

Proposed Bylaw Changes

Rationale: To bring the Board's sanction options in line with the maximums provided as options by the National Association of REALTORS®.

Underline indicates addition, strikethrough indicates deletion.

ARTICLE V - QUALIFICATION AND ELECTION

SECTION 1. APPLICATION:

- (a.) Application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant: (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the National Association of REALTORS®, the Constitutions, Bylaws and Rules and Regulations of the Board, the State and National Associations, and if elected a member, will ~~abide~~ be bound by the Constitutions and Bylaws and the Rules and Regulations of the Board, State and National Associations, and if a REALTOR® Member, will ~~abide~~ be bound by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended; and (2) that applicant consents that the Board may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Board by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations and Code of Ethics referred to above. (09/14/98)

SECTION 2. QUALIFICATION:

- (a.) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm, shall supply evidence satisfactory to the Board that:
- (i) Applicant is actively engaged in the real estate profession.
 - (ii) Applicant maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property with no record of official sanctions involving unprofessional conduct. (11/17/08)
 - (iii) Applicant has a place of business within the State of Connecticut or a state contiguous thereto (unless a secondary Member). (3/06/08)
 - (iv) Applicant has no record of recent or pending bankruptcy.
 - (v) Applicant has no record of official sanctions involving unprofessional conduct.
 - (vi) Applicant shall complete, prior to his/her election to membership, a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the State Association and the Constitution, Bylaws and the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required. The Board will offer such course of instruction with such frequency as to permit the processing of the application within a six-month period or within that period necessary to process his/her application, whichever period is shorter.

- (vii) Applicant shall agree that if elected to Membership, he/she will **abide be bound** by such Constitution, Bylaws, Rules and Regulations and Code of Ethics.
- (b.) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, supply evidence to the Board that:
 - (i) Applicant is associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Board or a Designated REALTOR® Member of another Board/Association (if a secondary member).
 - (ii) Applicant maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, with no record of official sanctions involving unprofessional conduct. (11/17/08)
 - (iii) Applicant shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Board. The Board will offer such course of instruction with such frequency as to permit the processing of the application within a six-month period or within that period necessary to process his/her application, whichever period is shorter.
 - (iv) Applicant shall agree in writing that if elected to membership he/she will **abide be bound** by such Constitution, Bylaws, Rules and Regulations and the Code of Ethics.

Note 1. No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, or corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Board fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (which ever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy. (09/16/96) (11/17/08)

Note 2. No record of official sanctions involving unprofessional conduct is intended to mean that the Board may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities. (09/16/96) (09/14/98) (05/21/01)

- (a.) The Board will also consider the following in determining an applicant's qualifications for REALTOR® membership:
 1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other Board/Association within the past three (3) years
 2. Pending ethics complaints (or hearings)
 3. Unsatisfied discipline pending
 4. Pending arbitration requests (or hearings)
 5. Unpaid arbitration awards or unpaid financial obligations to any other Board/Association or Board/Association MLS (09/14/98)
 6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm. (11/17/08)

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; see Article V, Section 2 (a) NOTE: 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership.

If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will **abide be bound** by the decision of the hearing panel. **The maximum fine for violations of the Code of Ethics and violations of other membership duties is \$2,500.**

(09/16/96) (05/21/01)

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

SECTION 2. Any Member of the Board may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Board Rules and Regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Board. **The maximum fine for violations of the Code of Ethics and violations of other membership duties is \$2,500.** Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Board, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Board, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®. (09/16/96)

SECTION 3. Any REALTOR® Member of the Board may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of Membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the Board, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration manual of the NATIONAL ASSOCIATION. **The maximum fine for violations of the Code of Ethics and violations of other membership duties is \$2,500.**

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

SECTION 2. It shall be the duty and responsibility of every REALTOR® Member of this Board to **abide be bound** by the Constitution and Bylaws and the Rules and Regulations of the Board, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to **abide be bound** by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Board as from time to time amended. **Among other potential sanctions specified in the Code of Ethics and Arbitration Manual, the maximum penalty for a Code of Ethics violation is \$2,500.** (10/01/94)