

<b>Act Number</b>	<b>Session</b>	<b>Bill Number</b>	<b>Total Number of Committee Pages</b>	<b>Total Number of House Pages</b>	<b>Total Number of Senate Pages</b>
PA 71-603		8459	4	4	2
<u>Committee Pages:</u> <ul style="list-style-type: none"> <li><i>Insurance &amp; Real Estate</i> 232-234</li> <li><i>Insurance &amp; Real Estate</i> 250</li> </ul>				<u>House Pages:</u> <ul style="list-style-type: none"> <li>3884-3885</li> <li>5144-5145</li> </ul>	<u>Senate Pages:</u> <ul style="list-style-type: none"> <li>2829-2830</li> </ul>

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**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
1971**

**VOL. 14  
PART 9  
3878-4343**

REPRESENTATIVE SARASIN:

I move adoption of the Joint Committee's favorable report and passage of the two starred items on the consent calendar, which are as follows:

Calendar 1098, Substitute for House Bill 9075 - An Act Concerning the Publication of Superior, Common Pleas, Circuit and Juvenile Court Decisions, file 1228.

Calendar 1100, Substitute for House Bill 6575 - An Act Concerning the Discharge of Mortgages, File 1231.

Calendar 1101, Substitute for House Bill 5658 - An Act Concerning Adoption of Children by Blood Relatives, File 1233.

Page 2, Calendar 1102, House Bill 7261 - An Act Concerning the Prohibition of Alcoholic Liquor Sales on Independence Day and Labor Day, File 1234.

Calendar 1116, Substitute for House Bill 8459 - An Act Concerning and Regulating Real Property Securities Dealers, file 1226.

Calendar 1117, Substitute for House Bill 8672 - An Act Repealing Provisions Made Unnecessary by State Building Code, File 1225.

Calendar 1120, Substitute for House Bill 9196 - An Act Concerning the Definition of Pet Shop and Animals, File 1232.

Page 3, Calendar 1138, Senate Bill 0309 - An Act Concerning The Paying of Traffic Violation Fines by Mail, file 810.

Calendar 1139, Senate Bill 0931- An Act Exempting Personal PProperty Incorporated into Motor Vehicles for the Purpose of

ad

Reducing Air Pollution From the Sales Tax, file 1087.

Calendar 1140, Substitute for Senate Bill 1094 - An Act Concerning Qualifications of Justices of the Peace, file 1051.

Calendar 1144, Substitute for Senate Bill 1562 - An Act Concerning the Annual Report of the State Comptroller to the Governor, file 1092.

I move adoption of these items.

MR. SPEAKER:

Is there further objection. Hearing none, the question is on acceptance of the joint committee's favorable reports and passage of the bills. All those in favor indicate by saying Aye. Opposed. The bills are passed.

REPRESENTATIVE SARASIN:

Referring to page 2, Calendar 1114, an item I did not read, I would ask that that be removed from the consent calendar.

MR. SPEAKER:

Your objection is noted and so ordered.

REPRESENTATIVE SARASIN:

Pursuant to Rule 48, I move the adoption of the following resolution on page 4, Calendar 1229, House Resolution No. 91 - Congratulating Trooper Kirscher and His Wife on the Birth of Their Daughter. I move adoption of that resolution.

MR. SPEAKER:

Is there objection to suspension of the rules. Hearing none, the rules are suspended. The question is on adoption of the resolution. All those in favor indicate by saying Aye.

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**CONNECTICUT  
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**VOL. 14  
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4831-5162**

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CLERK:

Next Disagreeing Action, Calendar 1116, Substitute for House Bill 8459 - An Act Concerning and Regulating Real Property Securities Dealers (as amended by Senate Amendment Schedule A).

MR. SPEAKER:

Representative Colucci of the 88th.

MR. COLUCCI:

I move acceptance of the committee's favorable report and passage of the bill.

MR. SPEAKER:

Would you remark.

MR. COLUCCI:

The Clerk has Senate Amendment Schedule A.

MR. SPEAKER:

The Clerk will call ~~Senate~~ Amendment Schedule A.

CLERK:

Senate Amendment Schedule A. Section 16, line 362, after the word "amended" add the following "(c) the provisions of this act shall not apply to transactions involving a promissory note, or notes, the payment of which is secured and held in court by a mortgage deed."

MR. SPEAKER:

Question on adoption of Senate Amendment Schedule A.

MR. COLUCCI:

This is just a technical amendment to clean up the wording

ad

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of the bill. I move adoption of the amendment. ad

MR. SPEAKER:

Will you remark further on Senate Amendment Schedule A. If not, all those in favor indicate by saying Aye. Opposed. Senate Amendment A is adopted.

Gentleman from the 88th.

MR. COLUCCI:

I move acceptance of the committee's favorable report and passage of the bill as amended by Senate Amendment Schedule A.

MR. SPEAKER:

Will you remark. Further remarks. If not, all those in favor indicate by saying Aye. Opposed. The bill is passed.

CLERK:

Disagreeing Action, Calendar 1071, House Bill 5393 - An Act Concerning the Order of Offices on Ballot Labels for State Elections. (as amended by House Amendment Schedule A) (Senate Rejected House Amendment Schedule A on June 3)

MR. SPEAKER:

Representative Maiocco.

MR. MAIOCCO:

I move acceptance of the committee's favorable report in concurrence with the Senate's action.

MR. SPEAKER:

Would you remark.

MR. MAIOCCO:

As the Clerk indicate, the Senate rejected House Amendment

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**SENATE**

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2436-2873**

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a standing vote. All those in favor of passage, please rise? All those opposed, please rise. The vote is 18 affirmative; 13 negative. The bill is passed.

THE CLERK:

CAL. NO. 1038. File No. 1226. Favorable report of the joint committee on Real Estate and Insurance. Substitute House Bill 8459. An Act Concerning And Re~~g~~ulating Real Property Securities Dealers.

SENATOR DINIELLI:

Mr. President, I move for acceptance of the joint committee's favorable report and passage of the bill. The Clerk has an amendment. I move adoption of the amendment. And I refer to Senator Macauley.

THE CLERK:

SENATE AMENDMENT SCHEDULE, A, offered by Senator Macauley:

In section 16, line 362, after Amended, add the following:"(the provision of this act shall not apply to transactions involving a promisory note or notes, the payment of which is secured in whole or in part by a mortgage deed ordeeds."

SENATOR MACAULEY:

Mr. President, members of the circle, this legislation is designed to cover a situation which needs legislation except that the intent was not to cover mortgage deeds and the language of the section would apply to mortgage deeds and the amendment simply exludes them.

THE CHAIR:

Question is on the amendment. Will you remark further? If not, all those in favor of adoption of the amandment, signify by saying, "aye"/  
Opposed, "nay". The amendment is adopted. Proceed with the bill, as amended.

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SENATOR DINIELLI:

Mr. President, at the present time, real property security dealers are required to be licensed as real estate brokers and also registered with the Banking Department. This bill simply eliminates the dual licensing requirements with the Banking Department, with the agreement of both the Real Estate Commission and the Banking Commission.

THE CHAIR:

Question is on passage of the bill, as amended. Will you remark further? If not, all those in favor of passage, signify by saying, "aye". Opposed, "nay". The ayes have it. The bill is passed.

THE CLERK:

CAL. NO. 1043. File No. 1544. Favorable report of the joint committee on Appropriations. Substitute Senate Bill 282. An Act Concerning Replacement Housing Required by Highway Construction.

SENATOR HOULEY:

Mr. President, I move for acceptance of the joint committee's favorable report and passage of the bill. The money for this is in the appropriation, in the Department of Transportation. The bill provides basically, in section 1, that whenever the Commissioner of Transportation determines that a proposed type highway project cannot be proceed to actual construction because of a placement housing, is not always available. He may construct new housing, or require housing, rehabilitate housing, relocate housing, replacement housing for individuals and or families displaced by highway construction.

Section 2, the replacement must conform to all local zoning regulations and must be functionally comparable to that unit that is being replaced. If must be located in the same town. if possible. if not possible a contingent

**JOINT  
STANDING  
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INSURANCE AND REAL ESTATE

MARCH 31, 1971

Mr. Kotkin continued: to witness it anyway.

Mr. Carey: What I would like to try and explain here is this was at the recommendation of the legislative commissioner's office in the drafting of this bill. And it does present a problem and I think that it is an unfair problem to the broker who is soliciting the listing because mostly when you go into somebody's home they don't want anybody knowing about their business, so it is difficult to get a third party to sign a contract.

Sen. Crafts: Thank you Mr. Carey. If that will be all the comments you have for HB-8458. I would like to turn to HB-8489. Any other questions from the committee? Proceed sir.

Mr. Kotkin: With respect to HB-8459 The Connecticut Association of Real Estate Boards is in absolute agreement with respect to the provisions of this piece of legislation. Now actually what we are disturbed about and I've raised this with Mr. Carey is the fact that this is really a blue sky type law requirement. And as I read the present statute there are two sets of statutes Chapters 649 and 653 which require the same kind of registration. And it would be my suggestion that if in fact this committee and we feel anyway that the registration of real estate securities should be with the Real Estate Commission. If you feel that that is so then it might be just as well if we could not have a repealing of the section of the banking law which requires us to do the same thing with the Banking Commission.

In other words if this is to be enacted then there would be three sets of statutes that would require registration. One the banking commission, two another section of the banking commission and three the real estate commission. So it would be our suggestion that if you agree with the intent and purpose of this we feel registration is necessary. You're dealing in the sense of a full disclosure of your securities. This is like selling some stock. Like and SEC type of registration. But don't ask us to go to three different commissions to register the same issues in three different commissions. So we suggest that perhaps someone could draft legislation simply taking the jurisdiction away from the Banking Commission and giving it to the Real Estate Commission for this limited security.

And if I remember when I had to register the same thing with the Banking Commission they seemed to be very happy to get rid of this kind of legislation. They are more concerned with registration of stock rather than the

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## INSURANCE AND REAL ESTATE

MARCH 31, 1971

Mr. Kotkin continued: registration of notes, real property notes.

Rep. Johnson: Question sir. Are you suggesting that we favorably consider this proposed legislation without an act or a proposed act to repeal the banking part?

Mr. Kotkin: No we are not. We're saying that if you do favorably consider that you will also favor a repealing section.

Rep. Johnson: As you have indicated there is no legislation pending repealing the banking provisions. I would suggest to you sir or Mr. Carey you draw up some legislation that might be considered.

Mr. Carey: May I make one comment here? I don't know if we are clear on what our real property and security dealer here is in the first place. But in most states there is duplication of license. But a real property security dealer actually comes within the definition of a real estate broker. He's selling and financing real estate. And there is no question about it. But as the name or reference to real property security dealer it does not appear anywhere in the real estate licensing law. Now this a same fellow that sells real estate securities also sells other securities. So this is why he registers with the Banking Commission.

Rep. LaRosa: I think what we are trying to determine here is that under this bill, the requirement would be to register these securities with the Real Estate Commission and also the Banking Commission and also another division of the Banking Commission. So I think what Rep. Vicino is indicated that this bill either should have another section or should be amended so that only the requirement should be allowed in one division. Rep. Johnson suggested that. If this is what should happen, now is the Bank Commission having no objection and they feel that they don't want the registry of these real securities pertaining to the real estate, registered with the Real Estate Commission, I as a member of the committee have no objection because I'm sure if we can eliminate duplication of registration and I'm sure that some of the people on the Banking Commission could use their talents to, in other areas which pertain to banking. So therefore I would make the suggestion and to possibly clear some of the feelings of the members of the Committee that either the bill should be amended to repeal the section that requires the registering

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Rep. LaRosa continued: of these real securities with the Banking Commission and the Department within that Commission so that it could be solely registered within the Real Estate Commission. I think then you would have a bill that would be acceptable to most people and I think it would accomplish your objective but to create another bureaucracy within another Commission I think that would just impose additional expense to the people of the State of Connecticut. Is this what you want?

Mr. Carey: I'll draw up an additional section to the end to be added to this where it will say in such cases where they are licensed with the Real Estate Commission, or required to be licensed as security dealers, be exempt from the banking requirements.

Sen. Crafts: With respect to HB-8460 the next in sequence.  
AN ACT AUTHORIZING THE REAL ESTATE COMMISSION TO PUBLISH A PERIODIC BULLETIN OF INFORMATION AND MATERIAL.

Mr. Kotkin: We concur with this bill in every instance. We of the Connecticut Association of Real Estate Board are constantly engaged in upgrading our people by a complete on going educational program. Seminars, studies, real estate studies etc. Anything the Commission can do to furnish us with information about our own industry is certainly more than welcome. Are there any questions on HB-8460?

Rep. Johnson: Forgive me if I appear to be shall I be less than knowledgeable in this Department but does it take legislation for the Commission to publish as you've asked information and material to the rest of the industry through a periodic bulletin?

Mr. Carey: Yes, because there is an expenditure involved. We have to be authorized. There are some 26 states that have this authority and it all appears in the statutory provisions of the law. Unless there is some exception in Connecticut that I don't know of.

Rep. Johnson: O.K. I see that Section 2 does provide for the expense so that was my next question.

Mr. Kotkin: With respect to section 8 bill ~~8461~~ HR 8461 AN ACT CONCERNING THE ADVERTISING, SALE, EXCHANGE OR OTHER DISPOSITION OF CERTAIN REAL ESTATE BEING OFFERED AS PART OF A COMMON PROMOTIONAL PLAN.



STATE OF CONNECTICUT  
CONNECTICUT REAL ESTATE COMMISSION

F. James S. ... New ...

Howard M. ...

Chairman

Paul Lewis, Hartford

Frank ...

James F. Carey

Condon L. Walsh, Ridgefield

Executive Director

March 30, 1971

Chairman of the Insurance and  
Real Estate Committee  
Senator Joseph DiIorio  
Representative James Palmieri  
Respective Committee Members

RE: House Bill 8459 - AN ACT CONCERNING AND REGULATING REAL  
PROPERTY SECURITIES DEALERS

Gentlemen:

This Bill is introduced by the Connecticut Real Estate Commission. The activities of real property securities dealers come within the present definition of a real estate broker. However, real property securities dealers as such are not defined in the present definitions of the law.

The purpose of this Bill is to define those activities of a real property securities dealer and require that such person who engages in those activities become licensed as a real estate broker.

Several states require real property securities dealers to be licensed as real estate brokers. A great number more are proposing such legislation.

We will appreciate your favorable consideration and action on this Bill.

Respectfully Submitted,

  
James F. Carey  
Executive Director

JFC:mjv