

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 21-167—sHB 6624

Insurance and Real Estate Committee
Appropriations Committee

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

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

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

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

The act also makes technical changes.

EFFECTIVE DATE: January 1, 2022

REAL ESTATE BROKER MINIMUM EXPERIENCE AND EDUCATION REQUIREMENTS

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

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

1. been actively engaged as a licensed real estate salesperson under a Connecticut-licensed real estate broker’s supervision for at least 1,500 hours and
2. represented a seller, buyer, lessor, or lessee in at least four closed real estate transactions.

Under prior law, an applicant had to be actively engaged as a licensed real estate salesperson under the supervision of a Connecticut-licensed real estate broker for at least two years.

The act requires the supervising broker or his or her authorized representative

OLR PUBLIC ACT SUMMARY

to certify whether an applicant's active engagement meets the hourly experience requirement within 90 days after the applicant provides it to him or her.

REAL ESTATE TEAMS

Under the act, real estate team registrations must include the name and contact information for each team member, including the name and contact information for the team's sponsoring real estate broker. The sponsoring licensed real estate broker serves as the team's primary contact and must ensure it (1) complies with all existing real estate advertising laws and regulations and (2) accurately and timely files registration forms and updates.

Registrations must also include the team's name, which must (1) include the full name of at least one licensed real estate broker or real estate salesperson who is a team member or (2) be immediately followed by "at/of" and the full name of the sponsoring real estate broker. The act prohibits team names from including (1) any abbreviation, term, or phrase that implies the team is a business entity (e.g., "LLC" or "company") or (2) the name of anyone who is not a licensed real estate broker or salesperson.

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

The act requires teams to include the name of the team's sponsoring real estate broker prominently in all of their advertisements and comply with all advertising requirements and standards that apply to real estate brokers. Among other things, these requirements and standards:

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