

# OFFICE OF FISCAL ANALYSIS

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sHB-5572

## AN ACT CONCERNING REAL ESTATE WHOLESALERS AND REAL ESTATE WHOLESALE CONTRACTS.

As Amended by House "A" (LCO 10036)

House Calendar No.: 362

Senate Calendar No.: 571

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Consumer Protection, Dept.	GF - Cost	None	210,000
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	None	70,155
Resources of the General Fund	GF - Potential Revenue Gain	None	See Below

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

The bill requires the Department of Consumer Protection (DCP) to license and regulate real estate wholesalers and makes violations an unfair trade practice violation resulting in a cost and potential revenue gain to the state.

To meet the requirements of the bill DCP will have to hire one special investigator and one staff attorney for a cost of \$210,000 in FY 27, along with associated fringe benefits costs of \$70,155 in FY 27<sup>2</sup>. The additional employees are needed to regulate the market, field complaints, perform

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

<sup>2</sup>Costs begin in FY 27 due to the bill's 7/1/26 effective date.

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5/31/25

investigations, and conduct enforcement against wholesalers who violate the provisions of the bill.

The bill also creates a real estate wholesaler license that has a \$285 biennial application and renewal fee resulting in a potential revenue gain to the state dependent on the number of license applications.

House "A" strikes the underlying bill and its associated fiscal impact resulting in the impact described above.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases, the number of license applications, and inflation.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*