

# Connecticut Real Estate Law: Updated and Revisited

Connecticut Real Estate Licensee  
Mandatory Continuing Education Course  
**2012-2014 CE Cycle**

*Approved by the  
Connecticut Real Estate Commission  
on August 9, 2012*



University of  
Connecticut

The Connecticut Real Estate Commission has mandated that all real estate licensees take this course as part of the **2012-2014 real estate continuing education cycle**.

The course was developed by the Center for Real Estate at the University of Connecticut, with input from Connecticut Real Estate Commissioners, Connecticut Department of Consumer Protection staff, Connecticut Association of REALTORS<sup>®</sup>, and state real estate instructors and licensees.

The original version of the course was approved by the Real Estate Commission in August 2012.

All state schools are free to use the course, however approval of a **course application** using the Connecticut Real Estate Course Application for Continuing Education is still required. Application for live courses to be taught using the required course slides do not need to include a course outline or syllabus, text information, or copies of handouts. Application for online courses (or courses proposing to deliver the material without the slides) needs to be made by completing the full application, and specifically describing how the material will be covered and interaction will occur.

Course material for instructors and schools can be found at <http://www.business.uconn.edu/cms/p327>, including

- **Slideshow**
- **Instructors Notes**
- **Student Handouts**

The course was developed by the  
**Center for Real Estate and Urban Economic Studies**  
**University of Connecticut**  
at the request of the Connecticut Real Estate Commission

*Special thanks to the following for their contributions:*

- **Katherine Pancak, Professor, University of Connecticut**
- Marilyn Keating, Vice-Chair, CT Real Estate Commission
- Lana Ogrodnik, Commissioner, CT Real Estate Commission
- Michele Erling, CT Department of Consumer Protection
- Kelly Harvey, CT Department of Consumer Protection
- Terry Hastings, HamiltonLadd Home Loans
- Judith Johannsen, Esq., Connecticut Association of Realtors, Inc.®
- John Morgan, Morgan Testing Services
- Laureen Rubino, Real Estate Consultant
- Teresa Sirico, Teresa Sirico LLC, Realtor®

This course was developed by the **University of Connecticut Center for Real Estate and Urban Economic Studies** and approved by the Connecticut Real Estate Commission and Department of Consumer Protection. Recognition is given to the individuals listed above for their valuable research, writing, and review.

All Connecticut schools and instructors are free to use the course material, as long as appropriate credit is given.

## Course Learning Objectives

- Review **Licensing Law Issues** that licensees seem confused about
- Discuss **Practice Issues** that consumers regularly complain about
- Examine **Condominium Resale** laws
- Revisit **Fair Housing** protections
- Receive an update on **Recent Legislation**

There are **FIVE primary goals** of this course. Coverage of each topic should take approximately ½ hour. That leaves time for a 15 minute break, and a brief wrap up at the end.

1. Review of **licensing law issues** that licensees seem confused about.
2. Discussion of **practice issues** that the DCP has received complaints about.
3. Examination of **current condominium** (and other common interest ownership community) **transfer rules**.

*A 15 minute break should be offered between these two sections.*

4. **Review of some basic fair housing protections.**
5. **Update on recent state legislation** related to real estate brokerage.

## *Licensing Law Issues*

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Presentation  
August 2012

# WHO WANTS TO BE A REAL ESTATE AGENT?

This material is intended to be delivered in the **game show format** of “Who Wants to be a Millionaire”.

Ask for a class volunteer to come to the front and be the player. Assure the person that they will have help from the class.

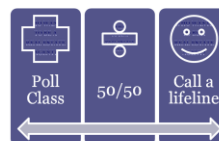
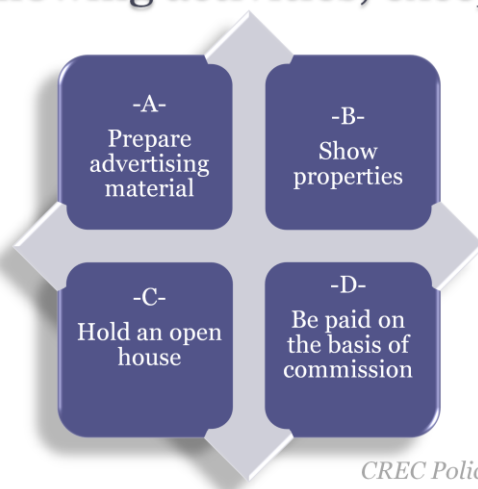
Let the contestant know that for any of the questions the contestant can (1) poll the audience. For one question each, the contestant can either (2) ask for 50/50 (instructor will eliminate two of the wrong answers) or (3) call a friend.

For each correct answer, the contestant can earn minutes towards the class break. The instructor should be generous and try to coax the correct answer out of the contestant for all questions, involving the classroom audience as much as possible.

Make this fun and informative, with a high level of classroom engagement.

# 1. Unlicensed personal assistants are prohibited from doing the following activities, except

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Going  
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1  
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CREC Policy On Use of Unlicensed Persons

“A” is the correct answer.

The Connecticut licensing law **prohibits unlicensed persons from negotiating, listing, selling, buying, or renting real property for another for a fee.** Connecticut Real Estate Commission Policy on Use of Unlicensed Persons by Licensees dated December 5, 1996 issued guidance below and also states that licensees should not share commissions with unlicensed persons because this increases the temptation to take part in other prohibited activities.

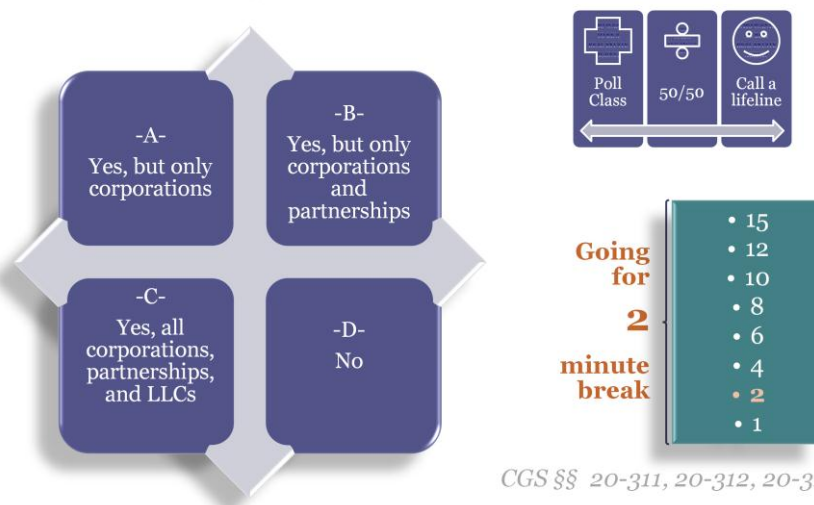
Activities which can be performed by unlicensed persons who, for example, act as personal assistants, clerical support staff, closing secretaries, etc., include, but are not necessarily limited to:

1. Answer the phone and forward calls to licensee.
2. Transmit listings and changes to a multiple listing service.
3. Follow up on loan commitments after a contract has been negotiated.
4. Assemble documents for closing.
5. Secure documents; i.e., public information from town/city hall, courthouse, sewer district, water district, tax assessor, etc.
6. Have keys made for company listings.
7. Write and prepare ads (with review of licensee), flyers and promotional materials and place such advertising.
8. Record and deposit earnest money and other trust funds.
9. Type contract forms under direction of licensee.
10. Monitor licenses and personnel files.
11. Compute commission checks.
12. Place signs on property.
13. Order items of routine repair as directed by licensee and/or supervising broker.
14. Act as courier service to deliver documents, pick up keys, etc.
15. Schedule appointments for licensee to show listed property.
16. Measure property.

Activities which cannot be performed by unlicensed persons who, for example, act as personal assistants, clerical support staff, closing secretaries, etc., include but are not necessarily limited to:

1. Host open houses, kiosks, home show booths or fairs, or hand out materials at such functions.
2. Show property.
3. Answer any questions from consumers on listing, title, financing, closing, etc.
4. Contact cooperative brokers, whether in person or otherwise, regarding any negotiations or open transactions.
5. Discuss or explain a contract, offer to purchase, agreement, listing, or other real estate document with anyone outside the firm.
6. Be paid on the basis of commission, or any amount based on listings, sales, etc.
7. Negotiate or agree to any commission, commission split or referral fee on behalf of a licensee.
8. Place calls that would require a license such as cold calls, solicit listings, contacting expired listings or for sale by owners, or extending invitations to open houses.
9. Attend inspections or pre-closing walk-through unless accompanied by licensee.
10. The unlicensed assistant is not a decision maker; rather, shall take all direction from supervising licensee.

## 2. Must a real estate brokerage business entity obtain a license?



“C” is the correct answer.

Connecticut General Statutes Section 20-312 (a) requires all persons acting as a real estate broker or salesperson to have a license. Connecticut General Statutes Section 20-311 (4) defines “person” as “any individual, partnership, association, limited liability company or corporation”.

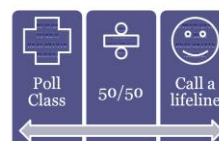
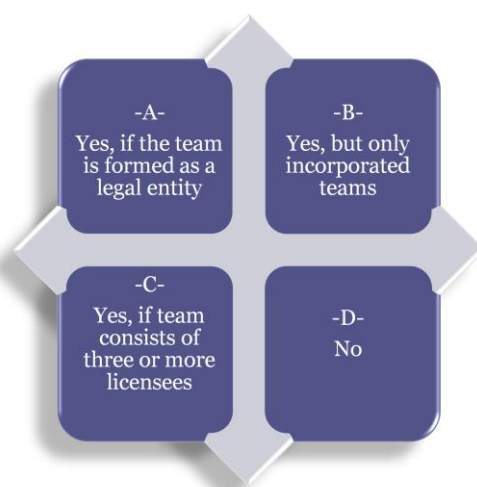
Connecticut General Statutes Section 20-312 requires that all legal entities engaging in the real estate business be licensed. This means brokerage firms, team partnerships, and any other LLC, corporation, or partnership. NOTE that this requirement is in addition to individual licenses obtained by salespersons and brokers. In other words, an individual needs a license, and a legal entity needs a license.

Connecticut Real Estate Commission Declaratory Ruling dated July 19, 2002 interprets CGS Section 20-312 as requiring that the officers of a brokerage firm must be individually licensed as brokers (i.e., salespersons cannot be officers), and that each owner of a brokerage firm actively engaged in the management or control of a brokerage business be individually licensed as a broker.

The designated broker for the legal entity is not required to pay for both an individual license and the legal entity license. Connecticut General Statutes Section 20-314(f) provides that payment of a licensing fee for an entity covers the licensing fee for the entity’s designated broker.

Note, the Connecticut Real Estate Commission has been checking broker licensees and their entities for licensing compliance, and has fined brokers for noncompliance.

### 3. Do teams need a separate real estate license?



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CGS § 20-312

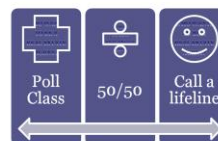
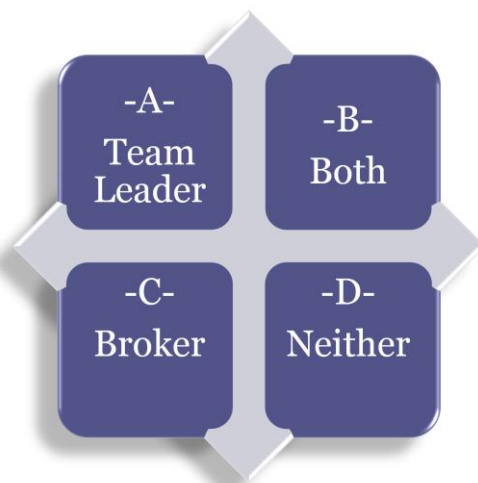
“A” is the correct answer.

Connecticut General Statutes Section 20-312(b) requires that all legal entities engaging in the real estate business be licensed. This means brokerage firms, team partnerships, and any other LLC, corporation, or partnership. NOTE that this requirement is in addition to individual licenses obtained by salespersons and brokers. In other words, an individual needs a license, and a legal entity needs a license.

Teams that are legally formed business entities (i.e., The John and Joan Team, LLC) such as corporations, partnerships, limited liability companies and associations, must have an entity license. Teams that are not legally formed business entities (the Jane and Jim Team) do not need an entity license.

A person who is the manager of an LLC or president of a corporation who is engaging in the real estate business has to have that entity licensed as a broker. The person who is the named broker of that entity does not have to pay a separate fee for an individual broker's license.

## 4. Is a salesperson responsible to her team leader or broker?



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CGS § 20-311

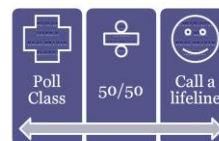
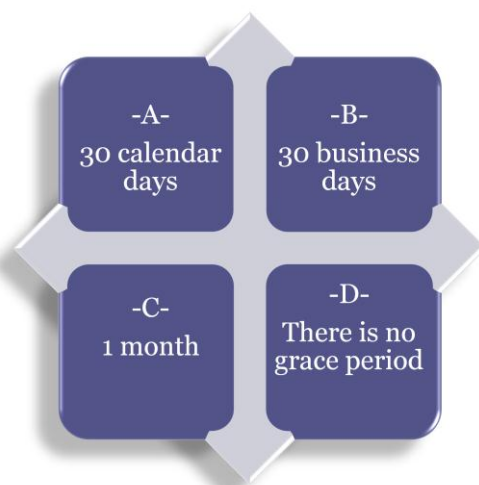
“C” is the correct answer.

The CT Real Estate Commission wants instructors to emphasize that from a licensing perspective, salespersons are always responsible to their designated broker.

Connecticut General Statutes Section 20-311 (2) defines salesperson as “a person affiliated with any real estate broker as an independent contractor employed by a real estate broker to...” engage in the real estate business.



## 5. How long is the grace period for renewing your license?



CGS § 21a-4(c)

“D” is the correct answer.

The biggest misconception among licensees is that because formerly a late fee was not applied until 30 days after a license expiration date that the 30 day period is a “Grace Period”. **There is no grace period.** Once the license expires, the individual with the expired license can no longer lawfully engage in real estate. Connecticut General Statutes Section 21a-4(c).

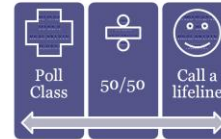
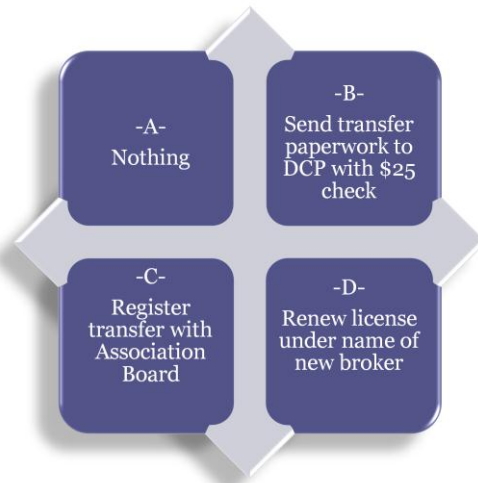
As of October 1, 2010, the late fee will be due immediately upon date of expiration.

Connecticut General Statutes Sections 20-320 and 20-325 provide for sanctions against individuals engaging in real estate without a license. Note that these sanctions also apply to unlicensed assistants that cross the line into performing activities that require a license.

Connecticut Department of Consumer Protection (DCP) staff are actively pursuing individuals who are actively engaged in the real estate business but who are unlicensed, including individuals who were licensed but their license s have lapsed.

DCP staff related the story of a salesperson whose license lapsed and was still actively engaged in real estate. DCP sought and obtained a warrant for her arrest. When she was pulled over for speeding, her name came up in the police system as being wanted on other charges, and she was handcuffed and arrested. Case # 2006 – 1461.

## 6. What must a salesperson do to change broker affiliation?



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CGS § 20-319a

“**B**” is the correct answer.

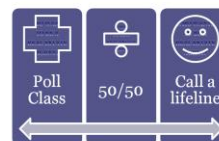
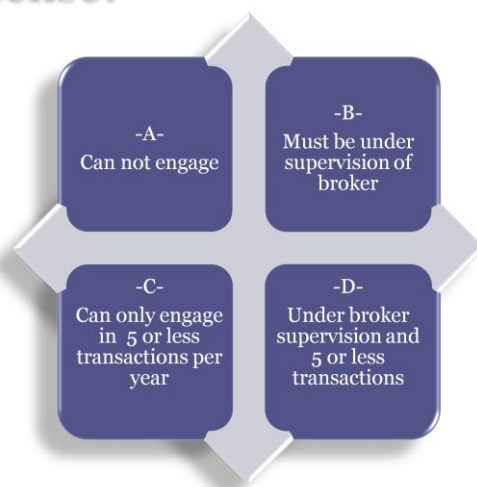
A licensed real estate salesperson must be supervised by a broker. To change affiliation from one broker to another, a salesperson must register the changes with the Real Estate Commission by sending the appropriate transfer form to Connecticut Department of Consumer Protection (DCP) and paying a \$25 transfer fee. Connecticut General Statutes Section 20-319a.

Note that the new broker must agree and sign form to be submitted to DCP.

The “Real Estate Salesperson Transfer Form” can be found at the DCP website at [www.ct.gov/dcp](http://www.ct.gov/dcp).

## 7. How can a licensee engage in the practice of real estate with a retiree license?

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CGS § 21a-10a

“A” is the correct answer.

Connecticut General Statutes Section 21a-10a (formerly Public Act 11-117, effective January 1, 2012) provides for **retirement license** status for any real estate licensee (or other DCP licensee) that is sixty-five years or older. A licensee that holds a retirement license **cannot practice**.

AN ACT CONCERNING LANDSCAPE ARCHITECTS, PENALTIES FOR UNLICENSED OCCUPATIONAL WORK AND DEPARTMENT OF CONSUMER PROTECTION RETIREMENT STATUS LICENSES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Sec. 5. (NEW) (Effective January 1, 2012) (a) Any person currently holding a license issued by the Department of Consumer Protection pursuant to title 20 of the general statutes who has attained the age of sixty-five may renew his or her license as a retirement status license pursuant to subsections (b) to (d), inclusive, of this section.

(b) An applicant for a retirement status license shall submit his or her original license to the Department of Consumer Protection, along with a letter of request for such classification. The letter shall contain a statement expressing the licensee's current retirement status and the acceptance of a restriction on the retirement status license prohibiting the applicant from actively engaging in the practice of the occupation or trade for which a license was originally issued.

(c) A licensee issued a retirement status license shall not practice or offer to practice the occupation or trade for which a license was originally issued.

(d) If the Department of Consumer Protection issues a retirement status license pursuant to this section, it shall return the original license submitted pursuant to subsection (b) of this section to the applicant. Such original license shall bear a designation or be stamped "Retired".

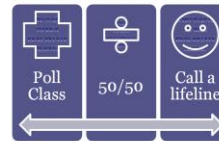
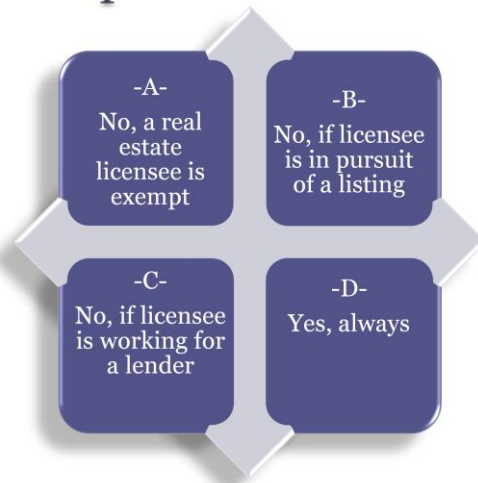
(e) The fee for a retirement status license shall be twenty dollars.

(f) A licensee issued a retirement status license may restore such licensee's original license by submitting a form, to be provided by the Department of Consumer Protection, requesting reinstatement and by paying the current annual fee for such license.

(g) The Commissioner of Consumer Protection may, for good cause shown, grant a retirement status license to a person who does not meet the requirements of subsection (a) of this section.

## 8. Does a real estate licensee need an appraisal license to give a broker price opinion?

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CGS § § 20-500(5), -501, -526

“B” is the correct answer.

The law related to Broker Price Opinions can be found in the Appraisal Licensing Law. Connecticut General Statutes Section 20-501 requires that persons engaging in the real estate appraisal business be licensed.

Connecticut General Statutes Section 20-500(5) defines “engaging in the real estate appraisal business” as “the act or process of estimating the value of real estate for a fee or other valuable consideration.” Therefore, providing an opinion on the value of real estate for a fee requires an appraisal license.

Connecticut General Statutes Section 20-526 provides for exceptions. A real estate licensee is exempt only when the licensee is either (1) conducting a market analysis for a buyer or seller client, OR (2) determining the value for a prospective buyer or seller client **in pursuit of a listing or buyer agency agreement** (and then fee must be credited if agent lists and sells property).

A real estate licensee can never refer to a market analysis or price opinion as an “appraisal”.

A real estate licensee cannot conduct a market analysis of property for a lender, if the property is listed with another broker (because then exception doesn’t apply).

## *Practice Issues*

- Let's talk about some real estate brokerage practice issues that DCP receives complaints about
  - What's your opinion?
  - How does this effect your practice?
  - What does the law say on the issue?

The Real Estate Commission has identified five current topics that seem confusing to agents, and would like instructors to provide clarification so that agents do not find themselves in violation of Connecticut licensing laws.

For each topic, a scenario is presented. Ask the students if they have seen this issue in their practice, and to comment on how best to proceed. After a brief discussion, let the students know what Connecticut law requires in the scenario.

Spend about five minutes on each topic.

## LET'S TALK ABOUT SAVING BUSINESS RECORDS

- Brokers must maintain the following records for **7 years** after a transaction closes, escrow money is disbursed, or agency agreement expires:
  - contracts, leases, options, offers, counteroffers drafted by broker
  - listing and buyer agency agreements (plus amendments and disclosures)
  - cancelled checks and banks statements for escrow accounts
- Format: electronic or hard copy



CGS § 20-325m

Note that the Connecticut Real Estate Commission is concerned that brokers are not able to produce complete files on agency agreements and real estate transactions when they have a hearing or the Department of Consumer Protection asks for the "complete" file.

By law, brokers need to keep files for 7 years. This includes files for clients that have closed and also those that have not closed but agency agreements expired. The 7 year clock runs from the later of the time a transaction closes, escrow money is disbursed, or agency agreement expires. Saved format can be hard copy or electronic (must be able to produce a hard copy in paper format).

Instructor should create a dialogue with the class: What procedures do students in the class have in place in their offices to maintain business documents?

As a tool, there is a Record Retention Schedule at [www.ctrealtor.com](http://www.ctrealtor.com): click About CAR, click Publications/Tools, click More Realtor® Tools and Tips.

**Sec. 20-325m. Real estate brokers to retain certain real estate transaction records.** Any real estate broker licensed under the provisions of this chapter who engages in the real estate business, as defined in section 20-311, shall retain the following records for a period of not less than seven years after any real estate transaction closes, all funds held in escrow for such transaction are disbursed or the listing agreement or buyer or tenant representation agreement expires, whichever occurs later: (1) All purchase contracts, leases, options, written offers or counteroffers drafted by such broker or on behalf of such broker; (2) the listing agreement or buyer or tenant representation agreement, any extensions of or amendments to such agreements and any disclosures or agreements required pursuant to sections 20-325a to 20-325l, inclusive; and (3) all canceled checks, unused checks, checkbooks and bank statements for any escrow or trust account maintained pursuant to section 20-324k. Such records may be retained in any format, electronic or otherwise, capable of producing an accurate copy in paper format of the original document.

## LET'S TALK ABOUT TEAMS

### THE HUSKY BLUE TEAM

*Marketing Connecticut Properties at the Highest Level*  
**860-486-TEAM**

We meet all your  
real estate needs!  
Call to discuss strategy.



**Jane Husky, Husky Blue Team Leader Extraordinaire**

Affiliated with Connecticut Realty

*CT Regulations § 20-328-5a*

Instructor should create a dialogue with the class on the concept of teams.

- What's their opinion?
- How have they seen teams work in practice.
- Is there sufficient broker supervision of teams?

It is very important to remember, however, that the client relationship runs to designated broker, not team. Therefore, teams cannot create the appearance that they are a separate brokerage firm (if they are not).

What does the law say on the issue? Connecticut Real Estate Regulations Section 20-328-5a addresses misrepresentation, disclosure, and advertising issues.

Advertising: name of broker must be clearly indicated. While the broker affiliation is listed, it is almost unreadable.

Supervision: important to remember that the designated broker is legally responsible for team members, not the team leader.

## LET'S TALK ABOUT INTERNET ADVERTISING RULES

**THE HUSKY BLUE TEAM**  
*Marketing Connecticut Properties at the Highest Level*  
**860-486-TEAM**

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 <p>New Construction \$450K</p>	 <p>Waterfront \$380K</p>	 <p>Some Maintenance Needed \$2.5M</p>
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**Jane Husky, Husky Blue Team Leader Extraordinaire**  
Affiliated with Connecticut Realty

*CT Regulations § 20-328-5a*

Ask the class whether there are any issues with the above internet advertisement.

There are. Connecticut Real Estate Regulations Section 20-328-5a requires that internet advertising include:

- licensee's name and office address
  - *office address is not included in this ad*
- name of affiliated broker
  - *name of affiliated broker is so small it is almost hidden*
- all states where licensee is licensed
  - *no reference to states where licensee is licensed*
- last date when property information updated
  - *no reference to when property information was last updated*



## LET'S TALK ABOUT RELEASING ESCROW ACCOUNTS



- Broker represents the seller. Buyer and seller enter into contract, and broker holds deposit money in escrow.
- After the home inspection, buyer complains that the chimney needs work and wants deposit back.
- Seller accuses buyer of breaching contract and wants deposit.
- Who should broker give deposit to?

CGS § 20-324k

Instructor should create a dialogue with the class

- What's their opinion?
- How have they seen this type of scenario play out in practice.

Then instructor should discuss the what the law says on the issue.

A broker is not allowed to decide who gets escrow money.

There are only two instances when a broker can release escrow money: (1) agreement of the parties, and (2) court order. So, if the parties are not in agreement as to how the escrow money should be released, a broker can not release it without a court order.

If there is a dispute over escrow money, and one party sues the other for it, the broker who holds the escrow is also named in the suit in order to bring the money into court, where the judge will decide who is legally entitled to it. The broker is then dismissed from the suit and released from liability for legal distribution. Connecticut General Statutes Section 20-324k.

FYI, there is a Motion to Deposit Escrow available to Realtor® members at [www.ctrealtor.com](http://www.ctrealtor.com).

In this scenario, broker can not release the escrow money to either buyer or seller. Broker will need to hand the money over to court.

Note that the Connecticut Real Estate Commission recently revoked a broker's license after he paid himself a commission for a transaction that failed because he thought he had earned it, and in another instance, the broker took the buyer's deposit and split it with the seller (his client).

## LET'S TALK ABOUT INTERFERENCE WITH CLIENT RELATIONSHIPS



- Buyer has buyer agency agreement with Sam and has signed a contract to buy 21 Surf Drive
- Buyer goes to Joe's open house at 18 Cove Road
- Joe gets the feeling Buyer is not well represented
- Joe tells Buyer that she should
  - end her current agency relationship; he can represent her
  - see other houses for sale with him
- OK?

*CT Regulations § 20-329-9a*

Instructor should create a dialogue with the class

- What's their opinion about the above scenario?
- How have they seen this type of scenario play out in practice?

Connecticut General Statutes Section 20-328-9a states that a licensee cannot:

- encourage another licensee's client to breach or terminate an exclusive agency agreement so client will enter into a new agency agreement with licensee
- encourage a party to breach or terminate a contract for sale or lease, so party can enter into new contract with client of licensee

Has Joe interfered with another licensee's agency relationship? Yes on two counts. He encouraged the buyer to end his agency relationship, and he encouraged the buyer to terminate her purchase contract and buy a property listed with him.

## LET'S TALK ABOUT REFERRALS/DONATIONS/REBATES

1. Mortgage company says it will make a donation to the local food pantry for every referral of a borrower by a real estate agent - OK?
  - What if mortgage company makes a donation in the months that it hits a certain target level of business - OK?
2. A real estate agent offers to make a donation to the local animal shelter for every business referral from another agent- OK?
  - What if real estate agent offered to give a buyer or seller a rebate instead of donation?



CGS § 20-320a

Instructor should create a dialogue with the class

- What's their opinion about these types of donations?
- How have they seen these types of scenarios play out in practice?

### Case #1

Connecticut General Statutes Section 20-320a prohibits a real estate licensee (or person affiliated with licensee) from receiving any type of compensation for the referral of a buyer to an attorney or lender.

Also, federal RESPA law prohibits a real estate agent from receiving a "thing of value" for referring business to a real estate settlement service provider.

While supporting a mortgage lender that will make donations to a charity seems worthwhile, the first scenario would violate Connecticut law and federal RESPA law, since a donation to a charity tied to a referral would be seen as a thing of value. The second scenario would not be a violation of federal and state laws since it is not directly tied to referrals of business.

### Case #2

Any type of consideration made to another licensee for a referral is OK, since the agent could have paid the licensee directly for the referral.

Connecticut Real Estate Regulation Section 20-328-8a prohibits the payment of any portion of a real estate commission to someone who is engaging in the real estate business without a license. This restriction does not apply to buyers or sellers in their own transactions, so a licensee can offer a rebate to a party to a transaction who buys or sells through that licensee.

## LET'S TALK ABOUT MORE ABOUT RESPA

- RESPA prohibits a settlement service provider (SSP) from giving anything of value to a real estate agent **in exchange for referring business**
- What is an SSP?
  - **ANYONE** who provides a service related to a real estate transaction
    - loans, title, appraisal, inspection, legal
- What is of value?
  - **ANYTHING** in exchange for business
    - money, gifts, lunch, brochures, food at open houses



12 USC § 2607

Instructor should create a dialogue with the class about RESPA.

In order to better understand this issue, instructors are encouraged to read NAR's FAQ on RESPA which can be found at

[http://www.larealtors.org/resources/regulatory/respa\\_qa\\_050310.pdf](http://www.larealtors.org/resources/regulatory/respa_qa_050310.pdf) .

RESPA Section 8 prohibits any type of kickback in a real estate transaction if the transaction involves a federally related loan. The law can be found at 12 United States Code Section 2607 – see <http://www.law.cornell.edu/uscode/text/12/2607> .

Section 8 then is not intended to prohibit the payment of fees to real estate agents, attorneys, title companies, etc. for service actually performed. Nor is RESPA intended to prohibit controlled business arrangements (common ownership existing between the lender and providers of settlement services) so long as certain disclosures are made and the borrower is not required to use the affiliated provider for settlement services.

Penalties for violation of Section 8 of RESPA are rather stiff. Violations are punishable by a fine of not more than \$10,000 or a prison term of up to one year, or both. In addition, violators are liable for damages in a civil suit up to three times the amount of any charge paid for the settlement service.

Of course, it is often not that easy to determine whether a fee, kickback or a "thing of value" has been given for referral to a provider of a settlement service. Nor is it easy to determine whether payment to a settlement service provider is for services actually performed.

## Practice Issues: *Recap Quiz*

- True or False?
  1. An expired listing agreement on a house that never closed has to be saved for 7 years.
  2. A team leader is considered a designated broker.
  3. Internet advertising must contain the listing agent's office address.
  4. The only way a broker can release a disputed escrow deposit is by court order.
  5. An attorney can take a real estate agent out to lunch and pay for the meal in thanks for referring business.

1. True. Records on listing that do not close, as well as those that do, must be kept for seven years.
2. False. A team leader is not necessarily the real estate firm's designated broker. The designated broker is legally responsible for all actions of the team leader and team members.
3. True. Connecticut real estate regulations list specific information that must be included in real estate internet advertising, including the licensee's office address.
4. True. If the parties to an agreement disagree about releasing escrow money, the only way a broker can release the money is by court order.
5. False. RESPA prohibits an SSP from giving a thing of value (here it is lunch) for referral of business.

## Condo Law

- 3 different laws, depending on when the community was developed
  - before 1977: Unit Ownership Act
  - 1977 – 1983: Condominium Act
  - 1984 – present: Common Interest Ownership Act (CIOA – pronounced ki-a-wa)
- Resale requirements of CIOA apply to all

*CGS Chapter 828*

Real estate licensees should be familiar with the laws relating to the purchase and sale of condominiums and other common interest ownership communities. For the next half hour, instructor will review some of these provisions.

There are three different sets of laws that deal with common interest ownership. However, for purposes of knowing the requirements of a “resale”, the provisions of CIOA apply. A “resale” is when a condo or other common interest community unit is sold by a seller other than the developer.

For reference purposes:

- Unit Ownership Act can be found at <http://www.jud.ct.gov/lawlib/law/unitownershipact.pdf> .
- Condominium Act can be found at Connecticut General Statutes, Chapter 825: <http://cga.ct.gov/current/pub/chap825.htm>
- Common Interest Ownership Act can be found at Connecticut General Statutes, Chapter 828: <http://cga.ct.gov/current/pub/chap828.htm>

## How to protect buyers and sellers

- Know
  - what is a common interest community
  - resale document requirements and meaning
  - resale contract contingencies
  - exceptions

The primary purpose of this section of the course is for licensees to be aware of common interest ownership resale requirements, and how to best protect a buyer or seller client.

The above four points will be discussed in greater detail in the following slides.

## What is a common interest community?

- **Condominium**
  - units are separately owned
  - common areas owned by all unit owners as tenants in common
  - units may have limited common elements for exclusive use by a unit owner
- **Cooperative**
  - all real property owned by association
  - unit owners are shareholders or members of association and have right to exclusive possession of particular unit
- **Planned Community**
  - everything else that includes common areas
    - example: unit owners own lots, association owns common areas

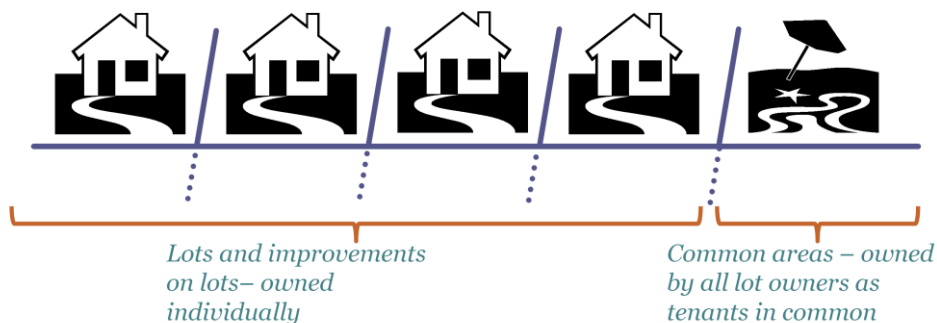
*CGS § 47-202*

The Connecticut Common Interest Ownership Act regulates the development and operation of common interest communities. Common interest communities can take different forms. Definitions can be found at Connecticut General Statutes Section 47-202.



## How do you know property is a common interest community?

*Is this a common interest community?*



All common interest communities have the same thing in common - ownership comes with an obligation to pay for a share of expenses (taxes, insurance, maintenance, improvement or other services) related to common areas.

A community, like the one depicted above, where lots and houses are individually owned can still be a common interest community if owners have a legal obligation to pay for common area expenses.

## Resale Requirements

- After initial sale by developer
- **Seller** of unit must give buyer (or buyer's attorney) a copy of resale disclosure documents
  1. Declaration
    - creation document; recorded in land records
  2. Association bylaws, rules, regulations, and current budget
  3. Resale certificate prepared by association or management company

*Importance:* gives buyer information about living and owning in community

CGS § 47-270

After the initial sale by the developer, sellers of common interest ownership units must give buyers a package of resale disclosure documents.

Connecticut General Statutes Section 47-270 requires that the resale certificate contain information on:

- (1) any right of first refusal or other restraint on the free alienability of the unit held by the association;
- (2) the amount of the periodic common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner;
- (3) fees payable by the owner of the unit being sold;
- (4) any capital expenditures in excess of one thousand dollars approved by the executive board for the current and next succeeding fiscal year;
- (5) the amount of any reserves for capital expenditures;
- (6) the current operating budget of the association;
- (7) any unsatisfied judgments against the association and the existence of any pending suits or administrative proceedings in which the association is a party;
- (8) the insurance coverage provided for the benefit of unit owners;
- (9) any restrictions affecting the amount that may be received by a unit owner on sale;
- (10) in a cooperative, an accountant's statement as to the deductibility for federal income tax purposes by the unit owner of real property taxes and interest paid by the association;
- (11) if the association is unincorporated, the name of the statutory agent for service of process
- (12) any pending sale or encumbrance of common elements;
- (13) the effect on the unit to be conveyed of any restrictions on the owner's right to use or occupy the unit or to lease the unit to another person;
- (14) the number of units whose owners are at least sixty days' delinquent in paying their common charges on a specified date within sixty days of the date of the statement;
- (15) the number of foreclosure actions brought by the association during the past twelve months and the number of such actions pending on a specified date within sixty days of the date of the statement; and
- (16) any established maintenance standards adopted by the association.

## Importance of Resale Documents

- Lots of information for buyer; read carefully
- Including
  - Monthly common charges
  - Any unpaid money seller owes Association
  - Restrictions on
    - amount owner can sell unit for
    - owner's right to use or occupy unit
    - owner's ability to lease unit

*In practice:* Buyer will be obligated to comply with rules, including restrictions about pets, parking, maintenance, unit changes, leasing

The resale certificate is important to buyers because it provides information directly related to living and owning in the community.

DCP staff report that it is very important that consumers know that a common interest community may have enforceable restrictions against what type of pets a unit owner can have in their unit. Bear in mind that a service animal is not a pet and, therefore, allowable under fair housing laws as a reasonable accommodation.

This would be a good time for instructors to discuss a new law – Public Act 12-113. This law bars an Association from prohibiting a condominium unit's owner or tenant from attaching a religious display to the unit's door. Subject to the constitutional protection of religious liberty, the law provides certain exceptions, such as if the items are beyond a certain size or patently offensive.

## Resale Documents, *continued*

- Financial risks related to Association
  - amount of reserves for capital expenditures
  - any upcoming capital spending approved by Association board greater than \$1000
  - number of unit owners who are at least 60 days delinquent in paying common charges
  - number of foreclosure actions bought or pending by association
  - any pending lawsuits the Association is a party to

*Potential concern:* If Association does not have a reserve fund, unit owner may have to pay special assessments when major projects become necessary

It is important for a buyer to know the financial condition of an Association, as that could have a direct bearing on an owner's financial obligations in the future.

## Obtaining Resale Documents

- Association must file name of contact person with town clerk (*in town where community is located*)
- Association (or management company) must provide seller with documents within 10 business days of request (and payment of fees)
- Association can charge fees
  - maximum of \$125, plus
  - 5¢ per copied page or \$10 per electronic document

*In practice: What if seller has problems obtaining documents?*

A licensee representing a seller may need to assist the seller in obtaining resale documents.

Information about obtaining resale documents is set out at Connecticut General Statutes Section 47-270.

## Right to Cancel Contract

- Seller must give buyer (or buyer's attorney) the resale documents before closing
- Buyer has a right to cancel the purchase until **5 days** after resale documents are delivered
  - or 7 days after sent by registered or certified mail

*Importance:* Contract for sale of common interest community is not binding on buyer until 5 business days after resale documents are delivered

CGS § 47-270(c)

Resale documents must be given to the buyer before closing. Before closing, buyers have a right to cancel a purchase contract until 5 business days after the resale documents have been delivered.

An original buyer's right to cancel is set out at Connecticut General Statutes Section 47-269. A resale buyer's right to cancel is set out in Connecticut General Statutes Section 47-270(c).

It is not the law, but DCP staff strongly suggest that a real estate licensee recommend that a seller obtain a written receipt signed by the buyer when they receive the resale documents, so that the clock starts ticking and there are no questions as to when the buyer took possession of the documents.

## Exceptions

- If common interest community has **12 or less units** (*and is fully built out and not part of larger community*)
  - seller is not obligated to deliver any resale documents
  - **no right of cancellation** after contract signed

*In practice:* buyer can negotiate with seller to provide information, and can incorporate a right to cancel contingency in contract

CGS § 47-262

It is important to note that there is no right to information or right of cancellation for communities with 12 or less units.

## Protecting Your Client

- **Seller**
  - inform and answer questions about obtaining resale documents
  - inform about right to rescission clock
- **Buyer**
  - confirm receipt of resale documents
  - cancel in timely manner
  - inform buyer to review resale documents with attorney
    - does buyer understand financial obligations?
    - does buyer understand restrictions?
      - can buyer rent unit?
    - are there indications that association is experiencing any financial risks?

It is important for licensees to understand the basics of the common interest ownership resale process to best protect clients both buyers and sellers.



## Condo Law: *Recap Quiz*

Florida Condominium  
Presentation  
August 2012

- True or False?
  1. The seller of a common interest ownership unit must provide the buyer with resale documents.
  2. The resale documents will provide an estimate of the value of the unit.
  3. The buyer of a unit has right to cancel the purchase within 5 days of receiving the resale documents if the documents show any financial risk associated with buying the unit.
  4. There is no right of cancellation for a buyer of a unit in a small condominium complex.

1. True. After the initial sale by the developer, sellers of common interest ownership units must give buyers a package of resale disclosure documents.
2. False. The resale certificate is important to buyers because it provides information directly related to living and owning in the community. However, it does not provide an estimate of the value of a unit.
3. False. Resale documents must be given to the buyer before closing. Before closing, buyers have a right to cancel a purchase contract until 5 business days after the resale documents have been delivered FOR ANY REASON.
4. True. There is no right to information or right of cancellation for communities with 12 or less units.

# BREAK

**1-15 minutes** – depending on performance 😊

[www.ct-clic.com](http://www.ct-clic.com) is CT's online licensing center



Hopefully the instructor coached the “Who Wants to be a Real Estate Agent” participant well enough that a 15 minute break was earned.

During the break, this slide is a reminder to licensees that Connecticut has an online licensing center.

## Fair Housing

© 2012-2014  
Presentation  
August 2012

- **Larry, a landlord**, lists his house for rent with a real estate brokerage firm. **Sam, a licensed real estate salesperson**, is the listing agent. He advertises the property in the newspaper and submits the listing to the MLS. A **prospective tenant Tess** comes into the real estate company's office to inquire about the house for rent. Sam greets her.

Special thanks to Connecticut Association of Realtors, Inc.®  
for developing the basis for this vignette




The purpose of this section is to review fair housing law.

Connecticut's fair housing law can be found at Chapter 814c of the Connecticut General Statutes.

Connecticut fair housing law is substantially equivalent to federal law, although Connecticut has more protected classifications, which will be discussed in the last slide of this section.

It is illegal for a real estate licensee, in the conduct of his or her real estate business, to discriminate against any person on the basis of a protected class. Although there are some exceptions for property owners, there are no exceptions for real estate licensees.

To encourage greater class participation, the instructor may want to ask for three volunteers to read the scripted discussion on the following slides. The following parts have lines:

- Larry, the landlord 
- Sam, the real estate salesperson 
- Tess, a potential tenant 



- Our firm has a variety of rentals. How many bedrooms do you need, and how much can you spend a month on rent?

- Well, I have a Section 8 three-bedroom voucher that allows me to spend up to \$1,200 a month.
- OK, let me show you some apartments.



*...after the showings...*

- I like the one on South Street. It's roomy enough for me and my kids.

Let the class “actors” read the script.

Sam’s words are in black. Tess’ words are in purple. Larry’s words are in green.

This slide is just setting the scene.

At this point, the instructor should note that as part of real estate practice and rentals, a licensee has an obligation to follow the same procedure with all prospective tenants. In other words, if the listing agent offers to provide a credit check, background check, verification of employment or reference, then the agent must do that for all prospective tenants.

Connecticut Department of Consumer Protection (DCP) staff have provided an example. A licensee offered a credit check as part of her service to a landlord. When a prospective tenant was someone the licensee knew personally, the licensee made a recommendation to accept the tenant without any checking of financial ability or references. Landlord accepted the tenant based on the personal recommendation, and then the tenant turned out to be a financial nightmare. Licensee most likely violated her fiduciary duty to her landlord client in not following the same credit check procedure as with other prospective tenants.



*Sam provides Larry the landlord with Tess' application. Larry calls.*

- Sam, what are you trying to do me? This person is a Section 8 tenant. I've never accepted a Section 8 tenant and I'm not about to start.
- Larry, it's OK to reject an applicant for your apartment if you have a legal reason for it.



Can a landlord refuse to rent to a Section 8 tenant?

Let the class discuss the question posed in the green box.

Answer: In general, no. Section 8 is a legal source of income, and landlords can not discriminate against tenants based on their legal source of income.

The law's prohibitions on housing discrimination based on a protected class do not apply to either of the following, if the owner maintains his or her residence there: (1) renting a room or rooms in a single-family home or (2) a unit in a two-family home.

While this exception might apply for Larry, this is no exception for Connecticut real estate licensees. So Larry may have an exception, but Sam does not. For purposes of this discussion, let's assume that this is a two family building and Larry does not live in one of the units. This means that Larry does not have an exception.

Note, that this exception also applies to other protected classes, but does not apply to racial discrimination, since racial discrimination has no exceptions under the federal Civil Rights Act of 1866.



- Your reason to reject her is illegal – it's like saying you won't rent to a green person or divorcee receiving alimony. Section 8 is one of the protected classes in CT's fair housing laws – it's called lawful source of income – so you can't reject her just because she has a Section 8 voucher.
- OK, tell her I'm not accepting kids – they're too noisy and they'll wreck the place.



Can a landlord refuse to rent to a tenant because she has children?

Let the class discuss the question posed in the green box.

Answer: In general, no. Familial status is a protected classification. Sam can never discriminate, and Larry does not have an exception.

The law's prohibitions on housing discrimination based on a protected class do not apply to either of the following, if the owner maintains his or her residence there: (1) renting a room or rooms in a single-family home or (2) a unit in a two-family home.

While this exception might apply for Larry, this is no exception for Connecticut real estate licensees. So Larry may have an exception, but Sam does not. For purposes of this discussion, let's assume that this is a two family building and Larry does not live in one of the units. This means that Larry does not have an exception.

Note, that this exception also applies to other protected classes, but does not apply to racial discrimination, since racial discrimination has no exceptions under the federal Civil Rights Act of 1866.



- Sorry again, you can't reject an applicant because she has kids – that goes to familial status. I'm not a lawyer, so I can't give you legal advice, but I do know that if you use her kids as your reason to reject her, that would be discrimination and she could file a discrimination complaint against you.



- Sam, you worry too much. I'll take the blame for discriminating if there's ever a complaint filed. So just find another place for her!

Can Sam proceed?

Let the class discuss the question posed in the green box.

Answer: No. Sam can not take part in any discrimination based on a protected classification.



- We've got a problem here Larry. It's illegal for me to reject her because of Section 8 or kids. You've put me and our whole company in a very awkward position and we're not happy about it. I'm going to call her with the bad news.



- Wait, there's something else I want to ask you about. Did you notice anything unusual about Tess? She's kind of tall and her voice is low for a woman.

No discussion, just read through script.



- What? ...
- I may be old but I'm not blind. I think she's one of those "trans" people – you know a man dressing like a woman. I don't want someone like that living in my apartment.



If Tess is in fact a man dressing as a woman, now can Larry refuse to rent to her?

- Gender identity is now a protected class in Connecticut. So even if she is a man, you can't discriminate based on her acting like another gender.



Let the class discuss the question posed in the green box.

Answer: In general, no. Gender identity is now a protected class in Connecticut.

Gender identity is defined as "person's gender-related identity, appearance, or behavior, whether or not that identity, appearance, or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth".

The definition specifies that gender-related identity can be shown by providing evidence in various ways, including (1) medical history, (2) care or treatment of the gender-related identity, (3) consistent and uniform assertion of such an identity, or (4) any other evidence that the identity is sincerely held, part of a person's core identity, or that the person is not asserting such an identity for an improper purpose.



- Oh Sam, you just have to get rid of her for me. Use one of those reasons.
- I'm sorry Larry. We have rules we have to follow. If you discriminate against Tess, I cannot continue to represent you. I cannot take part in any plan to discriminate, and neither can any other real estate agent.



1. Tell us how you think Sam should have handled this situation?
2. What do you think Larry chooses to do now?
3. Should Tess file a complaint against Larry for discrimination? How?

Let the class discuss the question posed in the green box.

Any person claiming to have been discriminated against can file a complaint with the Connecticut Commission on Human Rights and Opportunities (CHRO) within 180 days of the act of discrimination. CHRO can award up to \$50,000 in punitive damages to the person discriminated against, in addition to actual damages.

Any person who has filed a timely complaint with CHRO can also file a civil suit against the alleged discriminator. Such a civil suit must be brought within two years of filing the complaint with CHRO.

## Protected Classes in Connecticut

- Race
- Religion/Creed
- Color
- National Origin
- Ancestry
- Sex
- Marital Status
- Age
- Lawful Source of Income
- Familial Status
- Physical Disability
- Mental Disability
- Learning Disability
- Sexual Orientation
- Gender Identity

CT State  
Law  
(not  
federal)

CGS § 46a-64c

Discrimination on the basis of any of these protected classes is illegal.

All of the categories are protected under both state and federal law, except the last three which are protected only under state law.

While not a protected class under federal fair housing law, housing providers that receive HUD funding, have loans insured by the Federal Housing Administration (FHA), as well as lenders insured by FHA, may be subject to HUD program regulations intended to ensure equal access of lesbian, gay, bisexual, or transgender (LGBT) person's

Ask the class if they can define some of the protected classes.

Sex: male v. female; includes discrimination related to pregnancy and child-bearing capacity. Also includes protection for people adopting children and against sexual harassment (such as sexually offensive comments).

Lawful source of income: income derived from a legal source, including income derived from Social Security, housing assistance, child support, alimony, and welfare.

Familial status: whether a person has or doesn't have children under the age of 18 living with them.

Physical disability: chronic physical handicap; includes epilepsy, hearing impairment, or reliance on a wheelchair.

Mental disability: a mental disorder (as defined by the American Psychiatric Association) that includes mental illness and mental retardation.

Learning disability: a person with diminished ability to listen, speak, read, write, spell or do math.

Sexual orientation: preference for heterosexuality, homosexuality, or bisexuality.

## Fair Housing: *Recap Quiz*

- True or False?
  1. A landlord can require a tenant to submit to a credit check.
  2. A landlord can refuse to rent to a tenant that does not have sufficient income to pay the rent.
  3. A landlord can refuse to rent to a tenant that whose only income comes from welfare.
  4. Gender identity is now a protected classification in Connecticut.
  5. If the landlord has a fair housing law exception and can discriminate, so can the real estate agent representing the landlord.

1. True. As long as the landlord does not discriminate in applying this policy.
2. True. If a potential tenant does not have sufficient income to be able to afford the rental, the person can be denied for that reason. Note that “source of income” covers source not amount of income.
3. False. Source of income is a protected class. Therefore a landlord can not refuse to rent to a potential tenant because his or her income is from public assistance.
4. True. Gender identity is defined as “person's gender-related identity, appearance, or behavior, whether or not that identity, appearance, or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth”.
5. False. There are some limited fair housing exceptions for property owners. Regardless, discrimination based on a protected classification is always illegal for all Connecticut licensees.

## Recent Legislation

CPA 2012-2014  
Presentation  
August 2012

### Property Condition Disclosure

- DCP finalized the new form as of January 10, 2012; *available online*
  - revisions were the result of Public Act 09-60, which required inclusion of
    - (1) municipal contact information if the property is located in historic district
    - (2) statement listing all leased appliances and other items
    - (3) any land use restrictions (other than by law or in chain of title)

The purpose of this section of the course is to review recent law changes that affect the real estate brokerage business.

There is a new residential real estate property condition disclosure form as of January 10, 2012. It is available at the Connecticut Department of Consumer Protection website at

[http://www.ct.gov/dcp/lib/dcp/pdf/laws\\_and\\_regulations/real\\_estate\\_property\\_condition\\_disclosure\\_form\\_revdated.pdf](http://www.ct.gov/dcp/lib/dcp/pdf/laws_and_regulations/real_estate_property_condition_disclosure_form_revdated.pdf).

The Uniform Property Condition Disclosure Act (Connecticut General Statutes Section 20-327b) requires the seller of residential property to provide this disclosure to the prospective purchaser prior to the prospective purchaser's execution of any binder, contract to purchase, option or lease containing a purchase option. These provisions apply to the transfer of residential real property of four dwelling units or less made with or without the assistance of a licensed broker or salesperson.

## Disclosure Form, continued

- **Public Act 12-122**
- requires DCP to update form again, to add information about
  - common interest community fees
  - underground storage tank removal and documentation
  - smoke and carbon monoxide detectors
  - prior or pending action related hazardous substances
  - consulting with the town to confirm issuance of building permits and COs
  - having property inspected by a licensed home inspector
- also increases credit that the seller must give purchaser at closing for not furnishing report, from \$300 to \$500

As a result of a 2012 law, the form will need to be updated again by the Connecticut Department of Consumer Protection to include the above information. So, be on the outlook for a new form.

Also a seller will be required to credit the purchaser with the sum of \$500.00 at closing if the seller fails to give the buyer the form (formerly was \$300.00).

## Influencing Appraisers

- **Public Act 12-96**
- redefines prohibition against influencing real estate appraisals
- cannot
  - directly or indirectly
  - cause or attempt to cause
  - through coercion, extortion, inducement, bribery intimidation, compensation, instruction, or collusion
  - the value assigned to the residential property to be based on any factor other than the appraiser's independent judgment
- mirrors prohibition under federal Dodd-Frank Act

Current law prohibits any person from influencing real estate appraisals of residential property. Public Act 12-96 redefines the meaning of such influence (effective when passed). This mirrors the Dodd Frank Act; provisions can be found at Subtitle F - Appraisal Activities, Sec. 1471 through Sec. 1476. Section 1472 amended The Truth in Lending Act (TILA), directing the Federal Reserve Board to establish new requirements for appraisal independence.

Salespersons/brokers CAN communicate with appraisers on issues regarding the subject property and /or any comparable sale. Examples are: contract data; any known issues about the property (can give appraiser copy of the property condition disclosure form); any updating including the actual costs or any known issues regarding neighborhood (adjacent site is being sold; use change).

They CAN also give appraisers copies of MLS or town cards on the subject & any possible comparables. The appraiser is not obligated to use this data. Appraisers can also receive copies of deeds, site maps and information regarding seller concessions on comparables.

The salesperson/broker CAN NOT discuss the value of the subject property with the appraiser. Neither can the home owner, if not the client. The appraiser's client in a transaction involving the sale of property is typically the lender.

Once the appraisal is complete and given to the lender, the salesperson/broker CAN NOT contact the appraiser directly regarding any value issue, comparable sales used, adjustments made. If a salesperson/broker wishes to give an appraiser additional information for consideration, if value did not meet sales price, they must give this information to the client or the client's designated agent (AMC). It is up to the client, if he or she wishes, to relay the information to the appraiser.

## Gender Identity Discrimination

- **Public Act 11-55**
- “Gender Identity or Expression” is a new protected category
- defined as “person's gender-related identity, appearance, or behavior, whether or not that identity, appearance, or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth”
- prohibits discrimination in sale or rental of housing (as well as in other areas)

As discussed in the fair housing section of the course, Connecticut now includes “Gender Identity or Expression” as a protected classification.



## Nonmaterial Facts

- **Public Act 11-242**
- includes property occupants with “reportable diseases, emergency illnesses and health conditions” listed by Connecticut Public Health Commissioner (formerly it was just “reported diseases”)

Connecticut Real Estate Regulations Section 20-328-5a states that a licensee shall not misrepresent or conceal any material facts in a transaction. A material fact is a fact that might change a reasonable person’s mind about buying real estate or the price offered.

By law, a fact related to whether a property occupant has or had a disease listed by the Public Health Commissioner, or the fact that there was a death or felony on the property, is **not considered material**. Therefore, sellers, landlords, and licensees are not liable for failure to disclose such conditions (unless a consumer advises the owner of licensee in writing that the information is important).

The public health list can be found at

[http://www.ct.gov/dph/lib/dph/infectious\\_diseases/pdf\\_forms\\_/reportablediseases.pdf](http://www.ct.gov/dph/lib/dph/infectious_diseases/pdf_forms_/reportablediseases.pdf).

The list includes many diseases and conditions, including

- anthrax
- cholera
- HIV infection
- lead toxicity

## Property Tax Law Changes

- **Public Act 11-6**
- **Municipal Conveyance Tax**
  - **.25% base rate**
    - temporary increase made permanent
  - plus up to additional .25% in 18 eligible municipalities
- **State Conveyance Tax**
  - increase of .25%
  - residential property: 0.75% on first \$800,000; 1.25% on remaining value
  - commercial property: 1.25%

Tax law changes were effective July 1, 2011.

Towns eligible for additional .25% municipal conveyance tax are Bloomfield, Bridgeport, Bristol, East Hartford, Groton, Hamden, Hartford, Meriden, Middletown, New Britain, New Haven, New London, Norwalk, Norwich, Southington, Stamford, Waterbury, and Windham.

So for a \$500,000 residential property selling in a town with additional amount, total conveyance tax would be

- .25% for town tax = \$1,250
- additional .25% for eligible town tax = \$1,250
- .75% for state tax = \$3,750
- Total = \$6,250

## Foreclosure Mediation Program

- **Mandatory Mediation**
  - to assist borrower and lender to come to an agreement to avoid foreclosure
  - foreclosing lender must give borrower notice of foreclosure mediation and forms
  - applies to foreclosures of 1, 2, 3, or 4 family owner-occupied residential property
- **Recently extended to June 30, 2014**
  - **Public Act 11-201**

This topic was introduced in the last mandatory CE course. Since then, the program has been extended by two years.

More information on Connecticut's foreclosure mediation program can be found at <http://www.jud.ct.gov/foreclosure/>.

# Tenant Eviction Protection

- **Public Act 12-41**
- current tenant protected from eviction in complex with five or more units **because lease expires** (*may be evicted for other reasons such as non-payment of rent*)
  - over 62 years old or resides with person over 62; blind; physically disabled
- new law adds
  - replaces last two with:
  - **physical or mental disability**, or resides with disabled person
  - definition:
    - physical or mental impairment that substantially limits one or more of a person's major life activities
    - only if such disability can be expected to result in death or to last for a continuous period of at least twelve months
    - does not include addiction to a controlled substance, but does include alcoholism

A 2012 law extends protection from eviction to persons that are physically or mentally disabled, or live with a person that is physically or mentally disabled.

This means that persons over 62 and the disabled can not be evicted from a residential lease **on the grounds that the lease has expired** (known as “lapse of time”). This means that a landlord is obligated to review a lease for persons over 62 or disabled, in complexes with five or more units.

Persons over 62 or disabled can be evicted for other reasons, such as non-payment of rent.

## Smoke and Carbon Monoxide Detectors

- **Public Act 12-184**
- requires battery operated smoke and carbon monoxide detectors in
  - one and two family homes occupied during alterations or additions requiring a building permit
- effective October 1, 2012

Public Act No. 12-184, AN ACT CONCERNING SMOKE AND CARBON MONOXIDE DETECTORS AND ALARMS IN RESIDENTIAL DWELLINGS.

Section 1. (NEW) (Effective October 1, 2012) Whenever any private residential dwelling designed to be occupied by one or two families is occupied during interior alterations or additions requiring a building permit, the temporary installation of battery-operated smoke detection and warning equipment and, if there is a fuel-burning appliance, fireplace or attached garage present, battery-operated carbon monoxide detection and warning equipment shall be required in the vicinity of, and during the performance of, such alterations or additions. Such equipment shall be of a type or technology that is tested and certified pursuant to standards issued by the American National Standards Institute or Underwriters Laboratories. Such equipment may combine smoke and carbon monoxide detection technology into a single device.

Sec. 2. (NEW) (Effective October 1, 2012) The Commissioner of Construction Services may establish, within available appropriations, a public awareness campaign to educate the public concerning the dangers of not having smoke and carbon monoxide detection and warning equipment in residential dwellings and to promote the installation of smoke and carbon monoxide detection and warning equipment in all residential dwellings.

## **Recent Legislation: *Resources***

- Connecticut Real Estate Licensing Law Statutes and Regulations are available at
  - <http://ct.gov/dcp>
  - click Laws and Regulations
    - scroll to Real Estate
      - for Statutes
        - Click [Real Estate Brokers and Salespersons, Chapter 392](#)
      - for Regulations
        - Click [Regulations, Real Estate Brokers and Salespersons](#)
- Recent Public Acts are available at
  - <http://cga.ct.gov>
  - use Quick Search tool bar

Information on current laws and regulations, as well as new laws, can be found at the state website.

## Wrap Up

- Instructor should report and discuss any other current topics or recent real estate brokerage-related Connecticut legislation or court cases.
- QUESTIONS?
- COMMENTS?

This course was developed in the summer of 2012. Any relevant subsequent current topics and laws/court cases should be added by the instructor. New material is always provided at the semi-annual Connecticut Real Estate Instructors' Seminar. To be added to a mailing list for seminar notification, contact the Center for Real Estate at [recenter@business.uconn.edu](mailto:recenter@business.uconn.edu).

Instructor should invite comments and questions, and then wrap up the course.