

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

544E0644

HOUSE COMMERCE COMMITTEE ENGROSSED NO.

HB 1205 - 02/01/2001

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 or associating broker is not relieved of any obligation to supervise the

1 employed or associated licensee or any other requirement of this chapter or the rules
2 adopted pursuant to this chapter;

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

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

8 (6) The business corporation or limited liability company is approved by and registered
9 with the commission. The registration fee for an approved business corporation or
10 limited liability company shall be established by rule promulgated pursuant to chapter
11 1-26. The fee may not exceed one hundred dollars.