

AN ACT

ENTITLED, An Act to permit salespersons and broker associates within the same firm to form a business corporation or limited liability company under certain conditions.

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

Section 1. That § 36-21A-46.1 be amended to read as follows:

36-21A-46.1. A real estate salesperson or broker associate employed by or otherwise associated with a broker may form a business corporation or limited liability company under the following conditions:

- (1) The business corporation or limited liability company does not engage in real estate transactions as a third-party agent or in any other capacity requiring a license under this chapter;
- (2) The business corporation or limited liability company does not advertise or otherwise hold itself out as a real estate brokerage company;
- (3) The employing or associating broker is not relieved of any obligation to supervise the employed or associated licensee or any other requirement of this chapter or the rules adopted pursuant to this chapter;
- (4) The employed or associated licensee is not relieved of any personal liability for any licensed activities by interposing the corporate or limited liability form;
- (5) The business corporation or limited liability company is owned solely by an individual real estate salesperson or broker associate, or by that person and that person's spouse, or by that person and other salespersons and broker associates within the same firm as that person; and
- (6) The business corporation or limited liability company is approved by and registered with the commission. The registration fee for an approved business corporation or limited

liability company shall be established by rule promulgated pursuant to chapter 1-26. The fee may not exceed one hundred dollars.

An Act to permit salespersons and broker associates within the same firm to form a business corporation or limited liability company under certain conditions.

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I certify that the attached Act  
originated in the  
  
SENATE as Bill No. 155

\_\_\_\_\_  
Secretary of the Senate  
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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 155  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_\_ day of \_\_\_\_\_ ,  
  
20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State