

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-6769

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

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

Primary Analyst: ME
Contributing Analyst(s):
Reviewer: RP

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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.¹ 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.

¹ 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.