

REAL ESTATE INSTRUCTORS SEMINAR



CT LEGISLATIVE UPDATE



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REAL ESTATE LICENSING

Increase in Real Estate Licensing Fees House Bill 6802 *Effective 10/01/2009*

This bill raises state fees by: (1) increasing fees to at least \$15; (2) doubling fees under \$150; (3) increasing fees between \$150 and \$1,000 by 25%; and (4) adding \$250 to fees of \$1,000 or more.

<i>Fee Description</i>	<i>Current \$</i>	<i>New \$</i>
Real estate broker - license application	60	120
Real estate salesperson - license application	40	80
Real estate broker – initial license	450	565
Real estate broker – renewal	300	375
Real estate salesperson – initial license & renewal	225	285
Real estate broker - reinstate license	300	375
Real estate salesperson - reinstate license	225	285
Home inspector license & renewal	200	250
Home inspector intern license & renewal	100	200
Certified appraisers – initial certificate	300	375
Certified appraisers - renewal	225	285
Licensed and limited licensed appraisers – initial & renewal	225	285
Provisional appraisers – initial & renewal	50	100
Appraiser continuing education document processing fee	8	16

Time Share Sales *licensing required – see under next section*

REAL ESTATE OWNERSHIP AND TRANSFER

Time Share/ Vacation Sale and Ownership PA 09-156 *Effective 01/01/2010*

Replaces time share law with more current and detailed provisions. Timeshares established in Connecticut before 12/31/2009 are exempt (old law applies).

- **Creation:** time shares located in Connecticut must record time share creation documents in land records in municipality where time share is located; time share interest recorded in Connecticut is deemed to be real estate.
- **Advertising:** time share advertising directed at people in Connecticut is regulated.
- **Initial Sale by Developer:** (1) all developers offering or selling time shares in Connecticut (located in or outside of CT) must register with the DCP (criminal penalty for offering unregistered shares); (2) purchaser must be given a time share disclosure statement; (3) certain language required in purchase contract; (4) purchaser has a five-day right of cancellation (after purchaser receives signed contract and disclosure statement); (5) purchasers monies paid to developer must be held in escrow during cancellation period.
- **Management:** managing entity must maintain adequate insurance, make written annual statement of financial operations available to purchasers, see that an independent audit of financial statements is conducted annually.
- **Resale:** certain resale listing agreement provisions, purchase contract provisions, and resale disclosures required. Resale broker must provide DCP with copies of required documents and disclosures.
- **Licensing:** time share sale and resale agents offering a time share interest in Connecticut must be a licensed real estate broker or salesperson (exemption for exchange companies); resale brokers must register with DCP.

Uniform Common Interest Ownership PA 09-225 *Effective 10/01/2009*

Makes numerous changes and additions to CIOA, including changes to: powers and duties of associations; unit owner meetings; resale certificate disclosures and cost calculations; required insurance; amendments to declarations; termination; limitations on foreclosure.

Property Condition Disclosure Form PA 09-127 *DCP to have new form by 04/01/2010*

Property condition disclosure form will now include (1) municipal contact information if property is located in an historic district or is a historic property, and (2) a statement listing all leased appliances and other leased items (e.g. propane tanks, water heaters, security systems).

Recording Fees PA 09-229 *Effective 7/1/2009 – 7/1/2010*

Creates a grant program for milk producers. Funding comes from temporarily increasing the document recording fee from \$30 to \$40; this in addition to the other fees for recording – so total is \$53 for first page and \$5 for each additional page. (*Interestingly enough, this bill was tacked on to a fertilizer bill*).

Conveyance Tax on Foreclosed Property House Bill 6802 *Effective 01/01/2010*

Applies the real estate conveyance tax to property that is foreclosed by sale through a court-order. (*previously exempt*).

REAL ESTATE FINANCE

Residential Mortgage Fraud PA 09-207 *Effective 10/01/2009*

Creates the crime of residential mortgage fraud – felony for mortgage professional to make or use any material misstatements, misrepresentations, or omissions during the mortgage lending practice. Redefines "nonprime home loan" and provides additional protections for non-prime home loan borrowers.

Consumer Credit Licensees PA 09-208 *Effective 10/01/2009*

Numerous changes regarding consumer credit licensees. In particular, requires a person that negotiates short sales or foreclosure rescue services to be obtain a debt negotiation license with the Department of Banking (applicant must be solvent and show general fitness for debt negotiation; requires fee and surety bond). Sets forth requirements for debt negotiation contracts.

Implementation of S.A.F.E. Mortgage Licensing Act PA 09-209 *Effective 09/01/2009 (strict foreclosure provision effective 10/01/2009)*

Implements the 2008 federal Secure and Fair Enforcement for Mortgage Licensing (S. A. F. E.) Act by imposing conditions on licensing for mortgage professionals. Requires licensing for mortgage loan lenders, brokers, and originators; prelicensing education, testing, and continuing education requirements. Excludes real estate licensees from definition of mortgage originator (and therefore licensing requirements), unless the real estate licensee is compensated by a mortgage lender or broker. Makes mortgage foreclosure mediation mandatory rather than optional. Allows judgments of strict foreclosure to be reopened under certain circumstances.

Emergency Mortgage Assistance Program PA 09-218 *Some provisions effective 09/01/2009 and some 10/01/2009*

Allows borrowers to apply for the EMAP program before they received foreclosure notice if they are at least 60 days delinquent on their mortgage. Expands eligibility of program with new definition of financial hardship beyond borrowers control.

PROPERTY TAXES

Municipal Assessments and Assessment Appeals PA 09-196 *Effective 09/01/2009 (applies to assessment years beginning 10/01/2008)*

Requires tax assessors to use sales comparison approach when determining fair market value of large income producing properties. Revises ceiling above which Board of Assessment Appeals may refuse to hear appeals.

Municipal Option to Delay Revaluations PA 09-60 *Effective 09/01/2009 (applies to assessment years beginning 10/01/2008)*

Allows municipalities that were required to revalue or phase-in revaluations in 2008, 2009, and 2010 to delay until October 1, 2011. Allows two or more municipalities to revalue property according to the same schedule, even if one has to change its 5 year revaluation schedule.

REAL ESTATE DEVELOPMENT

Projects of Regional Significance PA 09-165 *Effective 10/01/2009*

Establishes a voluntary pre-application project development review process with regional planning organizations for projects of regional significance.

Land Use Permit Expiration Extension PA 09-181 *Effective immediately*

Gives developers that received land use and/or wetlands approvals between July 1, 2006 to July 1, 2009 more time to complete ongoing projects.

Energy Code and Green Building Standards PA 09-192 *Effective immediately*

Delays the date when “green building” standards take effect and narrows their scope. Requires the state building inspector and Codes and Standards Committee to establish the threshold size for buildings subject to the standards.

Tax Credit for Green Buildings PA 09-202

Effective 7/1/2009; applicable to income years starting on or after 1/21/2012

Establishes state tax credits for projects that meet LEED certification.

Smart Growth; State Plan of Conservation and Development PA 09-230 *Effective immediately*

Postpones the deadline for revising the five-year State Plan of Conservation and Development from 3/1/09 to 3/1/11. Defines “smart growth” and requires that smart growth principles be incorporated in state agency planning.

Regional Economic Development Plans PA 09-231 *Effective 09/01/2011*

Allows municipalities to jointly promote regional economic development and share in property tax revenue from the development.

Brownfield Redevelopment Rules PA 09-235

Some provisions effective immediately and some 07/01/2009

Changes laws regarding brownfield development, including providing greater protections to developers and municipalities.

 text of 2009 CT Public Acts can be found at
<http://www.cga.ct.gov> 