



Agency Legislative Proposal - 2019 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): DCP100118DrugControl.doc

(If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Consumer Protection

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Lead agency division requesting this proposal: Drug Control Division

Agency Analyst/Drafter of Proposal: Leslie O'Brien

Title of Proposal: An Act Concerning Revisions to the Pharmacy and Drug Control Statutes

Statutory Reference: Sections 20-614, 20-633b, 20-594, 21a-70, 20-140, 21a-243, 21a-254

Proposal Summary:

Section 1 amends Sec. 20-614 to require that pharmacists offer counseling to patients regarding their prescriptions. Currently, under Sec. 20-620 pharmacists are required to offer such counseling, but only to Medicaid patients.

Section 2 amends Sec. 20-633b to require sterile compounding pharmacies to designate a pharmacist to be responsible for the sterile drugs produced by that pharmacy (including hospitals); mandates that the responsible pharmacist meet competency requirements; updates language regarding US Pharmacopeia standards to ensure conformance.

Section 3 amends 20-594 to require that all pharmacies report if they are the subject of legal action. This would create the same requirement that currently exists for nonresident and compounding pharmacies in Sec. 20-627 and Sec. 20-633b.

Section 4 amends 21a-70 to require that when a manufacturer or wholesaler terminates or declines a pharmacy's business they report said action to DCP. Last legislative session, the Legislature passed a requirement that suspicious orders be reported, however, this would strengthen investigatory tools and allow the department to identify issues faster.

Section 5 amends Sec. 20-140 to apply opioid prescribing restrictions to benzodiazepines.

Section 6 amends 21a-243 to make the temporary state designation of a controlled substance



by virtue of federal action permanent after 240 days. Currently when a drug is not scheduled in Connecticut, but is designated in Schedules I-V in the federal Controlled Substances Act, the law considers the drug to be scheduled in that same federal classification for 240 days. This timeframe is most likely to allow Connecticut to take action and schedule the drug through the regulations process. However, if Connecticut does not act within 240 days the drug would presumably return as unscheduled because the law is silent on that scenario (which happens quite often). This change would obviate the need for Drug Control to continually comb through DEA final rulings on drug classifications and submit revisions to the regulations to conform to federal scheduling. Of note, this does not apply to drugs that are designated into a schedule under Connecticut law as our law states that the federal designation controls, unless there is a conflict, in which case the more restrictive classification controls (except marijuana).

Section 7 amends 21a-243 to allow DCP to reclassify FDA approved marijuana based medicine to whatever classification the DEA designates.

Section 8 amends 21a-254 to allow pharmacists to designate an authorized agent for lookup purposes, similar to prescribing practitioners.

PROPOSAL BACKGROUND

◇ Reason for Proposal

Please consider the following, if applicable:

- (1) *Have there been changes in federal/state/local laws and regulations that make this legislation necessary?*
- (2) *Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?*
- (3) *Have certain constituencies called for this action?*
- (4) *What would happen if this was not enacted in law this session?*

To make various changes to the Drug Control and Pharmacy statutes to provide DCP with additional enforcement tools and ensure public health and safety.

◇ Origin of Proposal

New Proposal

Resubmission

If this is a resubmission, please share:

- (1) *What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?*
- (2) *Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?*
- (3) *Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?*
- (4) *What was the last action taken during the past legislative session?*

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PROPOSAL IMPACT

◇ AGENCIES AFFECTED *(please list for each affected agency)*



<p>Agency Name: None.</p> <p>Agency Contact (name, title, phone): Click here to enter text.</p> <p>Date Contacted: Click here to enter text.</p> <p>Approve of Proposal <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing</p>
<p>Summary of Affected Agency's Comments</p> <p>Click here to enter text.</p>
<p>Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO</p>

◇ **FISCAL IMPACT** (please include the proposal section that causes the fiscal impact and the anticipated impact)

<p>Municipal (please include any municipal mandate that can be found within legislation)</p> <p>None.</p>
<p>State</p> <p>None.</p>
<p>Federal</p> <p>None.</p>
<p>Additional notes on fiscal impact</p> <p>Click here to enter text.</p>

◇ **POLICY and PROGRAMMATIC IMPACTS** (Please specify the proposal section associated with the impact)

<p>Click here to enter text.</p>

Insert fully drafted bill here

Section 1. Section 20-614 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

- (a) A prescription shall be transmitted in either an oral, written or electronic manner to a pharmacy.
- (b) Whenever a pharmacy, or an institutional pharmacy in a hospital dispensing a drug or device for outpatient use or dispensing a drug or device that is prescribed for an employee of the hospital or for the employee's



spouse or dependent children, receives an oral or electronically-transmitted prescription, except for a controlled drug, as defined in section 21a-240, a record of such prescription shall be maintained in writing or electronically. The pharmacist or pharmacy intern shall, not later than the end of the business day when the prescription was received, record the prescription on a prescription form or in an electronic record including: (1) The name and address of the prescribing practitioner; (2) the date of the prescription; (3) the name, dosage form, strength, where applicable, and the amount of the drug prescribed; (4) the name and address of the patient or, for veterinary prescriptions, the name and address of the owner and the species of the animal; (5) the directions for use; (6) any required cautionary statements; and (7) the number of times the prescription may be refilled, including the use of refill terms "PRN" and "ad lib" in lieu of a specific number of authorized refills.

(c) A written prescription shall bear: (1) The written signature of the prescribing practitioner or shall comply with the requirements of section 19a-509c; (2) the address of the practitioner; (3) the date of the prescription; (4) the name, dosage form, strength, where applicable, and amount of the drug prescribed; (5) the name and address of the patient or, for veterinary prescriptions, the name and address of the owner and the species of the animal; (6) the directions for use; (7) any required cautionary statements; and (8) the number of times the prescription may be refilled, including the use of refill terms "PRN" and "ad lib" in lieu of a specific number of authorized refills. No written prescription form for a schedule II substance may contain an order for any other legend drug or device.

(d) Prior to or simultaneously with dispensing drugs to individuals in subsection (b), a pharmacist shall, whenever practicable, offer in person to discuss the drugs to be dispensed and to counsel the patient on their usage, except when the person obtaining the prescription is other than the person named on the prescription form or the pharmacist determines it is appropriate to make such offer in writing. Any such written offer shall include an offer to communicate with the patient either in person at the pharmacy or by telephone.

(e) Nothing in this section shall be construed as requiring a pharmacist to provide counseling when an individual refuses such counseling . The pharmacist shall document the provision of counseling, a refusal by or the inability of the patient to accept counseling or a refusal by the patient to give information. Records kept pursuant to this subsection shall be maintained for the same length of time as prescription records are maintained pursuant to section 20-615.

(f[d]) (1) As used in this subsection, "electronic data intermediary" means an entity that provides the infrastructure that connects the computer systems or other electronic devices utilized by prescribing practitioners with those used by pharmacies in order to facilitate the secure transmission of electronic prescription orders, refill authorization requests, communications and other patient care information between such entities.

(2) An electronic data intermediary may transfer electronically transmitted data between a prescribing practitioner licensed and authorized to prescribe and a pharmacy of the patient's choice, licensed pursuant to this chapter or licensed under the laws of any other state or territory of the United States. Electronic data



intermediaries shall not alter the transmitted data except as necessary for technical processing purposes. Electronic data intermediaries may archive copies of only that electronic data related to such transmissions necessary to provide for proper auditing and security of such transmissions. Such data shall only be maintained for the period necessary for auditing purposes. Electronic data intermediaries shall maintain patient privacy and confidentiality of all archived information as required by state and federal law.

(3) No electronic data intermediary shall operate without the approval of the Commissioner of Consumer Protection. An electronic data intermediary seeking approval shall apply to the Commission of Pharmacy in the manner prescribed by the commissioner. The commissioner, with the advice and assistance of the commission, shall adopt regulations, in accordance with the provisions of chapter 54, to establish criteria for the approval of electronic data intermediaries, to ensure that (A) procedures to be used for the transmission and retention of prescription data by an intermediary, and (B) mechanisms to be used by an intermediary to safeguard the confidentiality of such data, are consistent with the provisions and purposes of this section.

Section 2. Section 20-633b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(a) As used in this section:

(1) "Medical order" means a written, oral or electronic order by a prescribing practitioner, as defined in section 20-14c, for a drug to be dispensed by a pharmacy for administration to a patient;

(2) "Sterile compounding pharmacy" means a pharmacy, as defined in section 20-594, or a nonresident pharmacy registered pursuant to section 20-627, that dispenses or compounds sterile pharmaceuticals; and

(3) "Sterile pharmaceutical" means any dosage form of a drug, including, but not limited to, parenterals, injectables, surgical irrigants and ophthalmics devoid of viable microorganisms.

(b) (1) If an applicant for a new pharmacy license pursuant to section 20-594 intends to compound sterile pharmaceuticals, the applicant shall file an addendum to its pharmacy license application to include sterile pharmaceutical compounding. The Department of Consumer Protection shall inspect the proposed pharmacy premises of the applicant and the applicant shall not compound sterile pharmaceuticals until it receives notice that the addendum application has been approved by the department and the Commission of Pharmacy.

(2) If an existing pharmacy licensed pursuant to section 20-594 intends to compound sterile pharmaceuticals for the first time on or after July 1, 2014, such pharmacy shall file an addendum application to its application on file with the department to include sterile pharmaceutical compounding. The Department of Consumer Protection shall inspect the pharmacy premises and the pharmacy shall not compound sterile pharmaceuticals until it receives notice that such addendum application has been approved by the department and the Commission of Pharmacy.

(3) If an applicant for a nonresident pharmacy registration intends to compound sterile pharmaceuticals for sale or delivery in this state, the applicant shall file an addendum to its



application to include sterile pharmaceutical compounding. The applicant shall provide the department with written proof it has passed inspection by the appropriate state agency in the state where such nonresident pharmacy is located. Such pharmacy shall not compound sterile pharmaceuticals for sale or delivery in this state until it receives notice that the addendum application has been approved by the department and the Commission of Pharmacy.

(4) If a nonresident pharmacy registered pursuant to section 20-627 intends to compound sterile pharmaceuticals for sale or delivery in this state for the first time on or after July 1, 2014, the nonresident pharmacy shall file an addendum to its application to include sterile pharmaceutical compounding. The nonresident pharmacy shall provide the department with written proof it has passed inspection by the appropriate state agency in the state where such nonresident pharmacy is located. Such pharmacy shall not compound sterile pharmaceuticals until it receives notice that the addendum application has been approved by the department and the Commission of Pharmacy.

(c) A sterile compounding pharmacy shall comply with the most recent United States Pharmacopeia, Chapter 797, Pharmaceutical Compounding - Sterile Preparations, and related chapters as amended from time to time. A sterile compounding pharmacy shall also comply with all applicable federal and state statutes and regulations.

(d) An institutional pharmacy within a facility licensed pursuant to section 19a-490 that compounds sterile pharmaceuticals shall comply with the most recent version of the United States Pharmacopeia,[Chapter 797,] Pharmaceutical Compounding - Sterile Preparations, and related chapters as amended from time to time, and shall also comply with all applicable federal and state statutes and regulations. Such institutional pharmacy may request from the Commissioner of Consumer Protection an extension of time, not to exceed six months, to comply, for state enforcement purposes, with any amendments to Chapter 797, for good cause shown. The commissioner may grant an extension for a length of time not to exceed six months. Nothing herein shall prevent such institutional pharmacy from requesting a subsequent extension of time or shall prevent the commissioner from granting such extension.

(e) (1) A sterile compounding pharmacy may only provide patient-specific sterile pharmaceuticals to patients, practitioners of medicine, osteopathy, podiatry, dentistry or veterinary medicine, or to an acute care or long-term care hospital or health care facility licensed by the Department of Public Health.

(2) If a sterile compounding pharmacy provides sterile pharmaceuticals without a patient-specific prescription or medical order, the sterile compounding pharmacy shall also obtain a certificate of registration from the Department of Consumer Protection pursuant to section 21a-70 and any required federal license or registration. A sterile compounding pharmacy may prepare and maintain on-site inventory of sterile pharmaceuticals no greater than a thirty-day supply, calculated from the completion of compounding, which thirty-day period shall include the period required for third-party analytical testing, to be performed in accordance with the most recent version of the United States Pharmacopeia,[Chapter 797,] Pharmaceutical Compounding - Sterile Preparations, and related chapters as amended from time to time.



(f) (1) If a sterile compounding pharmacy plans to remodel a pharmacy clean room within the sterile compounding facility, relocate a pharmacy clean room within the facility or upgrade or conduct a nonemergency repair to the heating, ventilation, air conditioning or primary engineering controls for a pharmacy clean room within the facility, the sterile compounding pharmacy shall notify the Department of Consumer Protection not later than ten days prior to commencing such remodel, relocation, upgrade or repair. If a sterile compounding pharmacy makes an emergency repair, the sterile compounding pharmacy shall notify the department of such repair, in writing, as soon as possible after such repair is commenced.

(2) If the most recent version of the United States Pharmacopeia,[Chapter 797,] Pharmaceutical Compounding - Sterile Preparations, and related chapters as amended from time to time, requires sterile recertification after such remodel, relocation, upgrade or repair, the sterile compounding pharmacy shall provide a copy of its sterile recertification to the Department of Consumer Protection not later than five days after the sterile recertification approval. The recertification shall only be performed by an independent licensed environmental monitoring entity.

(g) A sterile compounding pharmacy shall report, in writing, to the Department of Consumer Protection any known violation or noncompliance with viable and nonviable environmental sampling testing, as defined in the most recent version of the United States Pharmacopeia,[Chapter 797,] Pharmaceutical Compounding - Sterile Preparations, and related chapters as amended from time to time, not later than the end of the next business day after discovering such violation or noncompliance.

(h) (1) If a sterile compounding pharmacy initiates a recall of sterile pharmaceuticals that were dispensed pursuant to a patient-specific prescription or medical order, the sterile compounding pharmacy shall notify each patient or patient care giver, the prescribing practitioner and the Department of Consumer Protection of such recall not later than twenty-four hours after such recall was initiated.

(2) If a sterile compounding pharmacy initiates a recall of sterile pharmaceuticals that were not dispensed pursuant to a patient-specific prescription or a medical order, the sterile compounding pharmacy shall notify: (A) Each purchaser of such sterile pharmaceuticals, to the extent such sterile compounding pharmacy possesses contact information for each such purchaser, (B) the Department of Consumer Protection, and (C) the federal Food and Drug Administration of such recall not later than the end of the next business day after such recall was initiated.

(i) Each sterile compounding pharmacy and each institutional pharmacy within a facility licensed pursuant to section 19a-490 shall prepare and maintain a policy and procedure manual. The policy and procedure manual shall comply with the most recent version of the United States Pharmacopeia,[Chapter 797,]Pharmaceutical Compounding - Sterile Preparations, and related chapters as amended from time to time.

(j) Each sterile compounding pharmacy shall report to the Department of Consumer Protection any administrative or legal action commenced against it by any state or federal regulatory agency or



accreditation entity not later than five business days after receiving notice of the commencement of such action.

(k) Notwithstanding the provisions of subdivisions (3) and (4) of subsection (b) of this section, a sterile compounding pharmacy that is a nonresident pharmacy shall provide the Department of Consumer Protection proof that it has passed an inspection in such nonresident pharmacy's home state, based on the most recent United States Pharmacopeia,[Chapter 797,] Pharmaceutical Compounding - Sterile Preparations compliance standards, and related chapters as amended from time to time. Such nonresident pharmacy shall submit to the Department of Consumer Protection a copy of the most recent inspection report with its initial nonresident pharmacy application and shall submit to the department a copy of its most recent inspection report every two years thereafter. If the state in which the nonresident pharmacy is located does not conduct inspections based on standards required in the most recent United States Pharmacopeia,[Chapter 797,] Pharmaceutical Compounding, and related chapters as amended from time to time, such nonresident pharmacy shall provide satisfactory proof to the department that it is in compliance with the standards required in the most recent United States Pharmacopeia,[Chapter 797,] Pharmaceutical Compounding and related chapters as amended from time to time.

(l) A practitioner, as specified in subdivision (1) of subsection (e) of this section, a hospital or a health care facility that receives sterile pharmaceuticals shall report any errors related to such dispensing or any suspected adulterated sterile pharmaceuticals to the Department of Consumer Protection.

(m) (1) For purposes of this subsection, a "designated pharmacist" means a pharmacist responsible for overseeing the compounding of sterile pharmaceuticals and the application of the United States Pharmacopeia as it pertains to sterile compounding.

(2) Any pharmacy, licensed pursuant to 20-594, or institutional pharmacy, licensed pursuant to 19a-490 who provides sterile pharmaceuticals shall notify the department of the designated pharmacist.

(3) The designated pharmacist shall be responsible for demonstrating, in a form and manner prescribed by the commissioner, the competence necessary for the compounding of sterile pharmaceuticals in compliance with all applicable federal and state statutes and regulations.

(4) No pharmacist shall be the designated pharmacist for more than one licensed location where sterile pharmaceuticals are prepared at the same time.

(5) The designated pharmacist shall immediately notify the department whenever the designated pharmacist ceases such responsibility and shall immediately notify the department of the name and license number of the pharmacist who assumes responsibility as the new designated pharmacist. Nothing in this section shall prevent the designated pharmacist from being the pharmacy manager.

[(m)] (n) The Commissioner of Consumer Protection may adopt regulations, in accordance with chapter 54, to implement the provisions of this section.



Section 3. Section 20-594 of the general statutes is amended by adding subsection (f) as follows (Effective from passage):

(f) Each pharmacy licensed pursuant to this section shall report to the Department any administrative or legal action commenced against it by any state or federal regulatory agency or accreditation entity not later than ten business days after receiving notice of the commencement of such action.

Section 4. Section 21a-70 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(h) Sale of drugs limited. Regulations. No wholesaler or manufacturer shall sell any drugs except to the state or any political subdivision thereof, to another manufacturer or wholesaler, to any hospital recognized by the state as a general or specialty hospital, to any institution having a full-time pharmacist who is actively engaged in the practice of pharmacy in such institution not less than thirty-five hours a week, to a chronic and convalescent nursing home having a pharmacist actively engaged in the practice of pharmacy based upon the ratio of one-tenth of one hour per patient per week but not less than twelve hours per week, to a practicing physician, podiatrist, dentist, optometrist or veterinarian or to a licensed pharmacy or a store to which a permit to sell nonlegend drugs has been issued as provided in section 20-624. The commissioner may adopt such regulations as are necessary to administer and enforce the provisions of this section.

(i) Each registered manufacturer or wholesaler that ceases or declines distribution of Schedule II through V drugs to a customer within the State of Connecticut shall report the name of the customer, location of the customer and the reasons for ceasing or declining distribution of Schedule II through V drugs to the Director of the Drug Control Division within five business days.

(j) Penalty. Any person who violates any provision of this section shall be fined not more than five hundred dollars or imprisoned not more than six months, or both.

Section 5. Section 20-14o of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) As used in this section:

- (1) "Opioid drug" has the same meaning as provided in 42 CFR 8.2, as amended from time to time;
- (2) "Adult" means a person who is at least eighteen years of age;
- (3) "Prescribing practitioner" has the same meaning as provided in section 20-14c;
- (4) "Minor" means a person who is under eighteen years of age;



(5) "Opioid agonist" means a medication that binds to the opiate receptors and provides relief to individuals in treatment for abuse of or dependence on an opioid drug;

(6) "Opiate receptor" means a specific site on a cell surface that interacts in a highly selective fashion with an opioid drug;

(7) "Palliative care" means specialized medical care to improve the quality of life of patients and their families facing the problems associated with a life-threatening illness; and

(8) "Opioid antagonist" has the same meaning as provided in section 17a-714a.

(9) "Benzodiazepine" means any medication which contains any quantity of a substance, approved by the federal Food and Drug Administration for medical use, as an anxiolytic or for sedative hypnotic purposes classified as a benzodiazepine or chemically related to the benzodiazepines.

(b) When issuing a prescription for an opioid drug or benzodiazepine to an adult patient for the first time for outpatient use, a prescribing practitioner who is authorized to prescribe an opioid drug or benzodiazepine shall not issue a prescription for more than a seven-day supply of such drug, as recommended in the National Centers for Disease Control and Prevention's Guideline for Prescribing Opioids for Chronic Pain.

(c) A prescribing practitioner shall not issue a prescription for an opioid drug or benzodiazepine to a minor for more than a five-day supply of such drug.

(d) Notwithstanding the provisions of subsections (b) and (c) of this section, if, in the professional medical judgment of a prescribing practitioner, more than a seven-day supply of an opioid drug or benzodiazepine is required to treat an adult patient's acute medical condition, or more than a five-day supply of an opioid drug or benzodiazepine is required to treat a minor patient's acute medical condition, as determined by the prescribing practitioner, or is necessary for the treatment of chronic pain, pain associated with a cancer diagnosis or for palliative care, then the prescribing practitioner may issue a prescription for the quantity needed to treat the acute medical condition, chronic pain, pain associated with a cancer diagnosis or pain experienced while the patient is in palliative care. The condition triggering the prescription of an opioid drug or benzodiazepine for more than a seven-day supply for an adult patient or more than a five-day supply for a minor patient shall be documented in the patient's medical record and the practitioner shall indicate that an alternative to the opioid drug or benzodiazepine was not appropriate to address the medical condition.

(e) The provisions of subsections (b), (c) and (d) of this section shall not apply to medications designed for the treatment of abuse of or dependence on an opioid drug or benzodiazepine, including, but not limited to, opioid agonists and opioid antagonists.

(f) When issuing a prescription for an opioid drug or benzodiazepine to an adult or minor patient, the prescribing practitioner shall discuss with the patient the risks associated with the use of such opioid drug or benzodiazepine, including, but not limited to, the risks of addiction and overdose associated with opioid drugs or benzodiazepines and the dangers of taking opioid drugs with alcohol, benzodiazepines and other central nervous system depressants, and the reasons the prescription is necessary, and, if applicable, with the



custodial parent, guardian or other person having legal custody of the minor if such parent, guardian or other person is present at the time of issuance of the prescription.

Section 6. Section 21a-243 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The Commissioner of Consumer Protection shall adopt regulations for the efficient enforcement and operation of sections 21a-244 to 21a-282, inclusive.

(b) The Commissioner of Consumer Protection may, so far as may be consistent with sections 21a-244 to 21a-282, inclusive, adopt the regulations existing under the federal Controlled Substances Act and pertinent regulations existing under the federal food and drug laws and conform regulations adopted hereunder with those existing under the federal Controlled Substances Act and federal food and drug laws.

(c) The Commissioner of Consumer Protection, acting upon the advice of the Commission of Pharmacy, may by regulation designate, after investigation, as a controlled substance, a substance or chemical composition containing any quantity of a substance which has been found to have a stimulant, depressant or hallucinogenic effect upon the higher functions of the central nervous system and having a tendency to promote abuse or physiological or psychological dependence or both. Such substances are classifiable as amphetamine-type, barbiturate-type, cannabis-type, cocaine-type, hallucinogenic, morphine-type and other stimulant and depressant substances, and specifically exclude alcohol, caffeine and nicotine. Substances which are designated as controlled substances shall be classified in schedules I to V by regulations adopted pursuant to subsection (a) of this section.

(d) The Commissioner of Consumer Protection may by regulation change the schedule in which a substance classified as a controlled substance in schedules I to V of the controlled substance scheduling regulations is placed. On or before December 15, 1986, and annually thereafter, the commissioner shall submit a list of all such schedule changes to the chairmen and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to public health.

(e) Notwithstanding the provisions of subsections (a) to (d), inclusive, of this section, not later than January 1, 2013, the Commissioner of Consumer Protection shall submit amendments to sections 21a-243-7 and 21a-243-8 of the regulations of Connecticut state agencies to the standing legislative regulation review committee to reclassify marijuana as a controlled substance in schedule II under the Connecticut controlled substance scheduling regulations.

(f) A new or amended regulation under this chapter shall be adopted in accordance with the provisions of chapter 54.



(g) In the event of any inconsistency between the contents of schedules I, II, III, IV and V of the controlled substance scheduling regulations and schedules I, II, III, IV and V of the federal Controlled Substances Act, as amended, the provisions of the federal act shall prevail, except (1) when the provisions of the Connecticut controlled substance scheduling regulations place a controlled substance in a schedule with a higher numerical designation, schedule I being the highest designation, or (2) as provided in subsection (e) of this section.

(h) When a drug that is not a controlled substance in schedule I, II, III, IV or V, as designated in the Connecticut controlled substance scheduling regulations, is designated to be a controlled substance under the federal Controlled Substances Act, such drug shall be considered to be controlled at the state level in the same numerical schedule [for a period of two hundred forty days] from the effective date of the federal classification, unless the Commissioner of Consumer Protection designates a controlled substance in a different schedule in the Connecticut controlled substance regulations than the federal Controlled Substances Act, as amended, pursuant to this section.

Section 7. Subsection (e) of section 21a-243 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(e) Notwithstanding the provisions of subsections (a) to (d), inclusive, of this section, not later than January 1, 2013, the Commissioner of Consumer Protection shall submit amendments to sections 21a-243-7 and 21a-243-8 of the regulations of Connecticut state agencies to the standing legislative regulation review committee to reclassify marijuana as a controlled substance in schedule II under the Connecticut controlled substance scheduling regulations, except that any marijuana product that has been approved by the federal Food and Drug Administration or successor agency to have a medical use and is reclassified in any schedule of controlled substances or unscheduled by the federal Drug Enforcement Administration or successor agency shall adopt the schedule designated by the Drug Enforcement Administration or successor agency.

Section 8. Subdivision (7) of subsection (j) of section 21a-254 of the 2018 supplement of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(7) The commissioner shall provide, upon request, controlled substance prescription information obtained in accordance with subdivisions (3) and (4) of this subsection to the following: (A) The prescribing practitioner or such practitioner's authorized agent, who is treating or has treated a specific patient, provided the information is obtained for purposes related to the treatment of the patient, including the monitoring of controlled substances obtained by the patient; (B) the prescribing practitioner with whom a patient has made contact for the purpose of seeking medical treatment or such practitioner's authorized agent, provided the request is accompanied by a written consent, signed by the prospective patient, for the release of controlled substance prescription information; or (C) the pharmacist who is dispensing controlled substances for a patient, or such pharmacist's authorized pharmacy technician, provided the information is obtained for purposes related to the scope of the pharmacist's practice and management of the patient's drug therapy, including the monitoring of



controlled substances obtained by the patient. The prescribing practitioner, such practitioner's authorized agent, [or] the pharmacist or such pharmacist's authorized pharmacy technician shall submit a written and signed request to the commissioner for controlled substance prescription information. Such prescribing practitioner or pharmacist shall not disclose any such request except as authorized pursuant to sections 20-570 to 20-630, inclusive, or sections 21a-240 to 21a-283, inclusive.

(10) (A) A prescribing practitioner may designate an authorized agent to review the electronic prescription drug monitoring program and patient controlled substance prescription information on behalf of the prescribing practitioner. The prescribing practitioner shall ensure that any authorized agent's access to such program and patient controlled substance prescription information is limited to the purposes described in this section and occurs in a manner that protects the confidentiality of information that is accessed through such program. The prescribing practitioner and any authorized agent shall be subject to the provisions of 45 CFR 164.308, as amended from time to time, concerning administrative safeguards for the protection of electronic protected health information. A prescribing practitioner may receive disciplinary action for acts of the authorized agent as provided in section 21a-322.

(B) Notwithstanding the provisions of subparagraph (A) of this subdivision, a prescribing practitioner who is employed by or provides professional services to a hospital shall, prior to designating an authorized agent to review the electronic prescription drug monitoring program and patient controlled substance prescription information on behalf of the prescribing practitioner, (i) submit a request to designate one or more authorized agents for such purposes and a written protocol for oversight of the authorized agent or agents to the commissioner, in the form and manner prescribed by the commissioner, and (ii) receive the commissioner's approval to designate such authorized agent or agents and of such written protocol. Such written protocol shall designate either the hospital's medical director, a hospital department head, who is a prescribing practitioner, or another prescribing practitioner as the person responsible for ensuring that the authorized agent's or agents' access to such program and patient controlled substance prescription information is limited to the purposes described in this section and occurs in a manner that protects the confidentiality of information that is accessed through such program. A hospital medical director, a hospital department head, who is a prescribing practitioner, or another prescribing practitioner designated as the person responsible for overseeing an authorized agent's or agents' access to such program and information in the written protocol approved by the commissioner may receive disciplinary action for acts of the authorized agent or agents as provided in section 21a-322. The commissioner may inspect hospital records to determine compliance with written protocols approved in accordance with this section.

(C) A pharmacist may designate a registered pharmacy technician to access the electronic prescription drug monitoring program and patient controlled substance prescription information on behalf of the pharmacist only for the purposes of facilitating the pharmacist's review of that patient information. The pharmacist shall ensure that any designated pharmacy technician's access to such program and patient controlled substance



prescription information is limited to the purposes described in this section and occurs in a manner that protects the confidentiality of information that is accessed through such program. The pharmacist and any authorized pharmacy technician shall be subject to the provisions of 45 CFR 164.308, as amended from time to time, concerning administrative safeguards for the protection of electronic protected health information. A pharmacist may receive disciplinary action for acts of the authorized pharmacy technician.

(D) Prior to designating an authorized pharmacy technician to access the electronic prescription drug monitoring program and patient controlled substance prescription information on behalf of the pharmacist, a the supervising pharmacist shall develop a written protocol for oversight of the authorized pharmacy technicians. Such written protocol shall designate a pharmacist as the person responsible for ensuring that the authorized pharmacy technicians' access to such program and patient controlled substance prescription information is limited to the purposes described in this section and occurs in a manner that protects the confidentiality of information that is accessed through such program. A pharmacist designated as the person responsible for overseeing the pharmacy technicians' access to such program and information in the written protocol may receive disciplinary action for acts of the authorized pharmacy technician. The commissioner may inspect records to determine compliance with written protocols in accordance with this section.



Agency Legislative Proposal - 2019 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc):
DCP100118LicensingandEnforcement.doc

(If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Consumer Protection

Liaison: Leslie O’Brien

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Lead agency division requesting this proposal: Various Divisions

Agency Analyst/Drafter of Proposal: Leslie O’Brien

Title of Proposal: An Act Concerning Changes Licensing and Enforcement Statutes

Statutory Reference: Sections 51-164n, 20-334, 20-455, 14-319, 21a-152 – 21a-160, 20-330, 29-18c, 30-55, 21a-8(c)(4), 20-455

Proposal Summary:

Sections 1 and 2 amend Sec. 51-164n and Sec. 20-334 so that DCP licensees who fail to display their license numbers can be fined up to \$500.

Section 3 expands the license required to see gasoline in Sec. 14-319 to allow for mobile fueling companies, which are operating in several states, to operate in Connecticut.

Section 4 modifies Sec. 21a-152 through Sec. 21a-160 to address enforcement issues at food warehouses that have caused problems procedurally in the past.

Section 5 amends Sec. 20-330 to define “inspection” and “testing” under Chapter 393, to provide statutory clarity to questions that often arise amongst the occupational trades.

Section 6 revises Sec. 29-18c to give flexibility to the Department of Emergency Services and Public Protection and the Department of Consumer Protection so that they may hire additional investigators, if necessary, as legalized gaming expands in the State of Connecticut.

Section 7 amends Sec. 30-55 to provide the Liquor Control Commission with the ability to fine and place conditions upon liquor permittees who are found in violation of regulations or laws.

Section 8 amends 21a-8(c)(4) to give the Commissioner enforcement tools when a credential



was voluntarily surrendered or expired.
Section 9 amends 20-455 to give the Real Estate Commission and the Commissioner the authority to enforce against unregistered community association managers by allowing the issuance of a cease and desist order and the ability to impose fines of up to \$500.

PROPOSAL BACKGROUND

◇ Reason for Proposal

Please consider the following, if applicable:
(1) *Have there been changes in federal/state/local laws and regulations that make this legislation necessary?*
(2) *Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?*
(3) *Have certain constituencies called for this action?*
(4) *What would happen if this was not enacted in law this session?*
To modify existing licensing and enforcement requirements to current markets and practices.

◇ Origin of Proposal New Proposal Resubmission

If this is a resubmission, please share:
(1) *What was the reason this proposal did not pass, or if applicable, was not included in the Administration’s package?*
(2) *Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?*
(3) *Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?*
(4) *What was the last action taken during the past legislative session?*
While most of this proposal is new, section ---- is a resubmission from the 2018 Legislative Session. The General Law Committee did not favorably report this proposal out of committee last year because there were concerns about the public safety implications of allowing mobile delivery of gasoline on a day to day basis. Since then, the State Fire Marshalls have updated their codes to address these concerns.

PROPOSAL IMPACT

◇ AGENCIES AFFECTED *(please list for each affected agency)*

Agency Name: Judicial, DAS/State Fire Marshalls, DESPP
Agency Contact (name, title, phone): Section 1, Judicial - Doreen Del Bianco. Section 3, DAS - Terrance Tulloch-Reid, Section 6, DESPP - Scott DeVivo
Date Contacted: October 3, 2018
Approve of Proposal YES NO Talks Ongoing

Summary of Affected Agency’s Comments



Click here to enter text.
Will there need to be further negotiation? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

◇ **FISCAL IMPACT** *(please include the proposal section that causes the fiscal impact and the anticipated impact)*

Municipal <i>(please include any municipal mandate that can be found within legislation)</i> None
State None
Federal None
Additional notes on fiscal impact NA

◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

None

Insert fully drafted bill here

Copy and paste here.

Section 1. Section 51-164 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) There shall be a Centralized Infractions Bureau of the Superior Court to handle payments or pleas of not guilty with respect to the commission of an infraction under any provision of the general statutes or a violation set forth in subsection (b) of this section. Except as provided in section 51-164o, any person who is alleged to have committed an infraction or a violation under subsection (b) of this section may plead not guilty or pay the established fine and any additional fee or cost for the infraction or such violation.

(b) Notwithstanding any provision of the general statutes, any person who is alleged to have committed (1) a violation under the provisions of section 1-9, 1-10, 1-11, 4b-13, 7-13, 7-14, 7-35, 7-41, 7-83, 7-283, 7-325, 7-393, 8-12, 8-25, 8-27, 9-63, 9-322, 9-350, 10-193, 10-197, 10-198, 10-230,



10-251, 10-254, 12-52, 12-170aa, 12-292, 12-314b or 12-326g, subdivision (4) of section 12-408, subdivision (3), (5) or (6) of section 12-411, section 12-435c, 12-476a, 12-476b, 12-487, 13a-71, 13a-107, 13a-113, 13a-114, 13a-115, 13a-117b, 13a-123, 13a-124, 13a-139, 13a-140, 13a-143b, 13a-247 or 13a-253, subsection (f) of section 13b-42, section 13b-90, 13b-221, 13b-292, 13b-336, 13b-337, 13b-338, 13b-410a, 13b-410b or 13b-410c, subsection (a), (b) or (c) of section 13b-412, section 13b-414, subsection (d) of section 14-12, section 14-20a or 14-27a, subsection (e) of section 14-34a, subsection (d) of section 14-35, section 14-43, 14-49, 14-50a or 14-58, subsection (b) of section 14-66, section 14-66a, 14-66b or 14-67a, subsection (g) of section 14-80, subsection (f) of section 14-80h, section 14-97a, 14-100b, 14-103a, 14-106a, 14-106c, 14-146, 14-152, 14-153 or 14-163b, a first violation as specified in subsection (f) of section 14-164i, section 14-219 as specified in subsection (e) of said section, subdivision (1) of section 14-223a, section 14-240, 14-249, 14-250 or 14-253a, subsection (a) of section 14-261a, section 14-262, 14-264, 14-267a, 14-269, 14-270, 14-275a, 14-278 or 14-279, subsection (e) or (h) of section 14-283, section 14-291, 14-293b, 14-296aa, 14-300, 14-300d, 14-319, 14-320, 14-321, 14-325a, 14-326, 14-330 or 14-332a, subdivision (1), (2) or (3) of section 14-386a, section 15-25 or 15-33, subdivision (1) of section 15-97, subsection (a) of section 15-115, section 16-44, 16-256e, 16a-15 or 16a-22, subsection (a) or (b) of section 16a-22h, section 17a-24, 17a-145, 17a-149, 17a-152, 17a-465, 17a-642, 17b-124, 17b-131, 17b-137, 19a-30, 19a-33, 19a-39 or 19a-87, subsection (b) of section 19a-87a, section 19a-91, 19a-105, 19a-107, 19a-113, 19a-215, 19a-219, 19a-222, 19a-224, 19a-286, 19a-287, 19a-297, 19a-301, 19a-309, 19a-335, 19a-336, 19a-338, 19a-339, 19a-340, 19a-425, 19a-502, 20-7a, 20-14, 20-158, 20-231, 20-249, 20-257, 20-265, 20-324e, 20-341/, subsection (c) of 20-334, 20-366, 20-597, 20-608, 20-610, 21-1, 21-30, 21-38, 21-39, 21-43, 21-47, 21-48, 21-63 or 21-76a, subdivision (1) of section 21a-19, section 21a-21, subdivision (1) of subsection (b) of section 21a-25, section 21a-26 or 21a-30, subsection (a) of section 21a-37, section 21a-46, 21a-61, 21a-63 or 21a-77, subsection (b) of section 21a-79, section 21a-85 or 21a-154, subdivision (1) of subsection (a) of section 21a-159, subsection (a) of section 21a-279a, section 22-12b, 22-13, 22-14, 22-15, 22-16, 22-26g, 22-29, 22-34, 22-35, 22-36, 22-38, 22-39, 22-39a, 22-39b, 22-39c, 22-39d, 22-39e, 22-49 or 22-54, subsection (d) of section 22-84, section 22-89, 22-90, 22-98, 22-99, 22-100, 22-111o, 22-167, 22-279, 22-280a, 22-318a, 22-320h, 22-324a, 22-326 or 22-342, subsection (b), (e) or (f) of section 22-344, section 22-359, 22-366, 22-391, 22-413, 22-414, 22-415, 22a-66a or 22a-246, subsection (a) of section 22a-250, subsection (e) of section 22a-256h, section 22a-363 or 22a-381d, subsections (c) and (d) of section 22a-381e, section 22a-449, 22a-461, 23-37, 23-38, 23-46 or 23-61b, subsection (a) or subdivision (1) of subsection (c) of section 23-65, section 25-37 or 25-40, subsection (a) of section 25-43, section 25-43d, 25-135, 26-16, 26-18, 26-19, 26-21, 26-31, 26-31c, 26-40, 26-40a, 26-42, 26-49, 26-54, 26-55, 26-56, 26-58 or 26-59, subdivision (1) of subsection (d) of section 26-61, section 26-64, subdivision (1) of section 26-76, section 26-79, 26-87, 26-89, 26-91, 26-94, 26-97, 26-98, 26-104, 26-105, 26-107, 26-117, 26-128, 26-131, 26-132, 26-138 or 26-141, subdivision (2) of subsection (j) of section 26-142a, subdivision (1) of subsection (b) of section 26-157b, subdivision (1) of section 26-186, section 26-207, 26-215, 26-217 or 26-224a, subdivision (1) of section 26-226, section 26-227, 26-230, 26-232, 26-244, 26-257a, 26-260, 26-276, 26-284, 26-285, 26-286, 26-288, 26-294, 28-13, 29-6a, 29-25, 29-143o, 29-143z or 29-156a, subsection (b), (d), (e) or (g) of section 29-161q, section 29-161y or 29-161z, subdivision (1) of section 29-198, section 29-210,



29-243 or 29-277, subsection (c) of section 29-291c, section 29-316, 29-318, 29-381, 30-48a, 30-86a, 31-3, 31-10, 31-11, 31-12, 31-13, 31-14, 31-15, 31-16, 31-18, 31-23, 31-24, 31-25, 31-32, 31-36, 31-38, 31-40, 31-44, 31-47, 31-48, 31-51, 31-52, 31-52a or 31-54, subsection (a) or (c) of section 31-69, section 31-70, 31-74, 31-75, 31-76, 31-76a, 31-89b or 31-134, subsection (i) of section 31-273, section 31-288, subdivision (1) of section 35-20, section 36a-787, 42-230, 45a-283, 45a-450, 45a-634 or 45a-658, subdivision (13) or (14) of section 46a-54, section 46a-59, 46b-22, 46b-24, 46b-34, 47-34a, 47-47, 49-8a, 49-16, 53-133, 53-199, 53-212a, 53-249a, 53-252, 53-264, 53-280, 53-302a, 53-303e, 53-311a, 53-321, 53-322, 53-323, 53-331 or 53-344, subsection (c) of section 53-344b, or section 53-450, or (2) a violation under the provisions of chapter 268, or (3) a violation of any regulation adopted in accordance with the provisions of section 12-484, 12-487 or 13b-410, or (4) a violation of any ordinance, regulation or bylaw of any town, city or borough, except violations of building codes and the health code, for which the penalty exceeds ninety dollars but does not exceed two hundred fifty dollars, unless such town, city or borough has established a payment and hearing procedure for such violation pursuant to section 7-152c, shall follow the procedures set forth in this section.

Section 2. Subsection (b) of 20-334 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(b) The Department of Consumer Protection shall furnish to each qualified applicant a license certifying that the holder thereof is entitled to engage in the work or occupation for which the person has been issued a license under this chapter, and the holder of such license shall carry it on his person while engaging in such work or occupation. Such license shall be shown to any properly interested person on request. No such license shall be transferred to or used by any person other than the person to whom the license was issued. Contractors [shall] that fail to display their state license number on all commercial vehicles used in their business and [shall display such number] in a conspicuous manner on all printed advertisements, bid proposals, contracts, invoices and on all stationery used in their business may be fined not more than five hundred dollars per violation. The department shall keep a register in which shall be entered the names of all persons to whom such licenses are issued. The register shall be at all times open to public inspection.

Section 3. Section 14-318 of the general statutes is repealed and the following is substituted in lieu thereof (Effective January 1, 2020):

Terms used in this chapter shall be construed as follows, unless another construction is clearly apparent from the language or context in which the term is used or unless the construction is inconsistent with the manifest intention of the General Assembly:

(1) The following terms shall be construed as they are defined in section 14-1: "Fuels", "motor vehicle" and "person";



(2) "Commissioner" means the Commissioner of Consumer Protection or any assistant to the Commissioner of Consumer Protection who is designated and authorized by, and who is acting for, the Commissioner of Consumer Protection;

(3) "Distributor" means any person, wherever resident or located, who imports fuels or causes fuels to be imported into this state, for sale or use; a person who produces, refines, manufactures or compounds fuels within this state; and a person who distributes gasoline by tank wagon in this state;

(4) "Local authority" means the selectmen or town manager of a town, the mayor of a city or the warden of a borough or other board or authority designated by local charter, regulation or ordinance, except in any town or city having a zoning commission and a board of appeals, "local authority" means the board of appeals;

(5) "United States Government Motor Gasoline" means gasoline which is or may be prescribed by the federal specification board of the United States government for use as fuel for motor vehicle, motor boat and similar engines;

(6) "United States Aviation Gasoline, Domestic Grade" means that gasoline which is or may be prescribed by the federal specification board of the United States government for use as aviation fuel; and

(7) "Retail dealer" means any person operating a service station, filling station, store, garage or other place of business for the sale of motor fuel for delivery into the service tank or tanks of any vehicle propelled by an internal combustion engine.

(8) "On demand mobile fueling" means the delivery of gasoline directly from a mobile tank truck to the fuel tank of a motor vehicle.

Section 4. Subsection (a) of section 14-319 of the general statutes is repealed and the following is substituted in lieu thereof (Effective January 1, 2020):

(a) No person shall sell or offer for sale any gasoline or other product intended for use in the propelling of motor vehicles using combustion type engines over the highways of this state without having applied for and received from the commissioner a license to sell such gasoline or other product. Each person applying for any such license shall, in such application, state the location of each place or station where such person intends to sell or offer for sale any such gasoline or other product or if an on demand mobile fueling operation is seeking licensure, state the business location and service area of said operation. Each such license shall be renewed annually. A license fee for each such place or station shall be charged as follows: For each station at a fixed location containing one pump, one hundred dollars; [and,] for each station at a fixed location containing more than one



pump, one hundred dollars, plus twenty-eight dollars for each pump in excess of one; for on demand mobile fueling operations, five hundred dollars for the first tank truck, plus one hundred dollars for each mobile tank truck thereafter. The fees shall be paid to the commissioner.

(b) The commissioner shall not refuse to grant or renew any license under this section on the ground that (1) any licensed activity shall be conducted by the licensee on real property on which shall also be located one or more other businesses, enterprises, or activities, whether or not licensed under section 14-52, owned or operated by one or more persons, other than the licensee, or (2) the licensee shall make use of any common areas or facilities together with the owner or operator of any such other business, enterprise or activity.

(c) In determining whether to grant or to renew any license under this section, the commissioner shall consider whether the applicant or licensee has been found in any judicial or administrative proceeding to have violated the requirements of subsection (c) of section 14-332a.

(d) On demand mobile fueling shall be in accordance with the Connecticut State Fire Prevention Code and national codes incorporated by reference therein, including NFPA 30A Code for Motor Fuel Dispensing Facilities and Repair Garages.

Section 5. Sections 21a-152 is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) Each bakery, food warehouse and food manufacturing establishment shall be designed, constructed and operated as the Commissioner of Consumer Protection directs pursuant to sections 21a-151 to 21a-[159]160, inclusive, and chapter 418.

(b) No person, firm or corporation shall operate a bakery, food warehouse, or food manufacturing establishment with the intent of producing or storing products for human consumption without having obtained from said commissioner a license. Application for such license shall be made on forms, furnished by the commissioner, showing the name and address of such bakery, food warehouse, or food manufacturing establishment. Bakeries shall show the number of persons engaged in the production of bread and pastry products, excluding porters, dishwashers, drivers, sales personnel and other employees not directly engaged in such production. The commissioner shall cause an inspection to be made of the premises described in the application and, if conditions are found satisfactory, such license shall be issued. No person, firm or corporation operating a bakery, food warehouse, or any agent, servant or employee thereof, shall refuse, hinder or otherwise interfere with access by the commissioner or his authorized representative for the purpose of conducting an inspection. No person, firm or corporation shall (1) sell or distribute bread, cakes, doughnuts, crullers, pies, cookies, crackers, spaghetti, macaroni or other food products, including frozen or canned baked goods made in whole or in part of flour or meal produced in any bakery located within or



beyond the boundaries of this state, [or shall] (2) sell or distribute food produced in a food manufacturing establishment located within the boundaries of this state, or (3) store any food for wholesale distribution in a food warehouse unless such bakery, [or] food manufacturing establishment or food warehouse has obtained a license from said commissioner. Facilities licensed pursuant to chapter 417 as food vendors and frozen dessert vendors, and all facilities licensed pursuant to chapters 419a and 430 shall be exempt from such licensing requirement. The commissioner may promulgate regulations excepting out-of-state manufacturers of products, commonly known as cookies, crackers, brown bread or plum puddings in hermetically sealed containers and other similar products, from the license provisions of this section. Such license shall be valid for one year and a fee therefor shall be collected as follows: From a person, firm or corporation owning or conducting a bakery in which there are four persons or fewer engaged in the production of bread and pastry products, twenty dollars; in which there are not fewer than five nor more than nine persons so engaged, forty dollars; in which there are not fewer than ten nor more than twenty-four persons so engaged, one hundred dollars; in which there are not fewer than twenty-five nor more than ninety-nine persons so engaged, two hundred dollars; in which there are more than one hundred persons so engaged, two hundred fifty dollars. The fee for a food manufacturer license shall be twenty dollars annually.

(c) A bakery, food warehouse or food manufacturer license may be revoked by said commissioner for violation of sections 21a-151 to 21a-[159]160, inclusive, after a hearing conducted in accordance with chapter 54. In addition, a bakery, food warehouse or food manufacturer license may be summarily suspended pending a hearing if said commissioner has reason to believe that the public health, safety or welfare imperatively requires emergency action. Within ten days following the suspension order said commissioner shall cause to be held a hearing which shall be conducted in accordance with the provisions of said chapter 54. Following said hearing said commissioner shall dissolve such suspension or order revocation of the bakery, food warehouse or food manufacturer license. Any person, firm or corporation whose license has been revoked may make application for a new license and said commissioner shall act on such application within thirty days of receipt. The costs of any inspections necessary to determine whether or not an applicant, whose license has been revoked, is entitled to have a new license granted shall be borne by the applicant at such rates as the commissioner may determine. Said commissioner may refuse to grant any bakery, food warehouse or food manufacturer license if he or she finds that the applicant has evidenced a pattern of noncompliance with the provisions of sections 21a-151 to 21a-[159]160, inclusive. Prima facie evidence of a pattern of noncompliance shall be established if said commissioner shows that the applicant has had two or more bakery, food warehouse or food manufacturer licenses revoked.

(d) All vehicles used in the transportation of bakery, food warehouse products shall be kept in a sanitary condition and shall have the name and address of the bakery, food warehouse, owner, operator or distributor legibly printed on both sides. Each compartment in which unwrapped bakery, food warehouse products are transported shall be enclosed in a manner approved by the commissioner.

(e) The provisions of this section shall not prevent local health authorities from enforcing orders or regulations concerning the sanitary condition of bakeries[or food manufacturing establishments].

(f) Any person who desires to obtain a license under the provisions of sections 21a-151 to 21a-[159]160, inclusive, shall first obtain and present to the commissioner a certificate of approval of the location for which



such license is desired. The certificate of approval shall be obtained from the zoning commission, planning and zoning commission or local authority of the town, city or borough in which the facility is located or is proposed to be located. A certificate of approval shall not be required in the case of the transfer of the last issued license from one person to another or in the case of a renewal of a license by the holder of the license. The commissioner shall not issue any license under the provisions of sections 21a-151 to 21a-[159]160, inclusive, for which a certificate of approval is required until such certificate of approval is obtained by the license applicant.

Section 6. Sections 21a-156 is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

The commissioner shall, from time to time, after inquiry and public hearing, adopt and promulgate regulations to supplement and give full effect to the provisions of sections 21a-151 to 21a-[159]160, inclusive. Such regulations, among other things, may establish sanitary requirements pertaining to the manufacture and distribution of bread and pastry products. Such regulations may also cover provisions restricting the sale of dangerous, harmful and unwholesome bread and pastry products, the labeling of bread and pastry products, the inspection of bakeries and the establishment of costs for special inspections. The commissioner shall annually review the amounts of bakery, food warehouse, license fees referred to in subsection (b) of section 21a-152 and shall increase such fees in order to reflect the costs to the department of carrying out the provisions of sections 21a-151 to 21a-[159]160, inclusive.

Section 7. Sections 21a-157 is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

No employer shall knowingly permit to work in his or her bakery, food warehouse or food manufacturing establishment any person who is affected with any pathogen that is contained in the Centers for Disease Control and Prevention's "List of Infectious and Communicable Diseases which are Transmitted Through the Food Supply", as amended from time to time, except in those cases in which the director of health has given written authorization stating that the public health is not endangered, and each employer shall maintain himself or herself and his or her employees in a clean and sanitary condition, with clean, washable outer clothing, while engaged in the manufacture, handling or sale of food products. The commissioner or his or her authorized agents may order any person employed in a bakery, food warehouse or food manufacturing establishment to be examined by a licensed physician if he or she has reason to believe that such employee has a condition that may transmit a food-borne illness. No person shall be allowed to smoke in a bakery, food warehouse or food manufacturing establishment while in the performance of his or her duty.

Section 8. Sections 21a-158 is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

The owner, agent or lessee of any property used as a bakery, food warehouse or food manufacturing establishment shall, within thirty days after the service of notice upon him or her of an order issued by the Commissioner of Consumer Protection, comply therewith or cease to use or allow the use of such premises as a bakery, food warehouse or food manufacturing establishment. Such notice shall be in writing and may be



served upon such owner, agent or lessee, either personally or by mail, and a notice by registered or certified letter, mailed to the last-known address of such owner, agent or lessee, shall be sufficient service.

Section 9. Sections 21a-159 is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) Any person who violates any provision of sections 21a-151 to 21a-[159]160, inclusive, or any regulation made thereunder, or fails to comply with an order of the Commissioner of Consumer Protection, shall (1) for a first offense, be fined not more than two hundred fifty dollars, and (2) for any subsequent offense, be guilty of a class D misdemeanor.

(b) The commissioner may apply to the Superior Court for and such court may, upon hearing and for cause shown, grant a temporary or permanent injunction enjoining any person from operating a bakery, food warehouse or food manufacturing establishment without a license issued in accordance with sections 21a-151 to 21a-[159]160, inclusive, irrespective of whether or not there exists an adequate remedy at law. The commissioner also may apply to the Superior Court for, and such court shall have jurisdiction to grant, a temporary restraining order pending a hearing. Such application for injunctive or other appropriate relief shall be brought by the Attorney General.

(c) The Commissioner of Consumer Protection, after providing notice and conducting a hearing in accordance with the provisions of chapter 54, may issue a warning citation or impose a civil penalty of not more than one hundred dollars for the first offense and not more than five hundred dollars for each subsequent offense on any person who violates any provision of sections 21a-151 to 21a-[159]160, inclusive, or any regulation adopted pursuant to section 21a-156.

Section 10. Sections 21a-160 is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

No person, firm or corporation shall operate a food warehouse without having obtained a [certificate of registration] license from the Commissioner of Consumer Protection. Application for a [certificate of registration] license shall be on forms prescribed by the commissioner. The commissioner shall issue a [certificate of registration] license to an applicant who has completed such forms to the satisfaction of the commissioner and has paid the [registration] application fee. A [certificate of registration] license shall be valid for one year and the fee for [certificate of registration] license shall be twenty dollars.

Section 11. Section 20-330 of the general statutes are repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

As used in this chapter:

(1) "Contractor" means any person regularly offering to the general public services of such person or such person's employees in the field of electrical work, plumbing and piping work, solar work, heating, piping, cooling and sheet metal work, fire protection sprinkler systems work, elevator



installation, repair and maintenance work, irrigation work, automotive glass work or flat glass work, as defined in this section;

(2) "Electrical work" means the installation, erection, maintenance, inspection, testing, alteration or repair of any wire, cable, conduit, busway, raceway, support, insulator, conductor, appliance, apparatus, fixture or equipment that generates, transforms, transmits or uses electrical energy for light, heat, power or other purposes, but does not include low voltage wiring, not exceeding twenty-four volts, used within a lawn sprinkler system;

(3) "Plumbing and piping work" means the installation, repair, replacement, alteration [or] maintenance, inspection or testing of gas, water and associated fixtures, tubing and piping mains and branch lines up to and including the closest valve to a machine or equipment used in the manufacturing process, laboratory equipment, sanitary equipment, other than subsurface sewage disposal systems, fire prevention apparatus, all water systems for human usage, sewage treatment facilities and all associated fittings within a building and includes lateral storm and sanitary lines from buildings to the mains, process piping, swimming pools and pumping equipment, and includes making connections to back flow prevention devices, and includes low voltage wiring, not exceeding twenty-four volts, used within a lawn sprinkler system, but does not include (A) solar thermal work performed pursuant to a certificate held as provided in section 20-334g, except for the repair of those portions of a solar hot water heating system that include the basic domestic hot water tank and the tie-in to the potable water system, (B) the installation, repair, replacement, alteration [or] maintenance, inspection or testing of fire prevention apparatus within a structure, except for standpipes that are not connected to sprinkler systems, (C) medical gas and vacuum systems work, and (D) millwright work. For the purposes of this subdivision, "process piping" means piping or tubing that conveys liquid or gas that is used directly in the production of a chemical or a product for human consumption;

(4) "Solar thermal work" means the installation, erection, repair, replacement, alteration, [or] maintenance, inspection or testing of active, passive and hybrid solar systems that directly convert ambient energy into heat or convey, store or distribute such ambient energy;

(5) "Heating, piping and cooling work" means (A) the installation, repair, replacement, maintenance, inspection, testing or alteration of any apparatus for piping, appliances, devices or accessories for heating systems, including sheet metal work, (B) the installation, repair, replacement, maintenance, inspection, testing or alteration of air conditioning and refrigeration systems, boilers, including apparatus and piping for the generation or conveyance of steam and associated pumping equipment and process piping and the installation of tubing and piping mains and branch lines up to and including the closest valve to a machine or equipment used in the manufacturing process and onsite testing and balancing of hydronic, steam and combustion air, but excluding millwright work, and (C) on-site operation, by manipulating, adjusting or controlling, with sufficient technical knowledge, as determined by the commissioner, (i) heating systems with a steam or water boiler maximum operating pressure of fifteen pounds per square inch gauge or greater, or (ii) air conditioning or refrigeration systems with an aggregate of more than fifty horsepower or kilowatt equivalency of fifty



horsepower or of two hundred pounds of refrigerant. Heating, piping and cooling work does not include solar thermal work performed pursuant to a certificate held as provided in section 20-334g, or medical gas and vacuum systems work or the passive monitoring of heating, air conditioning or refrigeration systems. For the purposes of this subdivision, "process piping" means piping or tubing that conveys liquid or gas that is used directly in the production of a chemical or a product for human consumption;

(6) "Apprentice" means any person registered with the Labor Department for the purpose of learning a skilled trade;

(7) "Elevator installation, repair and maintenance work" means the installation, erection, maintenance, inspection, testing and repair of all types of elevators, dumb waiters, escalators, and moving walks and all mechanical equipment, fittings, associated piping and wiring from a source of supply brought to the equipment room by an unlimited electrical contractor for all types of machines used to hoist or convey persons or materials, but does not include temporary hoisting machines used for hoisting materials in connection with any construction job or project;

(8) "Elevator maintenance" means the lubrication, inspection, testing and replacement of controls, hoistway and car parts;

(9) "Fire protection sprinkler systems work" means the layout, on-site fabrication, installation, alteration, maintenance, inspection, testing or repair of any automatic or manual sprinkler system designed for the protection of the interior or exterior of a building or structure from fire, or any piping or tubing and appurtenances and equipment pertaining to such system including overhead and underground water mains, fire hydrants and hydrant mains, standpipes and hose connections to sprinkler systems, sprinkler tank heaters excluding electrical wiring, air lines and thermal systems used in connection with sprinkler and alarm systems connected thereto, foam extinguishing systems or special hazard systems including water spray, foam, carbon dioxide or dry chemical systems, halon and other liquid or gas fire suppression systems, but does not include (A) any engineering design work connected with the layout of fire protection sprinkler systems, or (B) any work performed by employees of or contractors hired by a public water system, as defined in subsection (a) of section 25-33d;

(10) "State Fire Marshal" means the State Fire Marshal appointed by the Commissioner of Administrative Services;

(11) "Journeyman sprinkler fitter" means a specialized pipe fitter craftsman, experienced and skilled in the installation, alteration, maintenance and repair of fire protection sprinkler systems;

(12) "Irrigation work" means making the connections to and the inspection and testing of back flow prevention devices, and low voltage wiring, not exceeding twenty-four volts, used within a lawn sprinkler system;

(13) "Sheet metal work" means the onsite layout, installation, erection, replacement, repair or alteration, including, but not limited to, onsite testing and balancing of related life safety components, environmental air, heating, ventilating and air conditioning systems by manipulating,



adjusting or controlling such systems for optimum balance performance of any duct work system, ferrous, nonferrous or other material for ductwork systems, components, devices, air louvers or accessories, in accordance with the State Building Code;

(14) "Journeyman sheet metal worker" means an experienced craftsman skilled in the installation, erection, replacement, repair or alteration of duct work systems, both ferrous and nonferrous;

(15) "Automotive glass work" means installing, maintaining or repairing fixed glass in motor vehicles;

(16) "Flat glass work" means installing, maintaining or repairing glass in residential or commercial structures;

(17) "Medical gas and vacuum systems work" means the work and practice, materials, instrumentation and fixtures used in the construction, installation, alteration, extension, removal, repair, maintenance, inspection, testing or renovation of gas and vacuum systems and equipment used solely to transport gases for medical purposes and to remove liquids, air-gases or solids from such systems;

(18) "Solar electricity work" means the installation, erection, repair, replacement, alteration, [or] maintenance, inspection and testing of photovoltaic or wind generation equipment used to distribute or store ambient energy for heat, light, power or other purposes to a point immediately inside any structure or adjacent to an end use;

(19) "Active solar system" means a system that uses an external source of energy to power a motor-driven fan or pump to force the circulation of a fluid through solar heat collectors and which removes the sun's heat from the collectors and transports such heat to a location where it may be used or stored;

(20) "Passive solar system" means a system that is capable of collecting or storing the sun's energy as heat without the use of a motor-driven fan or pump;

(21) "Hybrid solar system" means a system that contains components of both an active solar system and a passive solar system;

(22) "Gas hearth product work" means the installation, service, inspection, testing or repair of a propane or natural gas fired fireplace, fireplace insert, stove or log set and associated venting and piping that simulates a flame of a solid fuel fire. "Gas hearth product work" does not include (A) fuel piping work, (B) the servicing of fuel piping, or (C) work associated with pressure regulating devices, except for appliances gas valves; [and]

(23) "Millwright work" means the installation, repair, replacement, maintenance or alteration of (A) power generation machinery, or (B) industrial machinery, including the related interconnection of piping and tubing used in the manufacturing process, but does not include the performance of any action for which licensure is required under this chapter[.];

(24) "Inspection" means the examination of a system or portion of a system, involving the disassembly or removal of component parts of the system;



(25) "Elevator Inspection" means the visual examination of an elevator system or portion of a system with or without the disassembly or removal of component parts; and

(25) "Testing" means to determine the status of a system as intended for its use, with or without the disassembly of component parts of the system, by the use of testing and measurement instruments.

Section 12. Section 29-18c of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

The Commissioner of Emergency Services and Public Protection may appoint [not more than four persons] individuals employed as investigators in the security unit of the Department of Consumer Protection, upon the nomination of the Commissioner of Consumer Protection, to act as special policemen in said unit. Such appointees shall serve at the pleasure of the Commissioner of Emergency Services and Public Protection. During such tenure, they shall have all the powers conferred on state policemen while investigating or making arrests for any offense arising from the operation of any commercial casino, off-track betting system, authorized sports wagering system, or the conduct of any lottery game. Such special policemen shall be certified under the provisions of sections 7-294a to 7-294e, inclusive.

Section 13. Section 30-55 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(a) The Department of Consumer Protection may, in its discretion, revoke, [or]suspend, or place conditions on any permit or provisional permit, or impose a fine of not more than one thousand dollars, upon cause found after hearing, provided ten days' written notice of such hearing has been given to the permittee setting forth, with the particulars required in civil pleadings, the charges upon which such proposed revocation or suspension is predicated. Any appeal from such order of revocation or suspension shall be taken in accordance with the provisions of section 4-183.

(b) The surrender of a permit or provisional permit for cancellation or the expiration of a permit shall not prevent the department from suspending or revoking any such permit pursuant to the provisions of this section.

Section 14. Subdivision (4) of subsection (c) of section 21a-8 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(4) In addition to any other action permitted under the general statutes, the commissioner may, upon a finding of any cause specified in subsection (c) of section 21a-9: (A) Revoke or suspend a



license, registration or certificate; (B) issue a letter of reprimand to a practitioner and send a copy of such letter to a complainant or to a state or local official; (C) place a practitioner on probationary status and require the practitioner to (i) report regularly to the commissioner on the matter which is the basis for probation, (ii) limit the practitioner's practice to areas prescribed by the commissioner, or (iii) continue or renew the practitioner's education until the practitioner has attained a satisfactory level of competence in any area which is the basis for probation. The commissioner may discontinue, suspend or rescind any action taken under this subdivision. If a license, registration or certificate is voluntarily surrendered or is not renewed, the commissioner shall not be prohibited from suspending, revoking or imposing other penalties permitted by law on any such license, registration or certificate.

Section 15. Subsection (a) of section 20-455 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The commission may hold hearings on any matter under the provisions of sections 20-450 to 20-462, inclusive. The commission or department may issue subpoenas, administer oaths, compel testimony and order the production of books, records and documents. If any person refuses to appear, to testify or to produce any book, record, paper or document when so ordered, upon application of the commission or department, a judge of the Superior Court may make such order as may be appropriate to aid in the enforcement of this section. Upon a finding of the commission or department following a hearing that an individual has held themselves out as a community association manager without the proper registration, the commission or department may issue a cease and desist order and fine the respondent no more than five hundred dollars.



Agency Legislative Proposal - 2019 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): DCP100118RELicensing.doc

(If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Consumer Protection

Liaison: Leslie O'Brien

Phone: 860-713-6208

E-mail: leslie.obrien@ct.gov

Lead agency division requesting this proposal: Legal Division

Agency Analyst/Drafter of Proposal: Leslie O'Brien

Title of Proposal: An Act Concerning the Licensing of Leasing Agents

Statutory Reference: All of Chapter 329

Proposal Summary:

This proposal amends dozens of sections of Chapter 329 to create a new, lower level license for real estate leasing agents.

PROPOSAL BACKGROUND

◇ Reason for Proposal

Please consider the following, if applicable:

- (1) *Have there been changes in federal/state/local laws and regulations that make this legislation necessary?*
- (2) *Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?*
- (3) *Have certain constituencies called for this action?*
- (4) *What would happen if this was not enacted in law this session?*

To create a new, lower level license for leasing agents. Currently, anyone who engages in leasing work must be licensed as a real estate broker or sales agent. Through years of attempting to enforce this licensing requirement, the Department has determined that, for this line of work, it is burdensome and unnecessary to require a full broker, or even sales agent, license. There are hundreds of individuals in Connecticut who focus strictly on the rental component of real estate (i.e. work as leasing agents), most are unaware of this licensing requirement, and the Department does not have the resources to enforce this provision. A lower level license would be easier for those working as leasing agents to achieve, and as a result, enforcement would be achievable within available resources.



◇ **Origin of Proposal** **New Proposal** **Resubmission**

If this is a resubmission, please share:
(1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration’s package?
(2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
(3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
(4) What was the last action taken during the past legislative session?

NA

PROPOSAL IMPACT

◇ **AGENCIES AFFECTED** (please list for each affected agency)

Agency Name: None
Agency Contact (name, title, phone): Click here to enter text.
Date Contacted: Click here to enter text.

Approve of Proposal **YES** **NO** **Talks Ongoing**

Summary of Affected Agency’s Comments
Click here to enter text.

Will there need to be further negotiation? **YES** **NO**

◇ **FISCAL IMPACT** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)
None.

State
Potentially small revenue gain as real estate leasing agents, who are currently practicing without the required credential, would be more likely to obtain this new, lower level license.

Federal
None.

Additional notes on fiscal impact
NA

◇ **POLICY and PROGRAMMATIC IMPACTS** (Please specify the proposal section associated with the impact)

This proposal would ensure better enforcement of real estate leasing agents.



Insert fully drafted bill here

Section 1. Section 20-311 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

As used in this chapter, unless the context otherwise requires:

- (1)** “Real estate broker” or “broker” means (A) any person, partnership, association, limited liability company or corporation which acts for another person or entity and for a fee, commission or other valuable consideration, lists for sale, sells, exchanges, buys or rents, or offers or attempts to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate, or a resale of a mobile manufactured home, as defined in subdivision (1) of section 21-64, or collects or offers or attempts to collect rent for the use of real estate, and (B) any person, partnership, association, limited liability company or corporation employed by or on behalf of the owner or owners of lots or other parcels of real estate, at a stated salary, upon commission, upon a salary and commission basis or otherwise to sell such real estate, or any parts thereof, in lots or other parcels, and who sells or exchanges, or offers, attempts or agrees to negotiate the sale or exchange of, any such lot or parcel of real estate;
- (2)** “Real estate salesperson” or “salesperson” means a person affiliated with any real estate broker as an independent contractor or employed by a real estate broker to list for sale, sell or offer for sale, to buy or offer to buy or to negotiate the purchase or sale or exchange of real estate, or to offer for resale, a mobile manufactured home, as defined in subdivision (1) of section 21-64, or to lease or rent or offer to lease, rent or place for rent any real estate, or to collect or offer or attempt to collect rent for the use of real estate for or on behalf of such real estate broker, or who offers, sells or attempts to sell the real estate or mobile manufactured homes of a licensed broker, or acting for another as a designated seller agent or designated buyer agent, lists for sale, sells, exchanges, buys or rents, or offers or attempts to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate, or a resale of a mobile manufactured home, as defined in subsection (a) of section 21-64, or collects or offers or attempts to collect rent for the use of real estate, but does not include employees of any real estate broker whose principal occupation is clerical work in an office, or janitors or custodians engaged principally in that occupation;
- (3)** “Engaging in the real estate business” means acting for another and for a fee, commission or other valuable consideration in the listing for sale, selling, exchanging, buying or renting, or offering or attempting to negotiate a sale, exchange, purchase or rental of, an estate or interest in real estate or a resale of a mobile manufactured home, as defined in subdivision (1) of section 21-64, or collecting upon a loan secured or to be secured by a mortgage or other encumbrance upon or transfer of real estate;
- (4)** “Person” means any individual, partnership, association, limited liability company or corporation;
- (5)** “Commission” means the Connecticut Real Estate Commission appointed under the provisions of section 20-311a;



- (6) "Designated agency" means the appointment by a real estate broker of one or more brokers, leasing agent or salespersons affiliated with or employed by the real estate broker to solely represent a buyer or tenant as a designated buyer's agent and appoint another to represent a seller or landlord as a designated seller's agent in a transaction;
- (7) "Designated buyer agent" means a broker or salesperson designated by the real estate broker with whom the broker or salesperson is affiliated or employed to solely represent a named buyer or tenant client of the real estate broker during the term of a buyer representation agreement or authorization;
- (8) "Designated seller agent" means a leasing agent, broker or salesperson designated by the real estate broker with whom the broker, leasing agent or salesperson is affiliated or employed to solely represent a named seller or landlord client of the real estate broker during the term of a listing agreement or authorization; and
- (9) "Commercial real estate transaction" means any transaction involving the sale, exchange, lease or sublease of real property other than real property containing any building or structure occupied or intended to be occupied by no more than four families or a single building lot to be used for family or household purposes.
- (10) "Leasing agent" means any person, partnership, association, limited liability company or corporation which acts for another person or entity and, for a fee, commission or other valuable consideration, engages in leasing or renting activity or offers or attempts to negotiate a rental of, or collects or offers or attempts to collect rent for the use of residential real estate.

Section 2. Section 20-311b of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

- (a) Within thirty days after the appointment of the members of the commission, the commission shall meet in the city of Hartford for the purpose of organizing by selecting such officers other than a chairperson as the commission may deem necessary and appropriate. A majority of the members of the commission shall constitute a quorum for the exercise of the powers or authority conferred upon it.
- (b)
- (1) The commission shall authorize the Department of Consumer Protection to issue licenses to leasing agents, real estate brokers and real estate salespersons.
- (2) The commission shall administer the provisions of this chapter as to licensure and issuance, renewal, suspension or revocation of licenses concerning the real estate business.
- (c) The commission shall be provided with the necessary office space in Hartford by the Commissioner of Administrative Services. The place of business of the commission and all files, records and property of the commission shall at all times be and remain at such office, except that inactive files shall be stored at a location designated by the commission.
- (d) The commission shall hold meetings and hearings in Hartford, in space provided by the Commissioner of Administrative Services, or at such places outside of Hartford as shall be determined



by the chairman of the commission. The commission shall meet at least once in each three-month period and may meet more often at the call of its chairman. The chairman of the commission shall call a meeting of the commission whenever requested to do so by a majority of the members of the commission.

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

Section 3. Section 20-312 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) No person shall act as a leasing agent, real estate broker or real estate salesperson without a license issued by the commission or the Commissioner of Consumer Protection, unless exempt under this chapter. The Commissioner of Consumer Protection may enter into any contract for the purpose of administratively processing the renewal of licenses on behalf of the commission.

(b) The practice of or the offer to practice real estate brokerage business in this state by individual licensed real estate brokers or real estate salespersons as a corporation, limited liability company, partnership or limited liability partnership, a material part of the business of which includes real estate brokerage, is permitted, provided (1) the personnel of such corporation, limited liability company, partnership or limited liability partnership who engage in the real estate brokerage business as real estate brokers or real estate salespersons, and the real estate brokers whose ownership, control, membership or partnership interest is credited toward the requirements of subdivision (3) of this subsection, are licensed or exempt from licensure under this chapter, (2) the corporation, limited liability company, partnership or limited liability partnership has been issued a real estate broker license by the commission as provided in this section and has paid the license or renewal fee required for a real estate broker's license as set forth in section 20-314, and (3) except for a publicly traded corporation (A) with respect to a corporation other than a nonstock corporation, one or more real estate brokers own or control fifty-one per cent or more of the total issued shares of the corporation, (B) with respect to a nonstock corporation, one or more real estate brokers constitute at least fifty-one per cent of the members of the nonstock corporation, (C) with respect to a limited liability company, one or more real estate brokers own or control at least fifty-one per cent of the interest in the limited liability company, as defined in section 34-243a, or (D) with respect to a partnership or limited liability partnership, one or more real estate brokers' partnership interest, as defined in section 34-301, constitutes at least fifty-one per cent of the total partnership interest. No such corporation, limited liability company, partnership or limited liability partnership shall be relieved of responsibility for the conduct or acts of its agents, employees or officers by reason of its compliance with this section, nor shall any individual practicing real estate brokerage be relieved of responsibility for real estate services performed by reason of the individual's employment or relationship with such corporation, limited liability company, partnership or limited liability partnership. The Real Estate Commission may refuse to authorize the issuance or renewal of a license if any facts exist that would entitle the commission to suspend or revoke an existing license.



(c) A corporation, limited liability company, partnership or limited liability partnership desiring a real estate broker license shall file with the commission or the commissioner an application on such forms and in such manner as prescribed by the Department of Consumer Protection. Each such corporation, limited liability company, partnership or limited liability partnership shall file with the commission a designation of at least one individual licensed or qualified to be licensed as a real estate broker in this state who shall be in charge of the real estate brokerage business of such corporation, limited liability company, partnership or limited liability partnership in this state. Such corporation, limited liability company, partnership or limited liability partnership shall notify the commission of any change in such designation not later than thirty days after such change becomes effective.

(d) The Real Estate Commission may impose a fine of not more than one thousand dollars on any corporation, limited liability company, partnership or limited liability partnership that engages in real estate business without a license required by this section. Any such imposition of a fine by the commission shall be a proposed final decision and submitted to the commissioner in accordance with the provisions of subsection (b) of section 21a-7.

Section 4. Section 20-312a of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

In any action brought by a third party against a real estate salesperson or leasing agent affiliated with a real estate broker as an independent contractor, such broker shall be liable to the same extent as if such affiliate had been employed as a real estate salesperson or leasing agent by such broker.

Section 5. Section 20-312b of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

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

- (1) The leasing agent, broker or salesperson, for purposes of workers' compensation, is engaged as an independent contractor associated with the person for whom services are performed;
- (2) The leasing agent, broker or salesperson shall be paid a commission based on his gross sales or leases, if any, without deduction for taxes, which commission shall be directly related to sales, leases or other output;
- (3) The leasing agent, broker or salesperson shall not receive any remuneration related to the number of hours worked and shall not be treated as an employee with respect to such services for purposes of workers' compensation;
- (4) The leasing agent, broker or salesperson shall be permitted to work any hours he or she chooses;



- (5) The leasing agent, broker or salesperson shall be permitted to work out of his or her own home or the office of the person for whom services are performed;
- (6) The leasing agent, broker or salesperson shall be free to engage in outside employment;
- (7) The person for whom the services are performed may provide office facilities and supplies for the use of the leasing agent, broker or salesperson, but the leasing agent, broker or salesperson shall otherwise pay his or her own expenses, including, but not limited to, automobile, travel and entertainment expenses; and
- (8) The contract may be terminated by [either party]leasing agent, broker or salesperson at any time upon notice given to the other.

Section 6. Section 20-314 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

Sec. 20-314. License qualifications. Examinations. Renewals. Fees. Reinstatement. Hearings.

- (a) Licenses shall be granted under this chapter only to persons who bear a good reputation for honesty, truthfulness and fair dealing and who are competent to transact the business of a leasing agent, real estate broker or real estate salesperson in such manner as to safeguard the interests of the public.
- (b) Each application for a license or for a renewal thereof shall be made in writing, on such forms and in such manner as is prescribed by the Department of Consumer Protection and accompanied by such evidence in support of such application as is prescribed by the commission. The commission may require such information with regard to an applicant as the commission deems desirable, with due regard to the paramount interests of the public, as to the honesty, truthfulness, integrity and competency of the applicant and, where the applicant is a corporation, association or partnership, as to the honesty, truthfulness, integrity and competency of the officers of such corporation or the members of such association or partnership.
- (c) In order to determine the competency of any applicant for a leasing agent's license, real estate broker's license or a real estate salesperson's license the commission or Commissioner of Consumer Protection shall, on payment of an application fee of one hundred twenty dollars by an applicant for a real estate broker's license or an application fee of eighty dollars by an applicant for a leasing agent or real estate salesperson's license, subject such applicant to personal written examination as to the applicant's competency to act as a leasing agent, real estate broker or real estate salesperson, as the case may be. Such examination shall be prepared by the Department of Consumer Protection or by a national testing service designated by the Commissioner of Consumer Protection and shall be administered to applicants by the Department of Consumer Protection or by such testing service at such times and places as the commissioner may deem necessary. The commission or Commissioner of Consumer Protection may waive the uniform portion of the written examination requirement in the case of an applicant who has taken the national testing service examination in another state within two years from the date of application and has received a score deemed satisfactory by the commission or Commissioner of Consumer Protection. The Commissioner of Consumer Protection shall adopt regulations, in accordance with chapter 54, establishing passing scores for examinations.



In addition to such application fee, applicants taking the examination administered by a national testing service shall be required to pay directly to such testing service an examination fee covering the cost of such examination. Each payment of such application fee shall entitle the applicant to take such examination within the one-year period from the date of payment.

(d)

(1) Each applicant applying for a real estate broker's license on or after July 1, 2016, shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the applicant (A) (i) has been actively engaged for at least two years as a licensed real estate salesperson under the supervision of a licensed real estate broker in this state, (ii) has successfully completed a course approved by the commission or commissioner in real estate principles and practices of at least sixty classroom hours of study, (iii) has successfully completed a course approved by the commission or commissioner in real estate legal compliance consisting of at least fifteen classroom hours of study, (iv) has successfully completed a course approved by the commission or commissioner in real estate brokerage principles and practices consisting of at least fifteen classroom hours, and (v) has successfully completed two elective courses, each consisting of fifteen classroom hours of study, as prescribed by the commission or commissioner, or (B) has equivalent experience or education as determined by the commission or commissioner.

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

(3) Each applicant for a real estate salesperson's license shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the applicant (A) has successfully completed a course approved by the commission or commissioner in real estate principles and practices consisting of at least sixty classroom hours of study, or (B) has equivalent experience or education as determined by the commission or commissioner.

(4) Each applicant for a leasing agent license shall, before being admitted to such examination, prove to the satisfaction of the commission or the Commissioner of Consumer Protection that the applicant (A) has successfully completed a course approved by the commission or commissioner in real estate principles and practices consisting of at least thirty classroom hours of study, or (B) has equivalent experience or education as determined by the commission or commissioner.

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

(f) All licenses issued under the provisions of this chapter shall expire annually. At the time of application for a real estate broker's license, there shall be paid to the commission, for each individual applicant and for each proposed active member or officer of a firm, partnership, association or corporation, the sum of five hundred sixty-five dollars, and for the annual renewal



thereof, the sum of three hundred seventy-five dollars and for a leasing agent or real estate salesperson's license two hundred eighty-five dollars and for the annual renewal thereof the sum of two hundred eighty-five dollars. Three dollars of each such annual renewal fee shall be payable to the Real Estate Guaranty Fund established pursuant to section 20-324a. [If a license is not issued, the fee shall be returned.] A real estate broker's license issued to any partnership, association or corporation shall entitle the individual designated in the application, as provided in section 20-312, upon compliance with the terms of this chapter, but without the payment of any further fee, to perform all of the acts of a real estate broker under this chapter on behalf of such partnership, association or corporation. Any license which expires and is not renewed pursuant to this subsection may be reinstated by the commission, if, not later than two years after the date of expiration, the former licensee pays to the commission for each real estate broker's license the sum of three hundred seventy-five dollars and for each leasing agent or real estate salesperson's license the sum of two hundred eighty-five dollars for each year or fraction thereof from the date of expiration of the previous license to the date of payment for reinstatement, except that any licensee whose license expired after such licensee entered military service shall be reinstated without payment of any fee if an application for reinstatement is filed with the commission within two years after the date of expiration. Any such reinstated license shall expire on the next succeeding March thirty-first for real estate brokers or the next succeeding May thirty-first for real estate salespersons.

(g) Any person whose application has been filed as provided in this section and who is refused a license shall be given notice and afforded an opportunity for hearing as provided in the regulations adopted by the Commissioner of Consumer Protection.

(h) Leasing agents may engage only in residential leasing activities for which a license is required under this chapter. Nothing in this section shall be construed to require a licensed broker or salesperson to obtain a leasing agent license in order to perform leasing activities. Licensed leasing agents may not engage in any activity that would otherwise require a broker or salesperson's license, including, but not limited to, selling, offering for sale, negotiating for sale, listing or showing for sale, entering into lease-to-own agreements, or referring for sale or lease of commercial real estate. Licensed leasing agents must be (A) employed by or affiliated with a sponsoring broker, or (B) employed by the real property owner of record of the property being offered for lease. If employed by or contracting with a real property owner to provide leasing services for such owner, the leasing agent shall obtain a written contract with such property owner to demonstrate the employment or contract relationship prior to engaging in leasing activity at the property.

Section 7. Section 20-316 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) The commission or Commissioner of Consumer Protection shall not deny a license under this chapter to any applicant who has been convicted of forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud or other like offense or offenses, or to any association or partnership of which such person is a member, or to any corporation of which such



person is an officer or in which as a stockholder such person has or exercises a controlling interest either directly or indirectly, except in accordance with the provisions of section 46a-80.

(b) No license under this chapter shall be issued by the Department of Consumer Protection to any applicant (1) whose application for a license as a real estate broker, leasing agent or real estate salesperson has, within one year prior to the date of his or her application under this chapter, been rejected in this state, in any other state or in the District of Columbia or (2) whose license as a real estate broker, leasing agent or real estate salesperson has, within one year prior to the date of his or her application under this chapter, been revoked in this state, in any other state or in the District of Columbia.

(c) No license as a real estate broker, leasing agent or real estate salesperson shall be issued under this chapter to any person who has not attained the age of eighteen years.

(d) The provisions of this section shall apply to any applicant for a license under this chapter, whether or not such applicant was engaged in the real estate business in this state on July 1, 1953, and whenever the applicant's application is filed.

Section 8. Section 20-317 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) A person licensed in another state as a real estate broker or salesperson may become a leasing agent, real estate broker or real estate salesperson in this state by conforming to all of the provisions of this chapter. The commission or Commissioner of Consumer Protection shall recognize a current, valid license issued to a currently practicing, competent real estate broker or real estate salesperson by another state as satisfactorily qualifying the broker or salesperson for a license as a leasing agent, real estate broker or real estate salesperson under this chapter, provided (1) the laws of the state in which the broker or salesperson is licensed require that applicants for licenses as real estate brokers and real estate salespersons establish their competency by written examinations and allow licenses to be issued to residents of the state of Connecticut, licensed under this chapter, without examination, (2) the licensure requirements of such state are substantially similar to or higher than those of this state, and (3) the broker or salesperson has no disciplinary proceeding or unresolved complaint pending against the broker or salesperson. If the applicant is licensed in a state that does not have such requirements, such applicant shall be required to pass the Connecticut portion of the real estate examination.

(b) Every applicant licensed in another state shall file an irrevocable consent that suits and actions may be commenced against such applicant in the proper court in any judicial district of the state in which a cause of action may arise or in which the plaintiff may reside, by the service of any process or pleading, authorized by the laws of this state, on the chairperson of the commission, such consent stipulating and agreeing that such service of such process or pleading shall be taken and held in all courts to be as valid and binding as if service had been made upon such applicant in the state of Connecticut. If any process or pleadings under this chapter are served upon the chairperson, it shall be by duplicate copies, one of which shall be filed in the office of the commission, and the other immediately forwarded by registered or certified mail, to the applicant against whom such process or



pleadings are directed, at the last-known address of such applicant as shown by the records of the commission. No default in any such proceedings or action shall be taken unless it appears by affidavit of the chairperson of the commission that a copy of the process or pleading was mailed to the defendant as required by this subsection, and no judgment by default shall be taken in any such action or proceeding within twenty days after the date of mailing of such process or pleading to the out-of-state defendant.

Section 9. Section 20-319 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) The commission shall authorize the Department of Consumer Protection to issue an annual renewal license to any applicant who possesses the qualifications specified in and otherwise has complied with the provisions of this chapter and any regulation adopted under this chapter. The commission shall authorize said department to issue an annual renewal of a real estate broker's license to any entity licensed pursuant to subsection (b) of section 20-312, provided such entity: (1) Was so licensed as of September 30, 2005, notwithstanding the fact such entity does not meet the requirements for publicly traded corporations required by subdivision (3) of subsection (b) of section 20-312, or (2) changes its designated real estate broker pursuant to subsection (c) of section 20-312.

(b) There is hereby established an annual renewal license to be issued by the Department of Consumer Protection. Persons licensed in accordance with the provisions of this chapter shall fulfill a continuing education requirement. Applicants for an annual renewal license for real estate brokers, leasing agents or real estate salespersons shall, in addition to the other requirements imposed by the provisions of this chapter, in any even-numbered year, submit proof of compliance with the continuing education requirements of this subsection to the commission, accompanied by an eight-dollar processing fee. The continuing education requirement may be satisfied by successful completion of any of the following during the two-year period preceding such renewal: (1) A course or courses, approved by the commission, of continuing education in current real estate practices and licensing laws[, including, but not limited to, practices and laws concerning common interest communities,] consisting of not less than twelve hours of classroom study, which course curriculum shall be prescribed in regulations adopted pursuant to subsection (d) of this section; or (2) a written examination prepared and administered by either the Department of Consumer Protection, or by a national testing service approved by the department, which demonstrates a knowledge of current real estate practices and licensing laws; or (3) equivalent continuing educational experience or study as determined by regulations adopted pursuant to subsection (d) of this section. An applicant for examination under subdivision (2) of this subsection shall pay the required examination fee to the national testing service, if administered by such testing service, or to the Department of Consumer Protection, if administered by the department.

(c) If the commission refuses to grant an annual renewal license, the licensee or applicant, upon written notice received as provided for in this chapter, may have recourse to any of the remedies provided by sections 20-314 and 20-322.



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

Section 10. Section 20-319a of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) Any licensed real estate salesperson or leasing agent who transfers his or her employment from one broker or property owner to another or his or her affiliation with a broker or property owner as an independent contractor shall register such transfer with, and pay a registration fee of twenty-five dollars to, the commission.

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

Section 11. Section 20-320 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

The Department of Consumer Protection may, upon the request of the commission or upon the verified complaint in writing of any person, if such complaint, or such complaint together with evidence, documentary or otherwise, presented in connection with such complaint, shall make out a prima facie case, investigate the actions of any leasing agent, real estate broker or real estate salesperson or any person who assumes to act in any of such capacities within this state. The commission may temporarily suspend or permanently revoke any license issued under the provisions of this chapter and, in addition to or in lieu of such suspension or revocation, may, in its discretion, impose a fine of not more than two thousand dollars per violation at any time when, after proceedings as provided in section 20-321, the commission finds that the licensee has by false or fraudulent misrepresentation obtained a license or that the licensee is guilty of any of the following: (1) Making any material misrepresentation; (2) making any false promise of a character likely to influence, persuade or induce; (3) acting as an agent for more than one party in a transaction without the knowledge of all parties for whom the licensee acts; (4) representing or attempting to represent a real estate broker other than the licensee's employer or the broker with whom the licensee is affiliated, without the express knowledge and consent of the licensee's employer or affiliated broker; (5) failing, within a reasonable time, to account for or remit any moneys coming into the licensee's possession which belong to others; (6) entering into an exclusive listing contract or buyer agency



contract which contains a fixed termination date if such contract also provides for an automatic continuation of the period of such contract beyond such date; (7) failing to deliver immediately a copy of any instrument to any party or parties executing the instrument, where such instrument has been prepared by the licensee or under the licensee's supervision and where such instrument relates to the employment of the licensee or to any matters pertaining to the consummation of a lease, or the purchase, sale or exchange of real property or any other type of real estate transaction in which the licensee may participate as a broker, leasing agent or a salesperson; (8) conviction in a court of competent jurisdiction of forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or other like offense or offenses, provided suspension or revocation under this subdivision shall be subject to the provisions of section 46a-80; (9) collecting compensation in advance of services to be performed and failing, upon demand of the person paying the compensation or the commission, to render an accounting of the use of such money; (10) commingling funds of others with the licensee's own, or failing to keep funds of others in an escrow or trustee account; (11) any act or conduct which constitutes dishonest, fraudulent or improper dealings; (12) failing to provide the disclosures required by section 20-325c; (13) a violation of any provision of this chapter or any regulation adopted under this chapter. Any such suspension or revocation of a license or imposition of a fine by the commission shall be a proposed final decision and submitted to the commissioner in accordance with the provisions of subsection (b) of section 21a-7. Any fine collected pursuant to this section shall be deposited in the Real Estate Guaranty Fund established pursuant to section 20-324a.

Section 12. Section 20-320a of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019)

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

(b) The Department of Consumer Protection may, upon the request of the commission or upon the verified complaint in writing of any person, if such complaint, or such complaint together with evidence, documentary or otherwise, presented in connection with such complaint, shall make out a prima facie case, investigate the actions of any real estate broker or real estate salesperson or any person who assumes to act in any of such capacities within this state. The commission may temporarily suspend or permanently revoke any license issued under the provisions of this chapter, and, in addition to or in lieu of such suspension or revocation, may, in its discretion, impose a fine of not more than one thousand dollars for the first offense at any time when, after proceedings as provided in section 20-321, the commission finds that the licensee is guilty of violating any of the



provisions of subsection (a) of this section. Any such suspension or revocation of a license or imposition of a fine by the commission shall be a proposed final decision and submitted to the commissioner in accordance with the provisions of subsection (b) of section 21a-7.

Section 13. Section 20-320b of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) A real estate broker, leasing agent or real estate salesperson licensed under this chapter shall not influence residential real estate appraisals. For the purposes of this section, "influence residential real estate appraisals" includes, but is not limited to, refusal or intentional failure to refer a homebuyer, or encouraging other real estate brokers, leasing agents or real estate salespersons not to refer a homebuyer, to a mortgage broker, as defined in section 36a-760, or a lender, as defined in section 36a-760, based solely on the fact that the mortgage broker or lender uses an appraiser who has provided an appraisal reflecting a fair market value estimate that was less than the sale contract price.

(b) Violations of subsection (a) of this section shall be subject to the actions and penalties set forth in section 20-320.

Section 14. Section 20-323 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

Any licensee under this chapter who is convicted of a violation of any of the offenses enumerated in subdivision (8) of section 20-320 [shall] may incur a forfeiture of his license and all moneys that may have been paid for such license. The clerk of any court in which such conviction has been rendered shall forward to the commission without charge a certified copy of such conviction. The commissioner may revoke such licensee's license after proceedings as provided in Section 20-321[commission, upon the receipt of a copy of the judgment of conviction, shall, not later than ten days after such receipt, notify the licensee, in writing, of the revocation of his license. Such notice shall be conclusive of the revocation of such license]. Application for reinstatement of such license shall be subject to the provisions of section 46a-80.

Section 15. Section 20-324a of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

The commission shall establish and maintain a Real Estate Guaranty Fund from which, subject to the provisions of sections 20-324a to 20-324j, inclusive, any person aggrieved by any action of a leasing agent, real estate broker or real estate salesperson, duly licensed in this state under section 20-312, by reason of the embezzlement of money or property, or money or property unlawfully obtained from any person by false pretenses, artifice or forgery or by reason of any fraud, misrepresentation or deceit by or on the part of any such leasing agent, real estate broker or real estate salesperson or the unlicensed employee of any such real estate broker, may recover, upon approval by the commission



of an application brought pursuant to the provisions of section 20-324e compensation in an amount not exceeding in the aggregate the sum of twenty-five thousand dollars in connection with any one real estate transaction or claim, regardless of the number of persons aggrieved or parcels of real estate involved in such real estate transaction or claim.

Section 16. Section 20-324b of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

Any person who receives a leasing agent, real estate broker's or real estate salesperson's license under this chapter for the first time shall pay an additional one-time fee of twenty dollars in addition to all other fees payable, which additional fee shall be credited to the Real Estate Guaranty Fund. The Real Estate Guaranty Fund shall also be credited as provided in sections 20-314 and 20-320.

Section 17. Section 20-324e of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) When any aggrieved person commences any action for a judgment which may result in collection from the Real Estate Guaranty Fund, the aggrieved person shall notify the commission in writing to this effect at the time of the commencement of such action. Such written notice shall toll the time for making application to the commission pursuant to section 20-324d. The commission shall have the right to enter an appearance, intervene in or defend any such action and may waive the required written notice for good cause shown.

(b) When any aggrieved person recovers a valid judgment in the Superior Court against any real estate broker, leasing agent or real estate salesperson or the unlicensed employee of any such real estate broker for loss or damages sustained by reason of the embezzlement of money or property, or money or property unlawfully obtained from any person by false pretenses, artifice or forgery or by reason of any fraud, misrepresentation or deceit by or on the part of such real estate broker, leasing agent or salesperson or the unlicensed employee of any such real estate broker, such aggrieved person may upon the final determination of, or expiration of time for appeal in connection with, any judgment, apply to the commission for an order directing payment out of the Real Estate Guaranty Fund of the amount unpaid upon the judgment, subject to the limitations stated in section 20-324a and the limitations specified in this section.

(c) The commission shall proceed upon such application in a summary manner, and, upon the hearing thereof, the aggrieved person shall be required to show: (1) He or she is not a spouse of the debtor or the personal representative of such spouse; (2) he or she has complied with all the requirements of this section; (3) he or she has obtained a judgment as provided in subsection (b) of this section, stating the amount thereof and the amount owing thereon at the date of the application; (4) he or she has caused to be issued a writ of execution upon the judgment and the officer executing the same has made a return showing that no personal or real property of the judgment debtor liable to be levied upon in satisfaction of the judgment could be found, or that the



amount realized on the sale of them or of such of them as were found, under the execution, was insufficient to satisfy the judgment, stating the amount so realized and the balance remaining due on the judgment after application thereon of the amount realized; (5) he or she has made all reasonable searches and inquiries to ascertain whether the judgment debtor possesses real or personal property or other assets, liable to be sold or applied in satisfaction of the judgment; (6) that by such search he has discovered no personal or real property or other assets liable to be sold or applied, or that he has discovered certain of them, describing them, owned by the judgment debtor and liable to be so applied, and that he or she has taken all necessary action and proceedings for the realization thereof, and that the amount thereby realized was insufficient to satisfy the judgment, stating the amount so realized and the balance remaining due on the judgment after application of the amount realized.

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

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

(f) If the commission pays from the Real Estate Guaranty Fund any amount in settlement of a claim or toward satisfaction of a judgment against a licensed real estate broker, leasing agent or real estate salesperson pursuant to an order under subsection (e) of this section, such broker, leasing agent or salesperson shall not be eligible to receive a new license until he or she has repaid in full, plus interest at a rate to be determined by the commission and which shall reflect current market rates, the amount paid from the fund on his or her account. A discharge in bankruptcy shall not relieve a person from the penalties and disabilities provided in this subsection.

(g) If, at any time, the money deposited in the Real Estate Guaranty Fund is insufficient to satisfy any duly authorized claim or portion thereof, the commission shall, when sufficient money has been deposited in the fund, satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally filed, plus accumulated interest at the rate of four per cent a year.

Section 18. Section 20-325 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):



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

Section 19. Section 20-325b of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) Each written agreement which fixes the compensation to be paid to a real estate broker for the sale, lease or purchase of real property shall contain the following statement in not less than ten point boldface type or in a manner which otherwise stands out significantly from the text immediately preceding any provision of such agreement relating to compensation of the broker: "NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER."

(b) Each written agreement which fixes the compensation to be paid to a leasing agent for the lease of real property shall contain the following statement in not less than ten point boldface type or in a manner which otherwise stands out significantly from the text immediately preceding any provision of such agreement relating to compensation of the leasing agent: "NOTICE: THE AMOUNT OR RATE OF LEASING AGENT COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH LEASING AGENT INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE LEASING AGENT."

Section 20. Section 20-325d of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

On and after January 1, 2018, a real estate broker, leasing agent or real estate salesperson licensed under this chapter who represents a seller, lessor, prospective purchaser or lessee in a real estate transaction shall disclose, in writing, the identity of his or her client to any party to the transaction who is not represented by another real estate broker, leasing agent or real estate salesperson licensed under this chapter. The real estate broker, leasing agent or real estate salesperson shall make the disclosure required under this section: (1) If the transaction concerns residential real property, as defined in section 20-325c, (A) at the beginning of the first personal meeting concerning the prospective purchaser's or lessee's specific needs in the transaction, or (B) at the beginning of the first personal meeting with the seller or lessor concerning the seller's or lessor's real property; or (2) if the transaction is a commercial real estate transaction, as defined in section 20-311, before the prospective purchaser or lessee signs the purchase contract or lease. Such disclosure shall be signed by a prospective purchaser or lessee and attached to any offer or agreement to purchase or lease



signed by a prospective purchaser or lessee. The Commissioner of Consumer Protection shall adopt such regulations, in accordance with chapter 54, as the commissioner deems necessary to carry out the provisions of this section.

Section 21. Section 20-325h of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) No real estate licensee shall: (1) Reveal confidential information concerning a person whom the real estate licensee represented either as an agent, designated buyer agent or a designated seller agent; (2) use confidential information concerning that person to the person's disadvantage; or (3) use confidential information concerning that person for the real estate broker's, leasing agent's or real estate salesperson's advantage or the advantage of a third party, except as required by legal process, as necessary to defend the real estate broker, leasing agent or real estate salesperson from allegations of wrongful or negligent conduct, or as necessary to prevent the commission of a crime.

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

Section 22. Section 20-325m of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

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. Leasing agents shall retain copies of any property owner representation or employment agreements and all tenant representation agreements for a period of seven years.



Section 23. Section 20-328 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

The Commissioner of Consumer Protection, with advice and assistance from the commission, may adopt regulations, in accordance with chapter 54, relating to the form and manner of filing applications for licenses under this chapter and the manner in which licensed leasing agents, real estate brokers and licensed real estate salespersons shall conduct the real estate business.

Section 24. Section 20-329 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

The provisions of this chapter concerning the licensure of real estate brokers, leasing agents and real estate salespersons shall not apply to: (1) Any person who as owner or lessor performs any of the acts enumerated in section 20-311, with reference to property owned, leased or sought to be acquired or leased by the person[, or to the person's regular employees who are employed as on-site residential superintendents or custodians, with respect to the property so owned or leased or sought to be acquired or leased when such acts are performed in the regular course of, or incidental to, the management of such property and the investment therein]; (2) any person acting as attorney-in-fact under a duly executed power of attorney from the owner authorizing the final consummation by performance of any contract for the sale, leasing or exchange of real estate, or to service rendered by any attorney-at-law in the performance of the attorney-at-law's duties as such attorney-at-law; (3) a receiver, trustee in bankruptcy, administrator, executor or other fiduciary, while acting as such, or any person selling real estate under order of any court, or to a trustee acting under a trust agreement, deed of trust or will, or the regular salaried employees thereof; (4) witnesses in court as to the values of real estate; (5) persons in the employ of the federal or state government or any political subdivision thereof while acting in the course of such employment; (6) any employee of any nonprofit housing corporation that (A) has been certified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, and manages a housing project, or (B) manages a housing project assisted in whole or in part by the federal government pursuant to Section 8 of The United States Housing Act of 1937, as amended from time to time, while such employee is performing duties in the regular course of, or incidental to, the management of such housing project; (7) any person licensed to maintain or operate a mobile manufactured home park under chapter 412 who performs any of the acts enumerated in section 20-311, with reference to lots or mobile manufactured homes within the park or to the person's employees with respect to lots or mobile manufactured homes within such park when such acts are performed in the regular course of, or incidental to, the management of such property and the investment therein; (8) persons licensed as sellers of mobile manufactured homes under section 21-67; or (9) any person or such person's regular employee who, as owner, lessor, licensor, manager, representative or agent manages, leases, or licenses space on or in a tower, building or other structure for (A) "personal wireless services facilities" or facilities for "private mobile service" as those terms are defined in 47 USC 332, which



facilities shall be unattended, and the installation and maintenance of related devices authorized by the Federal Communications Commission, and ancillary equipment used to operate such devices and equipment shelters therefor, in an area not to exceed three hundred sixty square feet for any one service established by the Federal Communications Commission in 47 CFR, as amended from time to time, by a provider of any such service, and (B) any right appropriate to access such facilities and connect or use utilities in connection with such facilities.



Agency Legislative Proposal - 2019 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): DCP100118TechnicalandMinor.doc

(If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Consumer Protection

Liaison: Leslie O'Brien

Phone: 860-713-6208

E-mail: leslie.obrien@ct.gov

Lead agency division requesting this proposal: Multiple Divisions

Agency Analyst/Drafter of Proposal: Leslie O'Brien

Title of Proposal: An Act Concerning Minor and Technical Changes to the Department of Consumer Protection Statutes

Statutory Reference: Sections 20-500, 20-529b(1), 20-529c, 20-323, 20-340, 21a-190d., 20-429(f), 21a-4, and PA 18-141

Proposal Summary:

Sections 1-3 amends the definition of "appraisal management services" under Sec. 20-500 to clarify that it includes the receipt of an appraisal review request or order; removes the provision under Sec. 20-529b(1) that allows for ten percent of an appraisal management company to be owned by any person who has had an appraiser license or certificate denied, refused to be renewed, suspended or revoked in any state; eliminates the 30 day exemption under Sec. 20-529c(a) from following requirements to remove an appraiser from an appraisal panel. These changes are based upon recommendations from the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council.

Section 4 amends Sec. 20-323 to provide due process for real estate licensees who are convicted of certain crimes. Currently, Sec. 20-323 demands the revocation of a license without due process of law, which is unconstitutional and inconsistent with how other license holders are treated

Section 5 would amend Sec. 20-340 to allow for homeowners to do elevator work in their own home without a license. Currently, with the exception of the elevator license, this exemption applies all occupational licenses in Chapter 393 and as a result, homeowners are prohibited from installing residential stair lifts in their own homes.

Section 6 amends Sec. 21a-190d to clarify that those charitable organizations which aren't engaged in solicitation activities do not need to apply for an exemption from registration with DCP. There is often confusion surrounding the statutory requirements of charitable organizations.

Section 7 amends sec. 20-429(f) to replace Arabic numerals with roman numerals to be consistent with sec. 20-429(a).

Section 8 amends 21a-4 to allow for the imposition of a fine of \$20 when an ACH payment for a permit or license is returned as uncollectible. This fine already exists for checks returned as uncollectible. DCP now accepts ACH payments for permits and licenses, but cannot fine those whose payments are returned as uncollectible.



Section 9 amends PA 18-141 to ensure consistency with federal law.

PROPOSAL BACKGROUND

◇ Reason for Proposal

Please consider the following, if applicable:

- (1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary?
- (2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?
- (3) Have certain constituencies called for this action?
- (4) What would happen if this was not enacted in law this session?

This proposed language would modify various Department of Consumer Protection statutes based on recommendations from the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council, advances in technology and federal laws and regulations.

◇ Origin of Proposal

New Proposal

Resubmission

If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
- (4) What was the last action taken during the past legislative session?

PROPOSAL IMPACT

◇ AGENCIES AFFECTED (please list for each affected agency)

Agency Name: None

Agency Contact (name, title, phone): [Click here to enter text.](#)

Date Contacted: [Click here to enter text.](#)

Approve of Proposal YES NO Talks Ongoing

Summary of Affected Agency's Comments

[Click here to enter text.](#)

Will there need to be further negotiation? YES NO



◇ **FISCAL IMPACT** *(please include the proposal section that causes the fiscal impact and the anticipated impact)*

Municipal <i>(please include any municipal mandate that can be found within legislation)</i> None
State None
Federal None
Additional notes on fiscal impact NA

◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

None

Insert fully drafted bill here

Section 1. Section 20-500 of the general statutes is repealed and the following is substituted in lieu thereof *(Effective from passage)*:

As used in sections 20-500 to 20-529e, inclusive, unless the context otherwise requires:

- (1) "Appraisal" means the practice of developing an opinion of the value of real property, in conformance with the USPAP.
- (2) "Appraisal Foundation" means the not-for-profit corporation referred to in Section 1121 of Title XI of FIRREA.
- (3) "Appraisal management company" means any person, partnership, association, limited liability company or corporation that performs appraisal management services. "Appraisal management company" does not include:
 - (A) An appraiser that enters into a written or oral agreement with another appraiser for the performance of an appraisal, which is signed by both appraisers upon completion;



(B) An appraisal management company that (i) is wholly owned by a financial institution subject to regulation by an agency or department of the United States government or an agency of this state, and (ii) only receives appraisal requests from an employee of such financial institution. For the purposes of this subdivision, "financial institution" means a bank, as defined in section 36a-2, an out-of-state bank, as defined in section 36a-2, an institutional lender, any subsidiary or affiliate of such bank, out-of-state bank or institutional lender, or other lender licensed by the Department of Banking;

(C) A department or unit of a financial institution subject to regulation by an agency or department of the United States government or an agency of this state that only receives appraisal requests from an employee of such financial institution; or

(D) Any local, state or federal agency or department thereof.

(4) "Appraisal management services" means any of the following:

(A) The administration of an appraiser panel;

(B) The recruitment of certified appraisers to be part of an appraiser panel, including, but not limited to, the negotiation of fees to be paid to, and services to be provided by, such appraisers for their participation on such panel; or

(C) The receipt of an appraisal request or order or an appraisal review request or order and the delivery of such request or order to an appraiser panel.

Section 2. Section 20-529b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) No appraisal management company applying for a certificate of registration shall:

(1) Be [more than ten per cent] owned by any person who has had an appraiser license or certificate denied, refused to be renewed, suspended or revoked in any state;

(2) Be owned by any partnership, association, limited liability company or corporation that is more than ten per cent owned by any person who has had an appraiser license or certificate denied, refused to be renewed, suspended or revoked in any state;

(3) Employ any person to perform job functions related to the ordering, preparation, performance or review of appraisals who has had an appraiser license or certificate denied, refused to be renewed, suspended or revoked; or



(4) Enter into any contract, agreement or other business arrangement, written or oral, for the procurement of appraisal services in this state, with (A) any person who has had an appraiser license or certificate denied, refused to be renewed, suspended or revoked, or (B) any partnership, association, limited liability company or corporation that employs or has entered into any contract, agreement or other business arrangement, whether oral, written or any other form, with any person who has had an appraiser license or certificate denied, refused to be renewed, suspended or revoked.

Section 3. Section 20-529c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) [Except within the first thirty days a]After an appraiser is initially added to an appraiser panel of an appraisal management company, such company shall not remove an appraiser from its appraiser panel or otherwise refuse to assign requests or orders for appraisals without:

(1) Notifying the appraiser in writing of the reasons why the appraiser is being removed;

(2) If the appraiser is being removed for alleged illegal conduct, violation of the USPAP or violation of state licensing standards, notifying the appraiser in writing of the nature of the alleged conduct or violation; and

(3) Providing the appraiser with an opportunity to respond to such notice.

Section 4. Section 20-323 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Any licensee under this chapter who is convicted of a violation of any of the offenses enumerated in subdivision (8) of section 20-320 [shall] may incur a forfeiture of his license and all moneys that may have been paid for such license. The clerk of any court in which such conviction has been rendered shall forward to the commission without charge a certified copy of such conviction. The commissioner may revoke such licensee's license after proceedings as provided in Section 20-321[commission, upon the receipt of a copy of the judgment of conviction, shall, not later than ten days after such receipt, notify the licensee, in writing, of the revocation of his license. Such notice shall be conclusive of the revocation of such license]. Application for reinstatement of such license shall be subject to the provisions of section 46a-80.



Section 5. Section 20-340 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The provisions of this chapter shall not apply to: (1) Persons employed by any federal, state or municipal agency; (2) employees of any public service company regulated by the Public Utilities Regulatory Authority or of any corporate affiliate of any such company when the work performed by such affiliate is on behalf of a public service company, but in either case only if the work performed is in connection with the rendition of public utility service, including the installation or maintenance of wire for community antenna television service, or is in connection with the installation or maintenance of wire or telephone sets for single-line telephone service located inside the premises of a consumer; (3) employees of any municipal corporation specially chartered by this state; (4) employees of any contractor while such contractor is performing electrical-line or emergency work for any public service company; (5) persons engaged in the installation, maintenance, repair and service of electrical or other appliances of a size customarily used for domestic use where such installation commences at an outlet receptacle or connection previously installed by persons licensed to do the same and maintenance, repair and service is confined to the appliance itself and its internal operation; (6) employees of industrial firms whose main duties concern the maintenance of the electrical work, plumbing and piping work, solar thermal work, heating, piping, cooling work, sheet metal work, elevator installation, repair and maintenance work, automotive glass work or flat glass work of such firm on its own premises or on premises leased by it for its own use; (7) employees of industrial firms when such employees' main duties concern the fabrication of glass products or electrical, plumbing and piping, fire protection sprinkler systems, solar, heating, piping, cooling, chemical piping, sheet metal or elevator installation, repair and maintenance equipment used in the production of goods sold by industrial firms, except for products, electrical, plumbing and piping systems and repair and maintenance equipment used directly in the production of a product for human consumption; (8) persons performing work necessary to the manufacture or repair of any apparatus, appliances, fixtures, equipment or devices produced by it for sale or lease; (9) employees of stage and theatrical companies performing the operation, installation and maintenance of electrical equipment if such installation commences at an outlet receptacle or connection previously installed by persons licensed to make such installation; (10) employees of carnivals, circuses or similar transient amusement shows who install electrical work, provided such installation shall be subject to the approval of the State Fire Marshal prior to use as otherwise provided by law and shall comply with applicable municipal ordinances and regulations; (11) persons engaged in the installation, maintenance, repair and service of glass or electrical, elevator work, plumbing, fire protection sprinkler systems, solar, heating, piping, cooling and sheet metal equipment in and about single-family residences owned and occupied or to be occupied by such persons; provided any such installation, maintenance and repair shall be subject to inspection and approval by the building official of the municipality in which such residence is located and shall conform to the requirements of the State Building Code; (12) persons who install, maintain or repair glass in a motor vehicle owned or leased by such persons; (13) persons or entities holding themselves out to be retail sellers of glass



products, but not such persons or entities that also engage in automotive glass work or flat glass work; (14) persons who install preglazed or preassembled windows or doors in residential or commercial buildings; (15) persons registered under chapter 400 who install safety-backed mirror products or repair or replace flat glass in sizes not greater than thirty square feet in residential buildings; (16) sheet metal work performed in residential buildings consisting of six units or less by new home construction contractors registered pursuant to chapter 399a, by home improvement contractors registered pursuant to chapter 400 or by persons licensed pursuant to this chapter, when such work is limited to exhaust systems installed for hoods and fans in kitchens and baths, clothes dryer exhaust systems, radon vent systems, fireplaces, fireplace flues, masonry chimneys or prefabricated metal chimneys rated by Underwriters Laboratories or installation of stand-alone appliances including wood, pellet or other stand-alone stoves that are installed in residential buildings by such contractors or persons; (17) employees of or any contractor employed by and under the direction of a properly licensed solar contractor, performing work limited to the hoisting, placement and anchoring of solar collectors, photovoltaic panels, towers or turbines; (18) persons performing swimming pool maintenance and repair work authorized pursuant to section 20-417aa; and (19) any employee of the Connecticut Airport Authority covered by a state collective bargaining agreement.

Section 6. Section 21a-190d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The following charitable organizations that engage in solicitation shall not be subject to the provisions of sections 21a-190b and 21a-190c, provided each such organization, prior to conducting any solicitation or prior to having any solicitation conducted on its behalf by others, shall submit such information as the department may require to substantiate an exemption under this section in a form prescribed by the commissioner:

- (1) Any duly organized religious corporation, institution or society;
- (2) Any parent-teacher association or educational institution, the curricula of which in whole or in part are registered or approved by any state or the United States either directly or by acceptance of accreditation by an accrediting body;
- (3) Any nonprofit hospital licensed in accordance with the provisions of section 19a-630 or any similar provision of the laws of any other state;
- (4) Any governmental unit or instrumentality of any state or the United States;
- (5) Any person who solicits solely for the benefit of organizations described in subdivisions (1) to (4), inclusive, of this section; and



- (6) Any charitable organization which normally receives less than fifty thousand dollars in contributions annually, provided such organization does not compensate any person primarily to conduct solicitations.

Section 7. Section 20-429 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a)(1)(A) No home improvement contract shall be valid or enforceable against an owner unless it: (i) Is in writing, (ii) is signed by the owner and the contractor, (iii) contains the entire agreement between the owner and the contractor, (iv) contains the date of the transaction, (v) contains the name and address of the contractor and the contractor's registration number, (vi) contains a notice of the owner's cancellation rights in accordance with the provisions of chapter 740, (vii) contains a starting date and completion date, (viii) is entered into by a registered salesman or registered contractor, and (ix) includes a provision disclosing each corporation, limited liability company, partnership, sole proprietorship or other legal entity, which is or has been a home improvement contractor pursuant to the provisions of this chapter or a new home construction contractor pursuant to the provisions of chapter 399a, in which the owner or owners of the home improvement contractor are or have been a shareholder, member, partner, or owner during the previous five years.

(B) Each change in the terms and conditions of a contract shall be in writing and shall be signed by the owner and contractor, except that the commissioner may, by regulation, dispense with the necessity for complying with the requirement that each change in a home improvement contract shall be in writing and signed by the owner and contractor.

(2) A contract for repair, remediation or mitigation as set forth in section 38a-313a shall conform to the requirements set forth in subparagraph (A) of subdivision (1) of this subsection and section 38a-313a.

(b) No home improvement contract shall be valid if it includes any provision obligating the owner to instruct the home improvement contractor, by a date determined by such contractor, that periodic home improvements are not to be performed unless it also includes a provision requiring the contractor to remind the owner of that obligation by means of a card or letter mailed to the owner and postmarked not earlier than twenty days, and not later than ten days, prior to such date.

(c) The contractor shall provide and deliver to the owner, without charge, a completed copy of the home improvement contract at the time such contract is executed.

(d) The commissioner may, by regulation, require the inclusion of additional contractual provisions.

(e) Each home improvement contract entered into shall be considered a home solicitation sale pursuant to chapter 740 and shall be subject to the requirements of said chapter regardless of the



location of the transaction or of the signing of the contract. Each home improvement contract in which the owner agrees to repay the contractor an amount loaned or advanced to the owner by the contractor for the purposes of paying for the goods and services provided in such contract, or which contains a finance charge, (1) shall set forth the information required to be disclosed pursuant to the Truth-in-Lending Act, sections 36a-675 to 36a-685, inclusive, (2) shall allow the owner to pay off in advance the full amount due and obtain a partial refund of any unearned finance charge, and (3) may contain a finance charge set at a rate of not more than the rate allowed for loans pursuant to section 37-4. As used in this subsection, "finance charge" means the amount in excess of the cash price for goods and services under the home improvement contract to be paid by the owner for the privilege of paying the contract price in installments over a period of time.

(f) Nothing in this section shall preclude a contractor who has complied with subdivisions ([1]i), ([2]ii), ([6]vi), ([7]vii) and ([8]viii) of subsection (a) of this section from the recovery of payment for work performed based on the reasonable value of services which were requested by the owner, provided the court determines that it would be inequitable to deny such recovery.

Section 8. Subsection (b) of section 21a-4 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) The Commissioner of Consumer Protection may impose a fine of twenty dollars on any applicant for a permit or license issued by the Commissioner of Consumer Protection who issues to the commissioner a check or electronic funds transfer drawn on the account of such applicant in payment of a permit or license fee and whose check or electronic funds transfer is returned to the Department of Consumer Protection as uncollectible. In addition, the commissioner may require the applicant to pay to the department any fees charged by a financial institution to the department as a result of such returned check or electronic funds transfer.

Section 9. Section 13(8) of Public Act 18-141 is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(8) "Potentially hazardous food" means a food that requires time and temperature control for safety to limit pathogenic microorganism growth or toxin formation and shall be consistent with the United States Food and Drug Administration's Food Code definition for time/temperature control for safety food, as amended from time and time, and adopted by reference by the commissioner pursuant to section 19a-36h.