

# State of South Dakota

EIGHTY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2006

625M0557

## SENATE BILL NO. 155

Introduced by: Senators Kelly, Abdallah, Broderick, Dempster, Gray, Knudson, Moore, Olson (Ed), Smidt, and Sutton (Dan) and Representatives Faehn, Garnos, Haley, Halverson, Hargens, Howie, Jensen, Koistinen, McCoy, Miles, Novstrup, Rounds, and Van Etten

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

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

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

6 36-21A-46.1. A real estate salesperson or broker associate employed by or otherwise  
7 associated with a broker may form a business corporation or limited liability company under ~~all~~  
8 the following 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  
6 individual real estate salesperson or broker associate, or by that person and that  
7 person's spouse, or by that person and other salespersons and broker associates within  
8 the same firm as that person; and

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