (7) "Subdivision" means any improved or unimproved land or tract  
1684 of land located outside this state which is divided or proposed to be  
1685 divided into five or more lots, parcels, units, or interests for the purpose  
1686 of disposition, at any time as part of a common promotional plan. Any  
1687 land which is under common ownership or which is controlled by a  
1688 single developer or a group of developers acting in concert, is  
1689 contiguous in area, and is designated or advertised as a common unit or  
1690 known by a common name, shall be presumed, without regard to the

1691 number of lots, parcels, units or interests covered by each individual  
1692 offering, to be part of a common promotional plan. [; and]

1693 [(8) "Advertising" means publishing or causing to be published: (A)  
1694 By means of any newspaper or periodical; (B) by means of any radio or  
1695 television broadcast; (C) by means of any written or printed or  
1696 photographic matter produced by any duplicating process producing  
1697 ten copies or more, any information offering for sale or for the purpose  
1698 of causing or inducing any other person to purchase or to acquire an  
1699 interest in the title to subdivided lands, including the land sales contract  
1700 to be used and any photographs or drawings or artist's representations  
1701 of physical conditions or facilities on the property existing or to exist; or  
1702 (D) by means of any material used in connection with the disposition or  
1703 offer of subdivided lands by radio, television, telephone or any other  
1704 electronic means. "Advertising" does not include: Stockholder  
1705 communications such as annual reports and interim financial reports,  
1706 proxy materials, registration statements, securities prospectuses,  
1707 applications for listing securities on stock exchanges, and the like;  
1708 prospectuses, property reports, offering statements or other documents  
1709 required to be delivered to prospective purchasers by an agency of any  
1710 other state or the federal government; all communications addressed to  
1711 and relating to the account of any persons who have previously  
1712 executed a contract for the purchase of the subdivider's lands except  
1713 where directed to the sale of additional lands; or press releases or other  
1714 communications delivered to newspapers or other periodicals for  
1715 general information or public relations purposes, provided no charge is  
1716 made by such newspapers or other periodicals for the publication or use  
1717 of any part of such communications.]

1718 Sec. 41. Section 20-329n of the general statutes is repealed and the  
1719 following is substituted in lieu thereof (*Effective April 1, 2024*):

1720 All moneys paid or advanced by a purchaser or lessee or prospective  
1721 purchaser or prospective lessee for any lot, parcel, unit or interest in any  
1722 subdivision, the disposition of which is controlled by sections 20-329a,  
1723 as amended by this act, 20-329b, 20-329d, 20-329e, 20-329f [;] and 20-

1724 329h, [and 20-329i,] or such portion of such moneys as the commission  
1725 may determine is sufficient for the protection of the interests of such  
1726 purchaser or lessee shall be deposited by the seller or lessor in an escrow  
1727 account, approved by the commission, in a bank doing business in this  
1728 state. Such money shall remain in such escrow account until (1) a proper  
1729 and valid release is obtained for such money, (2) the owner or  
1730 subdivider or the purchaser or lessee has defaulted under their contract  
1731 for sale or lease and the commission or a court has made a determination  
1732 as to the disposition of such money, or (3) the owner or subdivider or  
1733 the seller or lessor orders the return of such money to such purchaser or  
1734 lessee.

1735 Sec. 42. Subsection (c) of section 47-90a of the general statutes is  
1736 repealed and the following is substituted in lieu thereof (*Effective April*  
1737 *1, 2024*):

1738 (c) Every person who directly or indirectly controls a declarant liable  
1739 under subsection (a) of this section, every general partner, officer or  
1740 director of a declarant and every person occupying a similar status or  
1741 performing a similar function, every employee of the declarant who  
1742 materially aids in the disposition, and every agent who materially aids  
1743 in the disposition is also liable jointly and severally with and to the same  
1744 extent as the declarant, provided the plaintiff sustains the burden of  
1745 proof that such person knew or, in the exercise of reasonable care  
1746 expected by such persons in the reasonable exercise of their duties,  
1747 should have known of the existence of the facts by reason of which the  
1748 liability is alleged to exist. There is a right to contribution in cases of  
1749 contract among persons so liable. No person shall be liable under this  
1750 section whose relationship to the declarant or other person consists  
1751 solely of rendering professional and other customary services,  
1752 including, but not limited to: (1) An attorney-at-law, architect, land  
1753 surveyor or engineer; (2) a lending institution which is not a declarant  
1754 whose relationship to the declarant consists solely of rendering  
1755 customary banking services and holding a mortgage on all or a portion  
1756 of the condominium which mortgage, or agreements or instruments  
1757 relating thereto, may contain mutual covenants and agreements

1758 concerning the approval of the condominium instruments and  
 1759 amendments thereto, and regulates the activity of the declarant under  
 1760 the condominium instruments or an officer, director or employee of  
 1761 such lending institution; (3) a real estate broker or salesman whose  
 1762 relationship to the declarant consists solely of [rendering services  
 1763 described in subdivision (6) of] engaging in the real estate business, as  
 1764 defined in section 20-311, as amended by this act, and other customary  
 1765 services; or (4) a person whose sole involvement in the disposition of a  
 1766 condominium unit occurs subsequent to the date of the act or omission  
 1767 out of which any liability under subsection (a) of this section arises.

1768 Sec. 43. Subsection (a) of section 47-42f of the general statutes is  
 1769 repealed and the following is substituted in lieu thereof (*Effective April*  
 1770 *1, 2024*):

1771 (a) As used in this section: (1) "Residential real property" has the same  
 1772 meaning as provided in section [20-325c] 20-311, as amended by this act,  
 1773 but does not include property owned by the state or any political  
 1774 subdivision thereof; (2) "benefited property" or "property that benefits"  
 1775 includes residential real property burdened by an easement or right-of-  
 1776 way, the owner of which residential real property uses such easement  
 1777 or right-of-way; and (3) "easement" or "right-of-way" means a private  
 1778 appurtenant easement or right-of-way.

1779 Sec. 44. Sections 20-329i and 20-324j of the general statutes are  
 1780 repealed. (*Effective April 1, 2024*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>April 1, 2024</i>	20-311
Sec. 2	<i>April 1, 2024</i>	New section
Sec. 3	<i>April 1, 2024</i>	New section
Sec. 4	<i>April 1, 2024</i>	New section
Sec. 5	<i>April 1, 2024</i>	New section
Sec. 6	<i>April 1, 2024</i>	New section
Sec. 7	<i>April 1, 2024</i>	New section
Sec. 8	<i>April 1, 2024</i>	20-311b



Sec. 9	April 1, 2024	20-312
Sec. 10	April 1, 2024	20-312b
Sec. 11	April 1, 2024	20-314
Sec. 12	April 1, 2024	20-314a
Sec. 13	April 1, 2024	20-316(b) and (c)
Sec. 14	April 1, 2024	20-317
Sec. 15	April 1, 2024	20-319
Sec. 16	April 1, 2024	20-319a
Sec. 17	April 1, 2024	20-320
Sec. 18	April 1, 2024	20-320a
Sec. 19	April 1, 2024	20-320b(a)
Sec. 20	April 1, 2024	20-323
Sec. 21	April 1, 2024	20-324a
Sec. 22	April 1, 2024	20-324b
Sec. 23	April 1, 2024	20-324d
Sec. 24	April 1, 2024	20-324e(a) to (f)
Sec. 25	April 1, 2024	20-324i
Sec. 26	April 1, 2024	20-325
Sec. 27	April 1, 2024	20-325a(a)
Sec. 28	April 1, 2024	20-325c
Sec. 29	April 1, 2024	20-325d
Sec. 30	April 1, 2024	20-325f
Sec. 31	April 1, 2024	20-325h
Sec. 32	April 1, 2024	20-325l
Sec. 33	April 1, 2024	20-325m
Sec. 34	April 1, 2024	20-327c
Sec. 35	April 1, 2024	20-327f(a) and (b)
Sec. 36	April 1, 2024	20-327g(a)
Sec. 37	April 1, 2024	20-327h(b)
Sec. 38	April 1, 2024	20-328
Sec. 39	April 1, 2024	20-329
Sec. 40	April 1, 2024	20-329a
Sec. 41	April 1, 2024	20-329n
Sec. 42	April 1, 2024	47-90a(c)
Sec. 43	April 1, 2024	47-42f(a)
Sec. 44	April 1, 2024	Repealer section

**Statement of Legislative Commissioners:**

In Section 1(11), "individual real estate broker who is responsible" was changed to "individual broker responsible" for conciseness; Section 1(23)(B) was divided into clauses for clarity; in Section 7(a), "broker" was

changed to "broker's" for clarity; in Section 25, "this section and" was deleted for accuracy; and in Section 28(a), "to the contrary" was bracketed for consistency with standard drafting conventions.

**GL**      *Joint Favorable Subst.*

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:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below
Consumer Protection, Dept.	Real Estate Guaranty Fund - Potential Revenue Gain	See Below	See Below

Note: Various=Various; GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill makes various changes regarding real estate regulation resulting in the potential revenue gains described below.

**Section 3** requires real estate schools to register with the Department of Consumer Protection (DCP) resulting in a potential revenue gain to the extent these registrations are applied for. The registration has a biennial fee of \$100.

**Section 4** requires real estate schools to register each course with DCP resulting in a potential revenue gain to the extent these registrations are applied for. The fee to register a course is \$50 and the registration expires after five years.

**Section 9** increases the maximum fine the Real Estate Commission may impose from \$1,000 to \$5,000 resulting in a potential revenue gain to the state to the extent violations occur and the fine being levied is over \$1,000.

**Section 11** requires leasing agents to be licensed resulting in a potential revenue gain to the General Fund and the Real Estate Guaranty Fund to the extent licenses are applied for.<sup>1</sup> The biennial fee for a leasing agent license is \$570. This section also requires an exam application fee of \$80 resulting in a potential revenue gain to the extent applications are submitted.

**Section 15** establishes fines for real estate licensees who fail to meet the continuing education requirements resulting in a potential revenue gain to the state to the extent these fines are levied.

**Section 16** requires an associate broker or leasing agent who transfer their affiliation with a supervising licensee to pay a \$25 fee resulting in a potential revenue gain to the state to the extent this occurs.

**Section 17** raises the maximum fine from \$2,000 to \$5,000 for violations resulting in a potential revenue gain to the state to the extent violations occur and the fine being levied is over \$2,000.

The bill also makes various changes to real estate regulation resulting in no fiscal impact to the state or municipalities.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of registrations and licenses applied for and the number of violations.

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<sup>1</sup> Six dollars from each renewal goes to the Real Estate Guaranty Fund. Leasing agents are also required to make a \$20 initial license contribution to this Fund.

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**OLR Bill Analysis****sHB 6769****AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING REAL ESTATE LICENSING AND ENFORCEMENT.**

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Makes licenses biennial and adjusts fees accordingly; imposes fines for failure to complete continuing education requirements on time;

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modifies the deadlines and process for seeking reinstatement; clarifies the appeals process for license denials

§ 29 — DISCLOSURES TO OTHER PARTY AND PROSPECTIVE PARTIES

Simplifies requirements for licensees' disclosure of their clients' identity; requires additional disclosures to prospective parties (e.g., concerning agency relationship and fair housing)

§ 31 — PROSPECTIVE PARTIES' CONFIDENTIAL INFORMATION

Expands existing law by prohibiting real estate licensees from misusing confidential information to include information on prospective parties

BACKGROUND

**SUMMARY**

This bill makes various changes to the laws governing real estate business, including the laws on credentialing and the Department of Consumer Protection (DCP) commissioner's authority and oversight.

With regard to real estate credentials, the bill (1) creates a new credential for residential leasing agents and deems these licensees, along with brokers and salespeople, "real estate licensees"; (2) clarifies that an associate broker may work for another broker in a capacity that is similar to that of a real estate salesperson; and (3) codifies a registration process for schools offering prelicensure and continuing education courses. For DCP-issued real estate licenses, the bill makes them biennial, rather than annual, licenses and allows for license reinstatement within three, rather than two, years of expiration. It adds provisions applicable to all licensees on their duty to disclose or keep confidential certain information. It also creates a process for transitioning or wrapping up a brokerage business in the event of a broker's death or incapacity.

The bill also makes many minor and technical changes to the real estate licensing laws (i.e., chapter 392) to clarify existing requirements for real estate licensees or conform to current practice. Among other

minor changes, the bill:

1. updates the definition of “advertising” used in the laws on real estate (i.e., chapter 392) to reflect the trend away from print advertising to online and electronic advertising (§§ 1, 32 & 40);
2. clarifies that when the real estate licensing laws refer to a “one-to-four-family” property the reference includes (a) a cooperative or condominium with up to four units and (b) an individual unit in a multiunit development (§§ 1 & 35-36);
3. specifically permits a real estate team to transfer the team’s registration from one supervising licensee (broker) to another without applying for a new team registration (§ 9);
4. requires, when a team transfers to a new supervising licensee, the new supervising licensee to electronically update the team’s registration information with DCP within 14 days (§ 16);
5. eliminates a requirement in the real estate license reciprocity law granting reciprocity to out-of-state credentialed applicants only if the other state grants reciprocity to Connecticut licensees (§ 14);
6. eliminates a provision requiring applicants for a reciprocal license to consent to receiving service of process through the Connecticut Real Estate Commission (§ 14);
7. allows a Connecticut-licensed broker, salesperson, or leasing agent to compensate an out-of-state broker or salesperson (but not an out-of-state leasing agent) for referring a prospective party to a real estate transaction in Connecticut (§§ 27 & 32);
8. prohibits brokers from making unilateral offers of subagency or otherwise affiliating with a subagent, consistent with the current practice (§ 30);
9. unless it is commercially impractical, requires brokers to keep documents (e.g., purchase contracts, leases, options) in an

- electronic format, rather than allowing them to use any format to comply with the law's records retention requirements (§ 33);
10. requires the provision of a one-page disclosure on housing discrimination and federal and state fair housing laws at the closing for any residential property, not just closings for properties with at least two units (§ 37);
  11. clarifies the law stipulating who is exempt from real estate licensing laws, including specifying a broker's clerical staff is exempt (§ 39); and
  12. repeals an obsolete conflict of interest provision (§ 44).

Regarding enforcement powers, the bill clarifies that DCP has broad authority to investigate real estate licensees and others engaged in the real estate business and allows DCP or the Real Estate Commission to impose fines of up to \$5,000 per violation. Under current law, the cap is \$2,000, except first violations of the law on illegal referral fees is currently capped at \$1,000 (§§ 17 & 18). The bill similarly raises the cap, from \$1,000 to \$5,000 on fines imposed by the Real Estate Commission on people engaging in real estate business without the required license (§ 9). By law, failure to get a required real estate license may result in up to six months imprisonment. The bill extends this consequence to people engaged in leasing activities without the required leasing agent license the bill establishes (§ 26). And lastly, the bill sets fines for licensees who fail to complete required continuing education coursework on time (§ 15).

EFFECTIVE DATE: April 1, 2024

## **§ 2 & 16 — SUPERVISING BROKERS' RELATIONSHIP WITH ASSOCIATE BROKERS**

*Clarifies that an associate broker may work for another broker ("supervising licensee") in a capacity that is similar to a real estate salesperson, which is consistent with current practice*

The bill clarifies the relationship between supervising brokers (formerly called "sponsoring brokers") and associate brokers. The bill



prohibits associate brokers from practicing real estate unless the supervising licensee responsible for controlling and supervising the associate broker knows that the latter is engaging in real estate business and has consented to it.

Under the bill, a “supervising licensee” is the real estate broker who is responsible for controlling and supervising another real estate licensee (broker, salesperson, or leasing agent) or a team of them (i.e., a group that advertises using a team name and is affiliated with a single supervising licensee). An “associate broker” is a broker affiliated with a supervising licensee in an employee or independent contractor capacity with authority to engage in real estate business on the supervising licensee’s behalf. The bill requires supervising licensees to bear responsibility for associate brokers’ actions in the same way they would for affiliated salespeople.

When an associate broker’s affiliation ends, he or she must notify DCP by the earlier of 14 days after the (1) termination or (2) start of an affiliation with another supervising licensee. As is the case for salespeople under existing law, the bill requires associate brokers who transfer their affiliation to a different broker to register the transfer with DCP, at a cost of \$25.

The bill specifies that associate brokers must comply with the same advertising standards required of other real estate brokers and specifically requires them to include the name of the supervising licensee in a prominent location in all their advertisements.

### **§§ 3-4, 12 & 17 — REAL ESTATE EDUCATION PROGRAMS**

*Generally replaces regulatory requirements on prelicensing and continuing education courses with similar statutory ones*

The bill creates a statutory scheme setting requirements for schools that offer real estate prelicensing or continuing education courses, which are generally similar to current regulatory requirements related to (1) DCP-registration, (2) course offering approvals, and (3) instructor qualifications.

It correspondingly eliminates a requirement that the DCP commissioner adopt regulations on approval of continuing education schools, but continues to allow the commissioner, in consultation with the Real Estate Commission, to adopt regulations on prelicensing or continuing education school approval, advertising, and course offerings.

***DCP Registration***

The bill requires all schools that offer prelicensing or continuing education courses to register with the department biennially, in a form and manner prescribed by the DCP commissioner. The registration fee is \$100 biennially. The form must include an attestation that (1) all courses it offers comply with the applicable requirements (including being individually registered, as the bill requires) and (2) the instructors teaching courses at the school meet the bill's prescribed qualifications.

The bill prohibits DCP from disapproving schools or courses just because courses are taught by electronic means.

The bill subjects real estate school registrants to DCP or the Real Estate Commission's authority under existing law to investigate registrants, temporarily suspend or permanently revoke a registration, and fine violators of real estate credentialing laws up to \$5,000 per violation.

***Instructors***

Under the bill, an instructor must have:

1. at least five years of experience as a practicing real estate licensee;
2. expertise, or a professional designation from an institute or society in the field in which the instructor teaches; or
3. (a) experience teaching a course in a formal education program or (b) attended an accredited college or university extension instructors' seminar.

If teaching a collegiate level course that is part of a degree program,

the instructor must have (1) teaching experience and a master's degree in an appropriate field or (2) another combination of qualifications that the Real Estate Commission approves.

### ***Course Registration***

Under the bill, each prelicensing or continuing education course a school offers must be registered with DCP. Only registered and approved courses count toward licensing or continuing education requirements. The cost to register each course is \$50 and registrations are valid for five years. The school must submit to DCP an application, in a format the department specifies, that includes:

1. an outline of the course content detailing its duration and the amount of time spent on each subject covered;
2. the course instructor's name and contact information;
3. a copy of the certificate that will be issued to students upon completion or, if the school offers more than one course, the DCP-approved template course completion certificate;
4. the cancellation and refund policy;
5. an attestation that the course meets all legal requirements; and
6. if the course is provided in-person, the location.

For prelicensing courses, content must be delivered on an in-person basis or through electronic means incorporating a live online format. If a prelicensing or continuing education course is offered by electronic means that do not allow for real-time audio communication between the instructor and students, the school must include in the course periodic interactive assessments to confirm each student's level of comprehension and engagement.

For continuing education courses, the content does not need to be delivered live, but the course must be delivered in a way that prevents students from finishing it in less time than the duration specified in the

application. The following meet this requirement:

1. offering a live online course format using telecommunications technology that allows for real-time audio communication between the instructor and students, or
2. using technology that prohibits a student from completing the course in less time than the total course duration specified in the application the school filed with DCP.

## **§ 5 — ACKNOWLEDGEMENT OF INTERPRETER SERVICES**

*Requires parties to a real estate transaction or negotiation to sign a form that specifically acknowledges that a language interpreter's services were used*

### ***Form When Third Party Serves as Interpreter***

Under the bill, if a buyer or renter uses an interpreter (other than the real estate licensee or their employee) for a real estate transaction or negotiation, the real estate licensee must give the buyer or renter and the interpreter a form containing certain language, and have them sign it. The language must read as follows:

I, (name of buyer or renter), used (name of interpreter) to act as my interpreter during this real estate transaction or these negotiations. The obligations of this contract or other written agreement were explained to me in my native language by the interpreter. I understand the contract or other written agreement.

(signature of buyer or renter)

(relationship of interpreter to buyer or renter)

I, (name of interpreter), acted as interpreter during this real estate transaction or these negotiations. The obligations of the contract or other written agreement were explained to (name of buyer or renter) in their native language. I understand the contract or other written agreement.

(signature of interpreter)

(relationship of interpreter to buyer or renter).

### **Form When Real Estate Licensee Acts as Interpreter**

If a real estate licensee acts as an interpreter for a buyer or renter while also engaging in a real estate transaction, the bill requires the real estate licensee to get the buyer or renter's signature on a form the licensee must provide containing the following language written in the buyer or renter's native language:

This real estate transaction or these negotiations were conducted in (buyer's or renter's native language), which is my native language. I voluntarily choose to have the Real Estate (Broker/Salesperson/Leasing Agent) act as my interpreter during the negotiations. The obligations of the contract or other written agreement were explained to me in my native language. I understand the contract or other written agreement.

If the buyer's or renter's native language cannot be reduced to writing, the form must be in English.

## **§ 6 — WRAPPING UP OR TRANSITIONING BROKERAGE BUSINESS**

*Establishes a process for a brokerage business to wrap up or transition under the oversight of a custodial broker in the event of a broker's death or incapacitation*

Under the bill, if a broker dies or is mentally or physically incapacitated and unable to serve as a broker, the executor of his or her estate (or another legally authorized person) may apply to DCP requesting the appointment of a custodial broker. If DCP approves the application, it must appoint a custodial broker to serve a maximum 180-day term, unless DCP extends it after receiving a hardship application. Under the bill, a "custodial broker" is a licensed broker who is temporarily appointed just to:

1. conclude the deceased or incapacitated broker's real estate business matters or transition them to another broker; or
2. assist in transitioning the broker's ownership interest in a business entity engaged in real estate to comply with the law's

requirements for broker businesses (e.g., ownership and control requirements).

Custodial brokers must preserve the financial interests of the deceased or incapacitated real estate broker or the estate of the deceased real estate broker. They cannot negotiate the purchase, sale, or lease of real estate on behalf of the deceased or incapacitated broker unless:

1. the prospective purchaser, seller, lessor, or lessee entered into a preexisting buyer agreement, listing agreement, or leasing agreement with the deceased or incapacitated broker; and
2. the prospective purchaser or lessor has executed a contract or paid a deposit to a seller or lessee to reserve a right to purchase or lease.

### ***Associates and Team Members***

The bill prohibits salespeople and team members from ~~from~~ engaging in real estate business while the broker serving as their supervising licensee is deceased or incapacitated unless a custodial broker has been appointed.

### ***Serving as the Designated Broker***

If a business entity's designated broker (i.e., the person with the power to supervise and control a broker business entity) is deceased or incapacitated, the business entity cannot conduct real estate transactions unless a custodial broker has been appointed.

If a custodial broker is appointed to serve as the business entity's designated broker, the business entity may engage in real estate transactions to the same extent that it would if the designated broker was not a custodial broker.

## **§§ 7, 9-11, 14-24, 33 & 38 — CREATION OF REAL ESTATE LEASING AGENT CREDENTIAL**

*Creates a new leasing agent license and outlines residential real estate activities a leasing agent is permitted to engage in and under whose affiliation*

The bill creates a new real estate license for leasing agents operating

in residential developments.

### ***Scope of Work and Employment***

Under the bill, a “leasing agent” is someone who acts as agent for a principal for a commission, fee, or other valuable consideration and engages in residential leasing or renting activity (e.g., collecting security deposits, offering or negotiating a rental, or collecting rent). The bill specifies that leasing agents cannot engage in any activity that requires a broker or real estate salesperson’s license, including (1) selling, offering, listing, negotiating, referring, or showing for sale; (2) entering into lease-to-own agreements; or (3) leasing commercial real estate.

Leasing agents must only work for and be employed by a development owner who, under the bill, is (1) the owner of record of a multiunit development in which units are offered for lease or (2) the parent company holding a 100% interest in the owner of record. “Multiunit developments” are residential properties with at least 50 units that are rentals. Leasing agents must have a written contract before engaging in leasing activity for a development. Contracts must be maintained for at least seven years and provided in electronic form to DCP upon request.

When a leasing agent’s affiliation ends, he or she must notify DCP within 14 days after the (1) termination or (2) start of an affiliation with another development owner, whichever occurs first.

### ***Licensure***

The leasing agent exam application fee is \$80. The exam must be prepared by DCP or by a national testing service it designates. If the applicant takes a national testing service exam, there may be an additional fee. The DCP commissioner must adopt regulations on what qualifies as a passing score.

The bill specifies that before a leasing agent sits for an exam, he or she must prove to the DCP commissioner’s satisfaction that he or she has:

1. successfully completed an approved course or courses, totaling

at least 20 classroom hours, and including training on fair housing law, landlord tenant law, and security deposit management; or

2. equivalent experience or education as determined adequate by the Real Estate Commission or DCP commissioner.

Under the bill, a leasing agent applicant must have a good reputation for honesty, truthfulness, and fair dealing, as is the case under existing law for other licensees.

The initial biennial license fee and biennial renewal fee for a leasing agent is \$570. \$6 from each renewal goes to the Real Estate Guaranty Fund (see below). Under the bill, a leasing agent must complete at least four hours of continuing education during the two-year period that begins 27 months before the license's renewal date and ending three months before the renewal date. At least one hour of it must address fair housing law. The biennial continuing education processing fee is \$8.

The bill authorizes the DCP commissioner to adopt regulations on the application process for a leasing agent license and the occupation generally.

### ***First Contribution to Real Estate Guaranty Fund***

The bill subjects leasing agents to the guaranty fund law, including requiring applicants seeking a leasing agent license to make a \$20 contribution to the fund and allowing people aggrieved by an agent's actions to apply for compensation from it. If the fund compensates a consumer, the leasing agent is ineligible to receive a new license until any payout, plus interest, is reimbursed.

The Real Estate Guaranty Fund, administered by DCP, can reimburse consumers up to \$25,000 if they suffer financial losses in unscrupulous real estate transactions.

### ***Treated as Other Real Estate Licensees***

The bill generally extends to leasing agents provisions in existing law



that apply to real estate brokers and salespeople, including provisions that:

1. allow the employer (i.e., development owner) to enter into a written contract with them specifying that the agent is an independent contractor for purposes of the workers' compensation law (§ 10);
2. allow leasing agents credentialed in another state to get a reciprocal license in Connecticut, under specified circumstances (§ 14);
3. concern license renewals and reinstatements, as modified by the bill (see "RENEWALS, REINSTATEMENT, AND APPEALS" below);
4. allow DCP and the Real Estate Commission to investigate licensees, temporarily suspend or permanently revoke a license, and fine violators of real estate licensing laws up to \$5,000 per violation (cap raised to this amount by the bill, see § 17);
5. as is the case for salespeople under existing law, require leasing agents who transfer their affiliation to a different property owner to register the transfer with DCP, at a cost of \$25 (§ 16);
6. prohibit influencing appraisals (§ 19); and
7. prohibit revealing or misusing confidential information about a prospective or former client (§ 31).

## **§§ 11 & 15 — RENEWALS, REINSTATEMENT, AND APPEALS**

*Makes licenses biennial and adjusts fees accordingly; imposes fines for failure to complete continuing education requirements on time; modifies the deadlines and process for seeking reinstatement; clarifies the appeals process for license denials*

### **Biennial Licenses**

The bill makes broker and salesperson licenses biennially, rather than annually, renewable. It also makes the new leasing agent license biennially renewable. It correspondingly increases the:

1. initial license fee for brokers from \$565 to \$1,130;
2. renewal fee for brokers from \$375 annually to \$750 biennially;
3. initial license fee (and identical renewal fee) for salespeople from \$285 to \$570;
4. continuing education processing fee from \$4 annually to \$8 biennially; and
5. amount of each real estate license renewal fee that goes to the Real Estate Guaranty Fund from \$3 to \$6.

### ***Late Renewal and Reinstatement***

Under the bill, if a renewal application is submitted within 90 days of the credential's expiration, the applicant does not have to apply for reinstatement. But the applicant may be subject to the statutory late fee (10% of the renewal fee, but not less than \$10 or more than \$100) (CGS § 21a-4(c)).

Under the bill, if more than 90 days elapse, but fewer than three years, an application for reinstatement is required. Under current law, reinstatement may be sought only within two years from the license's expiration. As under existing law, reinstatement is discretionary.

Under the bill, reinstatement requirements vary depending on whether the person worked in the field without a required license. The bill applies the same fee structure that already applies to reinstatements, but adds requirements for continuing education. So, under the bill:

1. if the applicant did not work, he or she must (a) pay the current year's renewal fee for reinstatement and (b) take any continuing education required for the year of, and the year before, the reinstatement; and
2. if the applicant worked, he or she must (a) pay all license and late fees due for the period the credential was lapsed and (b) demonstrate completion of any continuing education required

for the year before reinstatement.

For each year or fraction of a year from the date of expiration, the late fee is \$375 for brokers and \$285 for salespeople or leasing agents.

### ***Military Reinstatements***

The bill similarly gives people in the military up to three years, instead of the current two years, to seek a no-fee reinstatement. But the bill additionally requires them to show that they completed at least six hours of continuing education, including the mandatory continuing education required for their license, during the calendar year before the date they file for reinstatement.

### ***Continuing Education Delinquency Fee***

Under the bill, if a real estate licensee fails to complete the required continuing education for any two-year license period, they must pay:

1. \$315 if the requirements were met within two months after the license period expired or
2. \$625 if the requirements were met more than two months, but less than four, after the license period expired.

The department must prescribe how a licensee can report this information to it.

### ***Appeals Following Denial***

The bill enhances current law's appeals process when a real estate applicant is refused a license. As under current law, denied applicants (for an initial or renewed license) are afforded an opportunity for a hearing.

The bill specifies that following a denial, DCP must send a notice to the applicant disclosing the denial and informing them that they may request a hearing by submitting a written hearing request within 30 days after the notice was sent. If the applicant requests a hearing, DCP must send him or her a notice disclosing the grounds for the license denial. DCP must hold the hearing and, if the denial is sustained, the

applicant may file a new application for the same license or renewal one year after the denial date.

## **§ 29 — DISCLOSURES TO OTHER PARTY AND PROSPECTIVE PARTIES**

*Simplifies requirements for licensees' disclosure of their clients' identity; requires additional disclosures to prospective parties (e.g., concerning agency relationship and fair housing)*

Under current law, brokers and real estate salespeople who represent a seller, lessor, prospective purchaser, or lessee must disclose, in writing, the identity of their client to any party to the transaction who does not have a broker or salesperson representing them. Under current law, if it is a commercial transaction, the disclosure is required before the prospective purchaser or lessee signs the purchase contract or lease. For residential transactions, the disclosure is required at the beginning of the first personal meeting concerning (1) the prospective purchaser's or lessee's specific needs in the transaction or (2) the seller's or lessor's real property. The bill instead requires real estate licensees to disclose their client's identity upon request.

The bill requires licensees to disclose to prospective parties in writing (including by electronic means) by the first personal meeting:

1. the types of agency relationships available to the prospective party and
2. that the prospective party should not share confidential information with the licensee until the prospective party has entered into a written representation agreement with the licensee.

If it is a residential real estate transaction, licensees must also give a prospective party information on fair housing discrimination, including a description of federal and state fair housing laws, protected classes, and where to get more information and available resources.

As under existing law, the DCP commissioner must adopt regulations to carry out these disclosure provisions as he deems

necessary.

### § 31 — PROSPECTIVE PARTIES' CONFIDENTIAL INFORMATION

*Expands existing law by prohibiting real estate licensees from misusing confidential information to include information on prospective parties*

Existing law, with limited exceptions, prohibits real estate licensees from (1) revealing confidential information about a person whom they represented as an agent, designated buyer agent, or a designated seller agent; (2) using confidential information about that person to the person's disadvantage; or (3) using confidential information about that person for the licensee's advantage or the advantage of a third party. The bill expands these prohibitions to include confidential information about prospective parties, which the bill defines as people that communicate with a licensee in contemplation of potential representation in a real estate transaction.

### BACKGROUND

#### ***Related Bills***

SB 135 (File 95), reported favorably by the General Law Committee, reduces various occupational registration, certification, and license fees, including those for brokers and salespeople (see § 7).

sHB 6767, reported favorably by the General Law Committee, (1) revises the process for renewing a DCP credential after the deadline for doing so has passed by setting a broadly applicable 90-day threshold for untimely renewals and (2) generally requires reinstatements to be requested within three years of a credential's lapse (§§ 20 & 28-29).

### COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 23    Nay 0    (03/09/2023)