

AN ACT

ENTITLED, An Act to allow a broker to form certain business entities 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 broker may, or 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 a broker, an individual real estate salesperson, or broker associate, or by that licensee and that licensee's spouse, or by that licensee and other licensees within the same firm as that licensee; 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 allow a broker to form certain business entities under certain conditions.

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I certify that the attached Act
originated in the
HOUSE as Bill No. 1114

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

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

Attest:

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

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

Attest:

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

House Bill No. 1114  
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