CHAPTER 20:69:03

LICENSING AND LICENSES

Section

20:69:03:01 Application for license by examination.
20:69:03:02 Proof of education to accompany application.
20:69:03:02.01 Proof of passing score to accompany application.
20:69:03:03 Repealed.
20:69:03:04 Authority to take examination.
20:69:03:04.01 Registering for examination.
20:69:03:05 Failure to appear for examination.
20:69:03:06 Administration of examination.
20:69:03:06.01 Testing service.
20:69:03:07 Passing score on licensing examination.
20:69:03:08 Cheating on examination.
20:69:03:09 Reinstatement of licensees discharged from armed forces.
20:69:03:10 Application fee -- Brokers and salespersons.
20:69:03:12.01 Registration fee -- Broker or associate licensee business corporation or limited liability company.
Office management.
Commission split -- Out-of-state.
Transferred.
Advance compensation.
Repealed.
Reciprocal agreements Repealed.
Nonresident licensee as applicant -- Certificate of licensure required.
Nonresident licensee -- Renewal of license on active status -- Certificate of licensure required.
Supervising broker to be licensed in South Dakota.
South Dakota resident licensed as salesperson by examination in another state -- Requirements for obtaining a broker associate license in South Dakota.
Nonresident salesperson licensed in South Dakota -- Time to qualify for broker associate upon establishing residency in state.
Fees -- Certification of licensure, additional license, duplicate license, and transfer of license.
Late renewal fee.

20:69:03:21. Reciprocal agreements. The commission may enter into written agreement with other states for the purpose of licensing by reciprocity Repealed.

Source: 20 SDR 18, effective August 16, 1993.

General Authority: SDCL 36-21A-54.
20:69:03:22. Nonresident licensee as applicant -- Certificate of licensure required. A nonresident licensee who is an applicant for licensure in this state shall submit a certificate of licensure from the licensing agency of every state in which the applicant holds or has held an active license. The certificate of licensure shall be completed within 30 days before the date of application, stating that the applicant's license is on active status and in good standing and that no complaint is pending.

Source: 20 SDR 18, effective August 16, 1993; 35 SDR 305, effective July 1, 2009.

General Authority: SDCL 36-21A-54, 36-21A-89(3).

Law Implemented: SDCL 36-21A-54, 36-21A-89(3).

ARTICLE 20:69

REAL ESTATE BROKERS AND SALESPERSONS

Chapter

20:69:01 Definitions.

20:69:02 General rules.

20:69:03 Licensing and licenses.

20:69:04 Prelicensing education.

20:69:05 Disciplinary proceedings, Repealed.
Real estate auctioneer licenses.
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Mortgage brokers.
Real estate appraisers, Repealed.
Standards of professional appraisal practice.
Postlicensing and continuing education.
Time-share estates.
Time-share agents.
Property managers.
Residential rental agents.
Errors and omissions insurance.
Disclosure.
Agreements.
Real estate teams.

CHAPTER 20:69:05

DISCIPLINARY PROCEEDINGS
(Repealed)

Section

20:69:05:01—Complaints authorized—Procedure following filing—Electronic filing.
20:69:05:01.01—Commission staff to investigate complaints.
20:69:05:02—Dismissal of complaint.

Any person, including commission members and staff, may file with the executive director of the commission a written complaint claiming that a licensee or a subdivider has engaged or is engaging in conduct constituting grounds for disciplinary action. The complaint shall be verified on oath, stating the name and address of the licensee or subdivider complained against and fully detailing the conduct against which the complaint is made. Upon receipt of the complaint, the executive director or compliance officer of the commission may request more information from the person filing the complaint. If sufficient information is received to allege grounds for disciplinary action, the executive director shall serve a copy of the complaint by mail on the licensee or subdivider complained against and on any other affected party. The licensee or subdivider complained against
shall have 20 days to answer the complaint after its service. The licensee or subdivider shall serve an answer to the complaint on the executive director.

The executive director may reject the complaint if it is not in proper form or if it fails to allege grounds for disciplinary action. The person serving an answer under this section shall serve an original on the executive director. However, the executive director may accept a complaint or answer in an electronic format if it is readily accessible by the commission and in a format that can be downloaded, printed, or otherwise maintained as a record for future reference. Any person filing a complaint or an answer electronically shall submit one copy of the original. Repealed.

Source: SL 1975, ch 16, § 1; 2 SDR 7, effective July 30, 1975; 3 SDR 34, effective November 3, 1976; 10 SDR 54, effective December 5, 1983; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; transferred from § 20:56:06:01, 20 SDR 18, effective August 16, 1993; 35 SDR 305, effective July 1, 2009; 44 SDR 71, effective October 24, 2017.

General Authority: SDCL 36-21A-89(8).


Declaratory Rulings:

(Repealed by Resolution 06-30-05-01, dated July 27, 2005) In a typical real estate transaction, a licensee is the agent of the seller. A listing agreement, signed by the seller and a broker, specifies the rate of commission to be paid to the licensee or licensees who sell the property. Although the rate of commission specified in the listing agreement obligates the seller to pay the rate of commission specified in that contract, nothing in the real estate licensing statutes precludes a licensee from reducing that commission. Similarly, if a licensee has a property-
executed agreement as a buyer's agent and receives compensation from that buyer, the statutes do not preclude a reduction in that compensation. However, the statutes prohibit any rebate of a commission to a client buyer or client seller.

Payment of compensation in the form of a rebate or kickback to a buyer by a seller's agent or to a seller by a buyer's agent is not permitted under existing statutes. However, if a monetary consideration is included as an incentive to enter into a transaction, that incentive becomes part of the terms and conditions of the transaction. An agent must then have the knowledge and consent of the principal, and those terms of the transaction must be included in the offer to purchase. South Dakota Real Estate Commission Declaratory Ruling 93-1.

The responsible broker, as defined by SDCL 36-21A-1(8), or the qualifying broker as defined by SDCL 36-21A-38, is responsible for the activities of salesmen and broker associates, as specified in SDCL 36-21A-79, and must endorse each listing agreement, as required by SDCL 36-21A-72, by signing the otherwise completed contract. South Dakota Real Estate Commission Declaratory Ruling 94-1.

(Repealed by Resolution 06-30-05-02, dated July 27, 2005) This ruling provides an interpretation of SDCL 36-21A-71 subdivisions (9), (12), and (22)—Acts constituting unprofessional conduct and the use of various inducements offered to either the buyer or seller. The Real Estate Commission's decision concluded that commissions may be reduced and if other valuable consideration is included as a benefit then the consideration needs to be disclosed as part of the transaction with the licensee's principal's knowledge and consent. South Dakota Real Estate Commission Declaratory Ruling 03-01, dated April 7, 2003.
20:69:05:01. Commission staff to investigate complaints. The commission staff is responsible for reviewing and investigating disciplinary cases before the commission. At any time after the receipt of a complaint the executive director may appoint a commission member to direct staff in reviewing and investigating complaints Repealed.

Source: 44 SDR 71, effective October 24, 2017.

General Authority: SDCL 36-21A-89.


20:69:05:02. Dismissal of complaint. After receipt of the answer to the complaint specified in § 20:69:05:01 or after the time has expired for the licensee or subdivider complained against to answer, the executive director shall submit the complaint and any answer to the commission staff. The commission staff shall examine the complaint and answer to determine whether disciplinary action is necessary.

If the commission staff determines that the complaint does not charge conduct constituting grounds for disciplinary action, the commission staff shall inform the commission of the intent to dismiss the complaint and notify in writing the complainant and the subdivider or licensee complained against and any other affected parties, stating the reasons for dismissal.

If the commission disagrees with commission staff's intent to dismiss the complaint, the commission shall assign one of its members to assist in the resolution of the complaint Repealed.

Source: SL 1975, ch 16, § 1; 2 SDR 7, effective July 30, 1975; 5 SDR 21, effective September 21, 1978; 10 SDR 54, effective December 5, 1983; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 15 SDR 100, effective January 10,
20:69:05:03. Informal disposition. If the commission staff determines the complaint constitutes grounds for disciplinary action, the commission staff may, at their discretion, negotiate an assurance of voluntary compliance or a consent agreement in an effort to resolve the matter satisfactorily without a formal hearing.

Any informal disposition negotiated by commission staff is subject to commission approval.

Repealed.

Source: SL 1975, ch 16, § 1; 2 SDR 7, effective July 30, 1975; 5 SDR 21, effective September 21, 1978; 10 SDR 54, effective December 5, 1983; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 15 SDR 100, effective January 10, 1989; transferred from § 20:56:06:02, 20 SDR 18, effective August 16, 1993; 44 SDR 71, effective October 24, 2017.

General Authority: SDCL 36-21A-89.

20:69:05:04. Assurance of voluntary compliance or consent order. In the enforcement of this chapter, the commission may accept an assurance of voluntary compliance or a consent order regarding any act or practice alleged to violate this article or SDCL chapter 36-21A from a person who has engaged in, is engaging in, or is about to engage in such an act or practice.

The assurance or consent order must be in writing and is subject to the approval of the commission. The assurance or consent order may include a stipulation for the voluntary payment by the alleged violator of the costs of the investigation and any amount necessary to restore to a person money or property which may have been acquired by the alleged violator by means of such an act or practice.

The assurance of voluntary compliance is not considered an admission to a violation for any purpose. The consent of a licensee to a consent order constitutes an admission of a violation for any purpose. Proof of failure to comply with the assurance of voluntary compliance or consent order is prima facie evidence of a violation of this chapter Repealed.

Source: 10 SDR 54, effective December 5, 1983; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; transferred from § 20:56:06:03.01, 20 SDR 18, effective August 16, 1993; 37 SDR 112, effective December 8, 2010.

General Authority: SDCL 36-21A-89(5).


20:69:05:05. Formal proceedings. If the commission staff decides to conduct a formal hearing after a complaint has been filed, the commission staff shall mail a formal complaint issued
in the commission’s name and a notice of hearing to the licensee or subdivider complained against, the person making the complaint, and any other affected party.

— A formal complaint shall contain any information required by SDCL 1-26-17 Repealed.

Source: SL 1975, ch 16, § 1; 2 SDR 7, effective July 30, 1975; 5 SDR 21, effective September 21, 1978; 10 SDR 54, effective December 5, 1983; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 15 SDR 100, effective January 10, 1989; transferred from § 20:56:06:04, 20 SDR 18, effective August 16, 1993; 44 SDR 71, effective October 24, 2017.

— General Authority: SDCL 36-21A-89.

— Law Implemented: SDCL 1-26-29, 36-21A-86.

20:69:05:08. Answer. The subdivider or licensee shall file an answer admitting, denying, qualifying, or explaining any fact contained in the formal complaint. The answer shall be filed within 20 days following receipt of the formal complaint. The person serving an answer under this section shall serve an original on the executive director Repealed.

Source: SL 1975, ch 16, § 1; 3 SDR 34, effective November 3, 1976; 10 SDR 54, effective December 5, 1983; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 15 SDR 100, effective January 10, 1989; transferred from § 20:56:06:08, 20 SDR 18, effective August 16, 1993; 44 SDR 71, effective October 24, 2017.

— General Authority: SDCL 36-21A-89.

— Law Implemented: SDCL 1-26-17, 1-26-29, 36-21A-86.
20:69:05:09. Disqualification. If the complaint referred to in § 20:69:05:01 was filed by a commission member, that commission member is disqualified from sitting at the hearing as a commission member and from participating in the decision made by the commission. The commission member may appear as a witness and give advice as to procedure Repealed.

Source: SL 1975, ch 16, § 1; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 15 SDR 100, effective January 10, 1989; transferred from § 20:56:06:09, 20 SDR 18, effective August 16, 1993.

-----General Authority: SDCL 36-21A-89.

-----Law Implemented: SDCL 1-26-26, 1-26-29, 36-21A-86.

20:69:05:10. Per diem and mileage. The commission may authorize per diem and mileage for complainants and affected parties at informal consultations and for complainants and witnesses at formal hearings. The per diem may not exceed the amount specified in SDCL Chapter 19-5-1 and the mileage may not exceed that authorized by §§ 5:01:02:01 and 5:01:02:02 Repealed.

Source: 2 SDR 7, effective July 30, 1975; 10 SDR 54, effective December 5, 1983; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 15 SDR 100, effective January 10, 1989; transferred from § 20:56:06:12, 20 SDR 18, effective August 16, 1993.

-----General Authority: SDCL 36-21A-89.

20:69:05:11. Final action by commission. After hearing the evidence and arriving at a decision that unprofessional conduct has been proved, the commission may levy a fine, revoke the license, suspend the license, issue a letter of reprimand to be placed in the file of the person complained against, or take a combination of these actions. If unprofessional conduct has not been proved, the commission shall dismiss the complaint or the parts of the complaint not proved. A letter of reprimand shall state the actions against which a complaint was filed with the names, dates, places, and list of witnesses involved in the complaint. This section does not prevent the commission from compromising a formal hearing and the commission may also allow an assurance of voluntary compliance as prescribed by § 20:69:05:04 Repealed.

Source: 2 SDR 7, effective July 30, 1975; 5 SDR 21, effective September 21, 1978; 10 SDR 54, effective December 5, 1983; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 15 SDR 100, effective January 10, 1989; transferred from § 20:56:06:13, 20 SDR 18, effective August 16, 1993.

—— General Authority: SDCL 36 21A 89.

—— Law Implemented: SDCL 1 26 25, 1 26 29, 36 21A 68, 36 21A 86.


CHAPTER 20:69:11

POSTLICENSING AND CONTINUING EDUCATION
Section

20:69:11:01 Continuing education defined.

20:69:11:01.01 Distance education defined.

20:69:11:01.02 Independent study defined.

20:69:11:01.03 Interactive defined.


20:69:11:01.05 Required continuing education subject areas.

20:69:11:01.06 Elective continuing education subject areas.

20:69:11:02 Continuing education requirements.

20:69:11:02.01 Postlicensing education defined.

20:69:11:02.02 Postlicensing education course requirements -- Time to complete.

20:69:11:03 Classroom hour.

20:69:11:03.01 Length of course.

20:69:11:04 Requirements for inactive licensee -- Exceptions.

20:69:11:04.01 Requirements for nonresidents -- Exceptions.

20:69:11:05 Exceptions and extensions.


20:69:11:07 Criteria for postlicensing or continuing education course approval.

20:69:11:07.01 Criteria for distance education or independent study course approval.

20:69:11:08 Application for approval of classroom instruction -- Fee required.

20:69:11:08.01 Application for approval of distance education or independent study courses -- Fee required.

20:69:11:08.02 Additional requirements for distance education courses.
Student certification required.

Classroom, distance education, and independent study course application fees -- Postlicensing course as continuing education course subject to application fee.

Approval of out-of-state courses.

ARELLO certified courses approved for postlicensing or continuing education.

Certificate of approval.

Course accreditation renewal.

Course accreditation reinstatement.

Material change.

Denial of approval for a course or instructor.

Withdrawal of approval for a course or instructor.

Same or duplicate courses.

Repealed.

Repealed.

Facilities.

Schedule.

Auditing.

Postlicensing or continuing education certificate of attendance.

Course provider reporting requirements -- Course evaluation.

Preregistration allowed -- Notice of cancellation required.

Limit on independent study courses.

Instructors.

Application for approval of instructors -- Guest speakers exempt.
Utilization of guest speakers – Résumé to accompany course application.

Certificate of instructor approval – Approval certificates not issued to guest speakers.

20:69:11:01.06. Elective continuing education subject areas. Elective continuing education subject areas may only be in the following subject areas:

1. Real estate finance;

2. Real estate market measurement and evaluation, including site, evaluations, market data, and feasibility studies;

3. Real estate mathematics;

4. Real property management;

5. Real property exchange;

6. Land development, use, planning, and zoning;

7. Real estate securities and syndication;

8. Real estate portfolio management;

9. Accounting and taxation as applied to real property;

10. Real estate business planning;

11. Real estate appraisal;

12. Real estate marketing procedures;

13. Technology as applied to the practice of real estate;

14. Home inspection; and

15. Real estate negotiation;
20:69:11:04. Requirements for inactive licensee — Exceptions. A licensee who has been licensed by the commission for one year or more preceding the date by which continuing or postlicensing education requirements must be completed must meet the continuing or postlicensing education requirements. An inactive licensee is not required to meet the continuing education requirements. An inactive licensee who wishes to activate the individual's license shall complete 24 hours of continuing education within the licensee's current licensing period or within two years preceding the licensee's current licensing period. A licensee whose license is placed on inactive status during either of the first two license cycles after initial licensure shall complete the postlicensing education required during that cycle to activate the license. Courses taken to activate a license may not be used to renew a license. A nonresident licensee licensed in this state is not required to meet this requirement. However, a nonresident licensee whose license in this state is on inactive status shall submit, prior to activating that license, a certificate of licensure from the licensing agency of the state where the nonresident licensee maintains residency, stating the nonresident's license is on active status and in good standing and that no complaint is pending.
Source: 5 SDR 12, effective August 21, 1978; 10 SDR 54, effective December 5, 1983; 12 SDR 102, effective December 22, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; transferred from § 20:56:19:04, 20 SDR 18, effective August 16, 1993; 35 SDR 305, effective July 1, 2009; 37 SDR 112, effective December 8, 2010; 41 SDR 219, effective July 1, 2015.


20:69:11:04.01. Requirements for nonresidents -- Exceptions. A nonresident licensee licensed in this state is not required to meet the continuing education requirements.

A nonresident licensee in inactive status in this state who seeks to make the license active shall first provide a certificate of licensure to the Commission staff from the licensing agency of the state where the nonresident licensee maintains residency, stating the nonresident's license is on active status and in good standing and that no complaint is pending.

Source:

General Authority: SDCL 36-21A-89(3).


20:69:11:07. Criteria for postlicensing or continuing education course approval. The commission may approve any course, seminar, conference, or equivalent that is provided by the commission, or a public or private school, organization, association, person, corporation, society, or similar organization. The commission, when acting on an application for approval of to approve a course, shall consider the following minimum criteria require:

(1) Courses must have a total instruction time of not less than three hours;
(2) Courses offered via electronic means with real time visual and audio interaction between instructor and student, allow the instructor or a proctor to continuously view all participating students on their monitor or other viewing device or screen, or otherwise demonstrate to the executive director's satisfaction the capability to track and record the presence and participation of students;

(2)(3) A course provider must certify to the best of its knowledge the attendance of each student at the course. The course provider shall submit its criteria for measuring attendance in the application for course approval on a form provided by the commission;

(2)(4) The course provider shall maintain for a minimum of three years records of students successfully completing a course;

(4)(5) Credit must be earned on the basis of attendance or, in the case of independent study or distance education courses, completion of the course;

(5)(6) Each course of study may have with a coordinator or administrator supervising the program. The coordinator must be is qualified, either through previous education or experience, to administer a real estate course of study, to evaluate course content and instructors, and to analyze examinations; and

(6)(7) All instructors in a real estate course of study must to file with the commission credentials showing the necessary specialized preparation, training, and experience to ensure competent instruction. The commission shall approve each instructor individually. Approval must be obtained from the commission before the instructor's lecture in an approved course of study. Instructors, lecturers, seminar leaders, and others who present a post-licensing post-licensing or continuing education course must meet at least one of the following qualifications:
(a) A bachelor's, graduate, or postgraduate degree in the field in which the person is to teach;

(b) A valid teaching credential or certificate from South Dakota or another state authorizing the holder to teach in the field of instruction being offered;

(c) Five years of full-time experience in a professional, trade, or technical occupation in the applicable field;

(d) Any combination of at least five years of full-time applicable field experience and college-level education; or

(e) Expertise in specialized courses, as approved by the commission.

In addition to meeting at least one of the qualifications in (a) to (e), inclusive, an instructor seeking approval to teach real estate agency law specific to South Dakota must complete an approved training course.

