

Sec. 20-324k. Brokers to maintain escrow or trust account for certain moneys held. Disputed deposits.

(a) Each broker licensed under the provisions of this chapter, who in the course of his real estate business receives, accepts and holds any moneys on behalf of any principal, client or other person shall at all times maintain a separate escrow or trust account, distinct from his own account, in a bank of his choice doing business in this state, for the deposit of all such moneys so received by him.

(b) The commission may examine and audit any escrow or trust account maintained by any broker in accordance with the provisions of subsection (a) of this section whenever the commission shall deem such examination and audit necessary.

(c) Any broker who, in the course of his real estate business and in connection with any transaction, accepts from any principal, client or other person any moneys to which he is not personally and legally entitled, including, but not limited to, any down payment, earnest money, deposit, rental money, rental security deposit or other money to be held by him in trust, shall deposit such moneys in his escrow or trust account within three banking days of the date the agreement evidencing such transaction is signed by all necessary parties to such transaction, pending final legal disposition of such moneys in accordance with the instructions of the person legally entitled to such moneys.

(d) Upon motion, the court may order a party to an action who is a broker holding funds in trust in connection with a real estate transaction to deposit with the court certified funds in an amount not to exceed the funds held in trust. Conditioned upon the receipt of such certified funds, the court shall also order the dismissal of any claim against the broker which claim is based solely on the broker's role as stakeholder of such funds.

(e) Any broker who wilfully violates any provision of this section shall be fined not more than one thousand dollars or imprisoned not more than six months or both.

(1971, P.A. 359, S. 1-4; P.A. 83-512, S. 1; P.A. 87-63, S. 1, 2; 87-589, S. 26, 87; P.A. 96-105; P.A. 98-10, S. 32.)

History: P.A. 83-512 amended Subsec. (d) to increase the maximum fine from \$500 to \$1,000; P.A. 87-63 amended Subsec. (c) to require the deposit of moneys in the escrow or trust account within three banking days of the date the agreement evidencing the transaction is signed by all the parties; P.A. 87-589 made technical change in Subsec. (c); P.A. 96-105 inserted new Subsec. (d) to allow court orders re broker-held funds, relettering former Subsec. as (e); P.A. 98-10 made technical changes.

See Sec. 8-265f re program for use of interest earned on real estate broker escrow or trust accounts for mortgage assistance for first-time buyers.