

State of South Dakota

SEVENTY-SIXTH SESSION LEGISLATIVE ASSEMBLY, 2001

544E0644

HOUSE BILL NO. 1205

Introduced by: Representatives Konold, Olson (Mel), and Solum and Senators Bogue,
Albers, Moore, Olson (Ed), and Vitter

1 FOR AN ACT ENTITLED, An Act to provide for the licensing of certain real estate
2 corporations and limited liability companies.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 36-21A be amended by adding thereto a NEW SECTION to read
5 as follows:

6 A real estate salesperson or broker associate employed by or otherwise associated with a
7 broker may form a business corporation or limited liability company under all the following
8 conditions:

9 (1) The business corporation or limited liability company does not engage in real estate
10 transactions as a third-party agent or in any other capacity requiring a license under
11 this chapter;

12 (2) The business corporation or limited liability company does not advertise or otherwise
13 hold itself out as a real estate brokerage company;

14 (3) The employing broker is not relieved of any obligation to supervise the employed
15 licensee or any other requirement of this chapter or the rules adopted pursuant to this

1 chapter;

2 (4) The employed licensee is not relieved of any personal liability for any licensed
3 activities by interposing the corporate or limited liability form;

4 (5) The business corporation or limited liability company is owned solely by an individual
5 real estate salesperson or broker associate, or by that person and that person's spouse;
6 and

7 (6) The business corporation or limited liability company is approved by and registered
8 with the commission. The registration fee for an approved business corporation or
9 limited liability company shall be established by rule promulgated pursuant to chapter
10 1-26. The fee may not exceed one hundred dollars.