

STATE OF NEW YORK

536--A

Cal. No. 100

2021-2022 Regular Sessions

IN SENATE

(Prefiled)

January 6, 2021

Introduced by Sens. KAPLAN, GAUGHRAN, JACKSON, MANNION -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary -- recommitted to the Committee on Judiciary in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, passed by Senate and delivered to the Assembly, recalled, vote reconsidered, restored to third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the real property law, in relation to replacing all instances of the word or variations of the word salesman with the word salesperson or variation thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The article heading of article 12-A of the real property
2 law, as amended by chapter 107 of the laws of 1927, is amended to read
3 as follows:

4 REAL ESTATE BROKERS AND REAL ESTATE
5 [~~SALESMEN~~] SALESPERSONS

6 § 2. Subdivisions 2, 3, 5, and 6 of section 440 of the real property
7 law, subdivision 2 as amended by chapter 324 of the laws of 1998, subdivi-
8 sions 3 and 5 as amended by chapter 699 of the laws of 1988, and
9 subdivision 6 as amended by chapter 699 of the laws of 2021, are amended
10 to read as follows:

11 2. "Associate real estate broker" means a licensed real estate broker
12 who shall by choice elect to work under the name and supervision of
13 another individual broker or another broker who is licensed under a
14 partnership, trade name, limited liability company or corporation. Such
15 individual shall retain [~~his or her~~] their license as a real estate
16 broker as provided for in this article; provided, however, that the
17 practice of real estate sales and brokerage by such individual as an

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 associate broker shall be governed exclusively by the provisions of this
2 article as they pertain to real estate [~~salesmen~~ salespersons]. Nothing
3 contained herein shall preclude an individual who elects to be licensed
4 as an associate broker from also retaining a separate real estate
5 broker's license under an individual, partnership, trade name, limited
6 liability company or corporation.

7 3. "Real estate [~~salesman~~ salesperson]" means a person associated with
8 a licensed real estate broker to list for sale, sell or offer for sale,
9 at auction or otherwise, to buy or offer to buy or to negotiate the
10 purchase or sale or exchange of real estate, or to negotiate a loan on
11 real estate other than a mortgage loan as defined in section five
12 hundred ninety of the banking law, or to lease or rent or offer to
13 lease, rent or place for rent any real estate, or collects or offers or
14 attempts to collect rent for the use of real estate for or in behalf of
15 such real estate broker, or who, notwithstanding any other provision of
16 law, performs any of the above stated functions with respect to the
17 resale of a condominium property originally sold pursuant to the
18 provisions of the general business law governing real estate syndication
19 offerings.

20 5. "Association, associated; or associated with" whenever used in this
21 article shall be deemed to make reference to a [~~salesman's~~
22 salesperson's] relationship with [~~his or her~~ their] broker. Nothing in
23 this article shall be deemed or construed to be indicative or determina-
24 tive of the legal relationship of a salesperson to a broker nor shall
25 any provision of this article be deemed or construed to alter or other-
26 wise affect the legal responsibility of a real estate broker to third
27 parties for the acts of anyone associated with such broker pursuant to
28 this article.

29 6. "Office manager" means a licensed associate real estate broker who
30 shall by choice elect to work as an office manager under the name and
31 supervision of another individual broker or another broker who is
32 licensed under a partnership, trade name, limited liability company or
33 corporation. An associate real estate broker shall be required to have
34 been active as a licensed associate broker for at least two of the four
35 years preceding appointment as an office manager. Such individual shall
36 retain [~~his or her~~ their] license as a real estate broker as provided
37 for in this article and shall be required to exercise the same duty of
38 supervision over [~~salesmen~~ salespersons] and associate brokers as a
39 licensed real estate broker; provided, however, that the practice of
40 real estate sales and brokerage by such individual as an associate
41 broker shall be governed exclusively by the provisions of this article
42 as they pertain to real estate [~~salesmen~~ salespersons]. Nothing
43 contained in this subdivision shall preclude an individual who is
44 licensed as an associate broker who elects to work as an office manager
45 from also retaining a separate real estate broker's license under an
46 individual, partnership, trade name, limited liability company or corpo-
47 ration.

48 § 3. Section 440-a of the real property law, as amended by section 3
49 of part V of chapter 58 of the laws of 2020, is amended to read as
50 follows:

51 § 440-a. License required for real estate brokers and [~~salesmen~~
52 salespersons]. No person, co-partnership, limited liability company or
53 corporation shall engage in or follow the business or occupation of, or
54 hold [~~himself~~ themselves] or itself out or act temporarily or otherwise
55 as a real estate broker or real estate [~~salesman~~ salesperson] in this
56 state without first procuring a license therefor as provided in this

1 article. No person shall be entitled to a license as a real estate
2 broker under this article, either as an individual or as a member of a
3 co-partnership, or as a member or manager of a limited liability company
4 or as an officer of a corporation, unless [~~he or she is~~] they are twenty
5 years of age or over. No person shall be entitled to a license as a real
6 estate [~~salesman~~] salesperson under this article unless [~~he or she is~~]
7 they are over the age of eighteen years. No person shall be entitled to
8 a license as a real estate broker or real estate [~~salesman~~] salesperson
9 under this article who has been convicted in this state or elsewhere of
10 a crime, unless the secretary makes a finding in conformance with all
11 applicable statutory requirements, including those contained in article
12 twenty-three-A of the correction law, that such convictions do not
13 constitute a bar to licensure. No person shall be entitled to a license
14 as a real estate broker or real estate [~~salesman~~] salesperson under this
15 article who does not meet the requirements of section 3-503 of the
16 general obligations law.

17 Notwithstanding anything to the contrary in this section, tenant asso-
18 ciations and not-for-profit corporations authorized in writing by the
19 commissioner of the department of the city of New York charged with
20 enforcement of the housing maintenance code of such city to manage resi-
21 dential property owned by such city or appointed by a court of competent
22 jurisdiction to manage residential property owned by such city shall be
23 exempt from the licensing provisions of this section with respect to the
24 properties so managed.

25 § 4. Section 440-b of the real property law, as added by chapter 555
26 of the laws of 1934, is amended to read as follows:

27 § 440-b. Licenses in Putnam county. On and after the first day of
28 July, nineteen hundred thirty-four, no person, copartnership or corpo-
29 ration shall engage in or follow the business or occupation of, or hold
30 [~~himself~~] themselves or itself out temporarily or otherwise as a real
31 estate broker or real estate [~~salesman~~] salesperson in the county of
32 Putnam, without first procuring a license therefor as provided in this
33 article, except that such license in such county shall be granted and
34 issued, without the written examination provided in this article, to a
35 person, copartnership or corporation who was engaged in business as a
36 real estate broker or real estate [~~salesman~~] salesperson in such county
37 prior to the first day of January, nineteen hundred thirty-four.

38 § 5. Paragraphs (a), (b) and (c) of subdivision 1 and paragraphs (a),
39 (b), (c), and (d) of subdivision 1-A of section 441 of the real property
40 law, paragraph (a) of subdivision 1 as amended by chapter 324 of the
41 laws of 1998, paragraphs (b) and (c) of subdivision 1 and paragraph (d)
42 of subdivision 1-A as amended by chapter 183 of the laws of 2006, and
43 paragraphs (a), (b), and (c) of subdivision 1-A as amended by chapter 81
44 of the laws of 1995, are amended to read as follows:

45 (a) Any person, copartnership, limited liability company or corpo-
46 ration desiring to act as a real estate broker or any person desiring to
47 act as a real estate [~~salesman~~] salesperson on or after the first day of
48 October, nineteen hundred twenty-two, shall file with the department of
49 state at its office in Albany an application for the kind of license
50 desired, in such form and detail as such department shall prescribe and
51 conforming to the requirements of section 3-503 of the general obli-
52 gations law, setting forth the following, if the application be for a
53 broker's license:

54 (i) The name and residence address of the applicant, and if an indi-
55 vidual the name under which [~~he intends~~] they intend to conduct busi-
56 ness.

1 (ii) If the applicant be a copartnership the name and residence
2 address of each member thereof and the name under which the business is
3 to be conducted; or, if the applicant be a limited liability company,
4 the name of the company, and the name and residence of each of its
5 members; or, if the applicant be a corporation, the name of the corpo-
6 ration and the name and residence address of each of its officers.

7 (iii) The place or places, including the city, town or village, with
8 the street and number, where the business is to be conducted.

9 (iv) The business or occupation theretofore engaged in by the appli-
10 cant, or, if a copartnership, by each member thereof, or, if a limited
11 liability company, by each member thereof, or, if a corporation, by each
12 officer thereof, for a period of two years, immediately preceding the
13 date of such application, setting forth the place or places where such
14 business or occupation was engaged in and the name or names of employ-
15 ers, if any.

16 (v) The form, information and statement required by section 3-503 of
17 the general obligations law.

18 (b) Such further information as the department may reasonably require
19 shall be furnished by the applicant including sufficient proof of having
20 taken and passed a written examination and answered such questions as
21 may be prepared by the department to enable it to determine the trust-
22 worthiness of the applicant if an individual, or of each member of a
23 co-partnership or each member of a limited liability company or each
24 officer of a corporation for whom a license as a broker is asked, and
25 [~~his or~~] their competency to transact the business of real estate broker
26 in such a manner as to safeguard the interests of the public. In deter-
27 mining competency, the department shall require proof that the person
28 being tested to qualify to apply for a broker's license has a fair know-
29 ledge of the English language, a fair understanding of the general
30 purposes and general legal effect of deeds, mortgages, land contracts of
31 sale, and leases, a general and fair understanding of the obligations
32 between principal and agent, as well as of the provisions of this
33 section. The applicant must also furnish proof that [~~he has~~] they have
34 attended for at least one hundred twenty hours and has successfully
35 completed a real estate course or courses approved by the secretary of
36 state as to method and content and supervision which approval may be
37 withdrawn if in the opinion of the secretary of state said course or
38 courses are not being conducted properly as to method, content and
39 supervision, and that either the applicant has actively participated in
40 the general real estate brokerage business as a licensed real estate
41 [~~salesman~~] salesperson under the supervision of a licensed real estate
42 broker for a period of not less than two years or has had the equivalent
43 experience in general real estate business for a period of at least
44 three years, the nature of which experience shall be established by
45 affidavit duly sworn to under oath and/or other and further proof
46 required by the department of state. Computer-based and distance-learn-
47 ing courses may be approved by the department so long as providers
48 demonstrate the ability to monitor and verify participation by the
49 applicant for the specified time period. Notwithstanding the foregoing
50 authority to approve computer-based and distance-learning courses, the
51 department may prescribe that specified subjects or hours must be
52 presented in a classroom setting.

53 (c) In the event the applicant shall be a licensed [~~salesman~~] sales-
54 person under this article and shall have submitted acceptable proof
55 pursuant to the provisions of either paragraph (d) of subdivision one-A
56 of this section or paragraph (a) of subdivision three of this section of

1 having attended and successfully completed seventy-five hours of an
2 approved real estate course or courses within eight years of the date of
3 the application, the department may accept and credit same against the
4 one hundred twenty hours required hereunder.

5 (a) Every application for a real estate [~~salesman's~~] salesperson's
6 license shall set forth:

7 (i) The name and residence address of the applicant.

8 (ii) The name and principal business address of the broker with whom
9 [~~he is~~] they are to be associated.

10 (iii) The business or occupation engaged in for the two years imme-
11 diately preceding the date of the application, setting forth the place
12 or places where such business or occupation was engaged in, and the name
13 or names of employers if any.

14 (iv) The length of time [~~he has~~] they have been engaged in the real
15 estate business.

16 (v) The form, information and statement required by section 3-503 of
17 the general obligations law.

18 (b) Each applicant for a [~~salesman's~~] salesperson's license shall
19 provide such further information as the department may reasonably
20 require, appearing at such time and place as may be designated by the
21 department, to take a written examination and answer such questions as
22 may be prepared by the department to enable it to determine the trust-
23 worthiness of the applicant and the applicant's competence to transact
24 the business of real estate [~~salesman~~] salesperson in such a manner as
25 to safeguard the interests of the public, including the applicant's
26 working knowledge of the basic concepts of law pertaining to contracts,
27 real property, agency and this article which govern conduct of such
28 business, mastery of basic skills needed to perform the applicant's
29 duties, working knowledge of the ethical obligations of a real estate
30 [~~salesman~~] salesperson, and knowledge of the provisions of the general
31 obligations law pertaining to performance of the applicant's duties.

32 (c) Each application for either a broker's or [~~salesman's~~]
33 salesperson's license under this article shall be subscribed by the
34 applicant; or if made by a co-partnership it shall be subscribed by a
35 member thereof, or if made by a corporation it shall be subscribed by an
36 officer thereof, and shall conform to the requirements of section 3-503
37 of the general obligations law. Each application shall contain an affir-
38 mation by the person so subscribing that the statements therein are true
39 under the penalties of perjury. An application for a license shall be
40 accompanied by the appropriate license fee, as hereinafter prescribed in
41 this article.

42 (d) Anything to the contrary herein notwithstanding, on and after the
43 effective date of this paragraph, no [~~salesman's~~] salesperson's license
44 or conditional license shall be issued by the department unless the
45 application therefor has been accompanied by proof that prior to such
46 application the applicant has attended at least seventy-five hours and
47 successfully completed a real estate course or courses approved by the
48 secretary of state as to method and content and supervision, which
49 approval may be withdrawn if in the opinion of the secretary of state
50 said course or courses are not properly conducted as to method, content
51 and supervision. Computer-based and distance-learning courses may be
52 approved by the department so long as providers demonstrate the ability
53 to monitor and verify participation by the applicant for the specified
54 time period. Notwithstanding the foregoing authority to approve compu-
55 ter-based and distance-learning courses, the department may prescribe

1 that specified subjects or hours must be presented in a classroom
2 setting.

3 § 6. Paragraph (b) of subdivision 1 of section 441 of the real proper-
4 ty law, as amended by chapter 100 of the laws of 2022, is amended to
5 read as follows:

6 (b) Such further information as the department may reasonably require
7 shall be furnished by the applicant including sufficient proof of having
8 taken and passed a written examination and answered such questions as
9 may be prepared by the department to enable it to determine the trust-
10 worthiness of the applicant if an individual, or of each member of a
11 co-partnership or each member of a limited liability company or each
12 officer of a corporation for whom a license as a broker is asked, and
13 ~~[his, her or]~~ their competency to transact the business of real estate
14 broker in such a manner as to safeguard the interests of the public. In
15 determining competency, the department shall require proof that the
16 person being tested to qualify to apply for a broker's license has a
17 fair knowledge of the English language, a fair understanding of the
18 general purposes and general legal effect of deeds, mortgages, land
19 contracts of sale, and leases, a general and fair understanding of the
20 obligations between principal and agent, has taken a class on cultural
21 competency training, as well as of the provisions of this section. The
22 applicant must also furnish proof that ~~[he or she has]~~ they have
23 attended for at least one hundred twenty hours and has successfully
24 completed a real estate course or courses approved by the secretary of
25 state as to method and content and supervision which approval may be
26 withdrawn if in the opinion of the secretary of state said course or
27 courses are not being conducted properly as to method, content and
28 supervision, and that either the applicant has actively participated in
29 the general real estate brokerage business as a licensed real estate
30 ~~[salesman]~~ salesperson under the supervision of a licensed real estate
31 broker for a period of not less than two years or has had the equivalent
32 experience in general real estate business for a period of at least
33 three years, the nature of which experience shall be established by
34 affidavit duly sworn to under oath and/or other and further proof
35 required by the department of state. Computer-based and distance-learn-
36 ing courses may be approved by the department so long as providers
37 demonstrate the ability to monitor and verify participation by the
38 applicant for the specified time period. Notwithstanding the foregoing
39 authority to approve computer-based and distance-learning courses, the
40 department may prescribe that specified subjects or hours must be
41 presented in a classroom setting. For purposes of this section, cultural
42 competency is defined as understanding cultural norms, preferences and
43 challenges within our diverse communities.

44 § 7. Paragraph (b) of subdivision 1 of section 441 of the real proper-
45 ty law, as separately amended by chapters 697 of the laws of 2021 and
46 100 of the laws of 2022, is amended to read as follows:

47 (b) Such further information as the department may reasonably require
48 shall be furnished by the applicant including sufficient proof of having
49 taken and passed a written examination and answered such questions as
50 may be prepared by the department to enable it to determine the trust-
51 worthiness of the applicant if an individual, or of each member of a
52 co-partnership or each member of a limited liability company or each
53 officer of a corporation for whom a license as a broker is asked, and
54 ~~[his, her or]~~ their competency to transact the business of real estate
55 broker in such a manner as to safeguard the interests of the public. In
56 determining competency, the department shall require proof that the

1 person being tested to qualify to apply for a broker's license has a
2 fair knowledge of the English language, a fair understanding of the
3 general purposes and general legal effect of deeds, mortgages, land
4 contracts of sale, and leases, a general and fair understanding of the
5 obligations between principal and agent, has taken a class on cultural
6 competency training, a general and fair understanding of the laws, rules
7 and regulations pertaining to fair housing and discrimination in the
8 sale or rental of real property or an interest in real property, as well
9 as of the provisions of this section. The applicant must also furnish
10 proof that [~~he or she has~~] they have attended for at least one hundred
11 fifty-two hours and has successfully completed a real estate course or
12 courses approved by the secretary of state as to method and content and
13 supervision which approval may be withdrawn if in the opinion of the
14 secretary of state said course or courses are not being conducted prop-
15 erly as to method, content and supervision, and that either the appli-
16 cant has actively participated in the general real estate brokerage
17 business as a licensed real estate [~~salesman~~] salesperson under the
18 supervision of a licensed real estate broker for a period of not less
19 than two years or has had the equivalent experience in general real
20 estate business for a period of at least three years, the nature of
21 which experience shall be established by affidavit duly sworn to under
22 oath and/or other and further proof required by the department of state.
23 Computer-based and distance-learning courses may be approved by the
24 department so long as providers demonstrate the ability to monitor and
25 verify participation by the applicant for the specified time period.
26 Notwithstanding the foregoing authority to approve computer-based and
27 distance-learning courses, the department may prescribe that specified
28 subjects or hours must be presented in a classroom setting. For purposes
29 of this section, cultural competency is defined as understanding
30 cultural norms, preferences and challenges within our diverse communi-
31 ties.

32 § 8. Paragraph (c) of subdivision 1 of section 441 of the real proper-
33 ty law, as amended by chapter 697 of the laws of 2021, is amended to
34 read as follows:

35 (c) In the event the applicant shall be a licensed [~~salesman~~] sales-
36 person under this article and shall have submitted acceptable proof
37 pursuant to the provisions of either paragraph (d) of subdivision one-A
38 of this section or paragraph (a) of subdivision three of this section of
39 having attended and successfully completed seventy-seven hours of an
40 approved real estate course or courses, six hours of which have been
41 focused on fair housing and discrimination in the sale or rental of real
42 property or an interest in real property, within eight years of the date
43 of the application, the department may accept and credit same against
44 the one hundred fifty-two hours required hereunder.

45 § 8-a. Paragraphs (b) and (d) of subdivision 1-A of section 441 of the
46 real property law, as amended by chapter 697 of the laws of 2021, are
47 amended to read as follows:

48 (b) Each applicant for a [~~salesman's~~] salesperson's license shall
49 provide such further information as the department may reasonably
50 require, appearing at such time and place as may be designated by the
51 department, to take a written examination and answer such questions as
52 may be prepared by the department to enable it to determine the trust-
53 worthiness of the applicant and the applicant's competence to transact
54 the business of real estate [~~salesman~~] salesperson in such a manner as
55 to safeguard the interests of the public, including the applicant's
56 working knowledge of the basic concepts of law pertaining to contracts,

1 real property, agency and this article which govern conduct of such
2 business, knowledge of laws, rules, and regulations pertaining to fair
3 housing and discrimination in the sale or rental of real property or an
4 interest in real property, mastery of basic skills needed to perform the
5 applicant's duties, working knowledge of the ethical obligations of a
6 real estate [~~salesman~~] salesperson, and knowledge of the provisions of
7 the general obligations law pertaining to performance of the applicant's
8 duties.

9 (d) Anything to the contrary herein notwithstanding, on and after the
10 effective date of this paragraph, no [~~salesman's~~] salesperson's license
11 or conditional license shall be issued by the department unless the
12 application therefor has been accompanied by proof that prior to such
13 application the applicant has attended at least seventy-seven hours and
14 successfully completed a real estate course or courses approved by the
15 secretary of state as to method and content and supervision, which
16 approval may be withdrawn if in the opinion of the secretary of state
17 said course or courses are not properly conducted as to method, content
18 and supervision. Computer-based and distance-learning courses may be
19 approved by the department so long as providers demonstrate the ability
20 to monitor and verify participation by the applicant for the specified
21 time period. Notwithstanding the foregoing authority to approve compu-
22 ter-based and distance-learning courses, the department may prescribe
23 that specified subjects or hours must be presented in a classroom
24 setting.

25 § 9. Subdivisions 1, 2, 3, 5, 6, 8, and 12 of section 441-a of the
26 real property law, subdivisions 1 and 8 as amended by chapter 226 of the
27 laws of 1980, subdivision 2 as amended by chapter 345 of the laws of
28 2012, subdivisions 3 and 6 as amended by chapter 183 of the laws of
29 2006, subdivision 5 as amended by chapter 61 of the laws 1989, and
30 subdivision 12 as added by chapter 430 of the laws of 2008, are amended
31 to read as follows:

32 1. The department of state, if satisfied of the competency and trust-
33 worthiness of the applicant, shall issue and deliver to [~~him~~] them a
34 license in such form and manner as the department shall prescribe, but
35 which must set forth the name and principal business address of the
36 licensee, and, in the case of a real estate [~~salesman~~] salesperson, the
37 name and business address of the broker with whom the [~~salesman~~] sales-
38 person is associated.

39 2. Terms. A license issued or reissued under the provisions of this
40 article shall entitle the person, co-partnership, limited liability
41 company or corporation to act as a real estate broker, or, if the appli-
42 cation is for a real estate [~~salesman's~~] salesperson's license, to act
43 as a real estate [~~salesman~~] salesperson in this state up to and includ-
44 ing the date in which the license by its terms expires.

45 3. Place of business; business sign required. Except as otherwise
46 provided in this article, each licensed real estate broker shall have
47 and maintain a definite place of business within this state, and shall
48 conspicuously post on the outside of the building in which said office
49 is conducted a sign of a sufficient size to be readable from the side-
50 walk indicating the name and the business of the applicant as a licensed
51 real estate broker, unless said office shall be located in an office,
52 apartment or hotel building, in which event the name and the words
53 "licensed real estate broker" shall be posted in the space provided for
54 posting of names of occupants of the building, other than the mail box.
55 Where the applicant for a real estate broker's license maintains more
56 than one place of business, the broker shall apply for and the depart-

1 ment shall issue a supplemental license for each branch office so main-
2 tained upon payment to the department of state for each supplemental
3 license so issued the same fee prescribed in this article for a license
4 to act as a real estate broker. Each such branch office shall be under
5 the direct supervision of the broker to whom the license is issued, or a
6 representative broker of a corporation or partnership or manager of a
7 limited liability company holding such license, or a duly appointed
8 office manager. Such fee shall accompany such application and shall be
9 non-refundable. For purposes of this subdivision, the principal resi-
10 dence of a real estate broker or [~~salesman~~] salesperson shall not be
11 deemed a place of business solely because such broker or [~~salesman~~]
12 salesperson shall have included the residence telephone number in [~~his~~]
13 their business cards.

14 5. Change of address. Notice in writing in the manner and form
15 prescribed by the department shall be given the department at its
16 offices in Albany by a licensed real estate broker on [~~his~~] their own
17 behalf and on behalf of each [~~salesman~~] salesperson associated with
18 [~~him~~] them of any change in [~~his~~] their or its principal business
19 address. The filing fee of ten dollars for each licensee named therein
20 shall accompany such notice. Such change by a licensee without such
21 notification shall operate to suspend [~~his~~] their license until such
22 suspension shall be vacated by the department.

23 6. Pocket card. The department shall prepare, issue and deliver, with
24 the assistance of the department of motor vehicles, to each licensee a
25 pocket card in such form and manner as the department shall prescribe,
26 but which shall contain the photo, name and business address of the
27 licensee, and, in the case of a real estate [~~salesman~~] salesperson, the
28 name and business address of the broker with whom [~~he or she is~~] they
29 are associated and shall certify that the person whose name appears
30 thereon is a licensed real estate broker or [~~salesman~~] salesperson, as
31 may be. Such cards must be shown on demand. In the case of loss,
32 destruction or damage, the secretary of state may, upon submission of
33 satisfactory proof, issue a duplicate pocket card upon payment of a fee
34 of ten dollars.

35 8. Death of broker. A license issued to a real estate broker who was,
36 at the time of [~~his~~] their death, the sole proprietor of a brokerage
37 office may be used after the death of such licensee by [~~his~~] their duly
38 appointed administrator or executor in the name of the estate pursuant
39 to authorization granted by the surrogate under the provisions of the
40 surrogate's court procedure act for a period of not more than one
41 hundred twenty days from the date of death of such licensee in order to
42 complete any unfinished realty transactions in the process of negoti-
43 ation by the broker or [~~his-salesmen~~] their salespersons existing prior
44 to [~~his~~] their decease. There shall be endorsed upon the face of the
45 license, after the name of the decedent, the words "deceased", the date
46 of death and the name of the administrator or executor under whose
47 authority the license is being used. The period of one hundred twenty
48 days may be extended upon application to the secretary of state, for
49 good cause shown, for an additional period not to exceed one hundred
50 twenty days. A license expiring during such period or extension shall be
51 automatically renewed and continued in effect during such period or
52 extension. No fee shall be charged for any such license or renewal ther-
53 eof.

54 12. Whenever any person licensed as a real estate broker or real
55 estate [~~salesman~~] salesperson is convicted in this state or elsewhere of
56 a felony, of a sex offense, as defined in subdivision two of section one

1 hundred sixty-eight-a of the correction law or any offense committed
2 outside of this state which would constitute a sex offense, or a sexual-
3 ly violent offense, as defined in subdivision three of section one
4 hundred sixty-eight-a of the correction law or any offense committed
5 outside this state which would constitute a sexually violent offense,
6 such real estate broker or real estate [~~salesman~~] salesperson shall
7 within five days of the imposition of sentence, transmit a certified
8 copy of the judgment of conviction to the department of state.

9 § 10. Subdivisions 1 and 2 of section 441-b of the real property law,
10 subdivision 1 as amended by chapter 91 of the laws of 2022 and subdivi-
11 sion 2 as amended by chapter 324 of the laws of 1998, are amended to
12 read as follows:

13 1. The fee for a license issued or reissued under the provisions of
14 this article entitling a person, co-partnership, limited liability
15 company or corporation to act as a real estate broker shall be one
16 hundred fifty-five dollars plus an additional thirty dollar surcharge.
17 Such surcharge shall be collected by the department of state and depos-
18 ited into the anti-discrimination in housing fund established pursuant
19 to section eighty-a of the state finance law to be used for statewide
20 fair housing testing efforts. The fee for a license issued or reissued
21 under the provisions of this article entitling a person to act as a real
22 estate [~~salesman~~] salesperson shall be fifty-five dollars plus an addi-
23 tional ten dollar surcharge. Such surcharge shall be collected by the
24 department of state and deposited into the anti-discrimination in hous-
25 ing fund established pursuant to section eighty-a of the state finance
26 law to be used for statewide fair housing testing efforts. Notwithstand-
27 ing the provisions of subdivision seven of section four hundred forty-
28 one-a of this article, after January first, nineteen hundred eighty-six,
29 the secretary of state shall assign staggered expiration dates for
30 outstanding licenses that have been previously renewed on October thir-
31 ty-first of each year from the assigned date unless renewed. If the
32 assigned date results in a term that exceeds twenty-four months, the
33 applicant shall pay an additional prorated adjustment together with the
34 regular renewal fee. The secretary of state shall assign dates to exist-
35 ing licenses in a manner which shall result in a term of not less than
36 two years.

37 2. Corporations and co-partnerships. If the licensee be a corporation,
38 the license issued to it shall entitle the president thereof or such
39 other officer as shall be designated by such corporation, to act as a
40 real estate broker. For each other officer who shall desire to act as a
41 real estate broker in behalf of such corporation an additional license
42 expiring on the same date as the license of the corporation shall be
43 applied for and issued, as hereinbefore provided, the fee for which
44 shall be the same as the fee required by this section for the license to
45 the corporation. No license as a real estate [~~salesman~~] salesperson
46 shall be issued to any officer of a corporation nor to any manager or
47 member of a limited liability company nor to a member of a co-partner-
48 ship licensed as a real estate broker. If the licensee be a co-partner-
49 ship the license issued to it shall entitle one member thereof to act as
50 a real estate broker, and for each other member of the firm who desires
51 to act as a real estate broker an additional license expiring on the
52 same date as the license of the co-partnership shall be applied for and
53 issued, as hereinbefore provided, the fee for which shall be the same as
54 the fee required by this section for the license to the co-partnership.
55 If the licensee be a limited liability company, the license issued to it
56 shall entitle one member thereof or one manager thereof to act as a real

1 estate broker, and for each other member or manager of the firm who
2 desires to act as a real estate broker an additional license expiring on
3 the same date as the license of the limited liability company shall be
4 applied for and issued, as hereinbefore provided, the fee for which
5 shall be the same as the fee required by this section for the license to
6 the limited liability company. In case a person licensed individually as
7 a real estate broker thereafter becomes an officer of a corporation or a
8 member or manager of a limited liability company or a member of a
9 co-partnership an application shall be made in behalf of such corpo-
10 ration, limited liability company or co-partnership for a broker's
11 license for [~~him~~] them as its representative for the remainder of the
12 then current license term, provided that the license and pocket card
13 previously issued to the licensee in [~~his~~] their individual capacity
14 shall have been returned to the department whereupon the department
15 shall cause a properly signed endorsement to be made without charge on
16 the face of such license and pocket card as to such change of license
17 status and return the license and pocket card to the licensee.

18 § 11. Paragraph (a) of subdivision 1, subparagraphs (i) and (iv) of
19 paragraph (b) of subdivision 1, and subdivisions 2 and 4 of section
20 441-c of the real property law, paragraph (a) of subdivision 1 as sepa-
21 rately amended by chapters 687 and 696 of the laws of 2021, subpara-
22 graphs (i) and (iv) of paragraph (b) of subdivision 1 as amended by
23 chapter 398 of the laws of 1997, and subdivisions 2 and 4 as amended by
24 chapter 347 of the laws of 1966, are amended to read as follows:

25 (a) The department of state may revoke the license of a real estate
26 broker or [~~salesman~~] salesperson or suspend the same, for such period as
27 the department may deem proper, or in lieu thereof may impose a fine not
28 exceeding two thousand dollars payable to the department of state,
29 provided that fifty percent of all moneys received by the department of
30 state for such fines shall be payable to the anti-discrimination in
31 housing fund established pursuant to section eighty-a of the state
32 finance law, or a reprimand upon conviction of the licensee of a
33 violation of any provision of this article, or for a violation of subdi-
34 vision four of section four hundred forty-two-h of this article, or for
35 a material misstatement in the application for such license, or if such
36 licensee has been guilty of fraud or fraudulent practices, or for
37 dishonest or misleading advertising, or has demonstrated untrustworthi-
38 ness or incompetency to act as a real estate broker or [~~salesman~~] sales-
39 person, or for a violation of article fifteen of the executive law
40 committed in [~~his or her~~] their capacity as a real estate broker or
41 [~~salesman~~] salesperson, as the case may be. In the case of a real estate
42 broker engaged in the business of a tenant relocater, untrustworthiness
43 or incompetency shall include engaging in any course of conduct includ-
44 ing, but not limited to, the interruption or discontinuance of essential
45 building service, that interferes with or disturbs the peace, comfort,
46 repose and quiet enjoyment of a tenant.

47 (i) The provisions of this paragraph shall apply in all cases of
48 licensed broker or licensed [~~salesman~~] salesperson who have failed,
49 after receiving appropriate notice, to comply with a summons, subpoena
50 or warrant relating to a paternity or child support proceeding or is in
51 arrears in payment of child support or combined child and spousal
52 support referred to the department by a court pursuant to the require-
53 ments of section two hundred forty-four-c of the domestic relations law
54 or pursuant to section four hundred fifty-eight-b or five hundred
55 forty-eight-b of the family court act.

1 (iv) Notwithstanding any inconsistent provision of this article or of
2 any other provision of law to the contrary, the license of a real estate
3 broker or [~~salesman~~] salesperson shall be suspended if at the hearing,
4 provided for by subparagraph [~~two~~] (ii) of this paragraph, the licensee
5 fails to present proof of payment as required by such subdivision. Such
6 suspension shall not be lifted unless the court or the support
7 collection unit, where the court order is payable to the support
8 collection unit designated by the appropriate social services district,
9 issues notice to the department that full payment of all arrears of
10 support established by the order of the court to be due have been paid.

11 2. Determination of department. In the event that the department shall
12 revoke or suspend any such license, or impose any fine or reprimand on
13 the holder thereof, its determination shall be in writing and officially
14 signed. The original of such determination, when so signed, shall be
15 filed in the office of the department and copies thereof shall be served
16 personally or by registered mail upon the broker or [~~salesman~~] salesper-
17 son and addressed to the principal place of business of such broker or
18 [~~salesman~~] salesperson, and to the complainant. All brokers' and [~~sales-~~
19 ~~men's~~] salespersons' licenses and pocket cards shall be returned to the
20 department of state within five days after the receipt of notice of a
21 revocation or suspension, or in lieu thereof, the broker or [~~salesman~~]
22 salesperson whose license has been revoked or suspended shall make and
23 file an affidavit in form prescribed by the department of state, showing
24 that the failure to return such license and pocket card is due either to
25 loss or destruction thereof.

26 4. Whenever the license of a real estate broker or real estate [~~sales-~~
27 ~~man~~] salesperson is revoked by the department, such real estate broker
28 or real estate [~~salesman~~] salesperson shall be ineligible to be reli-
29 censed either as a real estate broker or real estate [~~salesman~~] sales-
30 person until after the expiration of a period of one year from the date
31 of such revocation.

32 § 12. Section 441-d of the real property law, as amended by chapter
33 226 of the laws of 1980, is amended to read as follows:

34 § 441-d. [~~Salesman's~~] Salesperson's license suspended by revocation or
35 suspension of employer's license. The revocation or suspension of a
36 broker's license shall operate to suspend the license of each real
37 estate [~~salesman~~] salesperson associated with such broker, pending a
38 change of association of the [~~salesman~~] salesperson or the expiration of
39 the period of suspension of the broker's license. Such suspension of the
40 [~~salesman's~~] salesperson's license shall be deemed to be a discontin-
41 uance of association with the broker being suspended.

42 § 13. Subdivisions 1 and 2 of section 441-e of the real property law,
43 subdivision 1 as added by chapter 699 of the laws of 1988, and subdivi-
44 sion 2 as amended by chapter 505 of the laws of 2001, are amended to
45 read as follows:

46 1. Denial of license. The department of state shall, before making a
47 final determination to deny an application for a license, notify the
48 applicant in writing of the reasons for such proposed denial and shall
49 afford the applicant an opportunity to be heard in person or by counsel
50 prior to denial of the application. Such notification shall be served
51 personally or by certified mail or in any manner authorized by the civil
52 practice law and rules. If the applicant is a [~~salesman~~] salesperson or
53 has applied to become a [~~salesman~~] salesperson, the department shall
54 also notify the broker with whom such [~~salesman~~] salesperson is associ-
55 ated, or with whom such [~~salesman~~] salesperson or applicant is about to
56 become associated, of such proposed denial. If a hearing is requested,

1 such hearing shall be held at such time and place as the department
2 shall prescribe. If the applicant fails to make a written request for a
3 hearing within thirty days after receipt of such notification, then the
4 notification of denial shall become the final determination of the
5 department. The department, acting by such officer or person in the
6 department as the secretary of state may designate, shall have the power
7 to subpoena and bring before the officer or person so designated any
8 person in this state, and administer an oath to and take testimony of
9 any person or cause [~~his~~] their deposition to be taken. A subpoena
10 issued under this section shall be regulated by the civil practice law
11 and rules. If, after such hearing, the application is denied, written
12 notice of such denial shall be served upon the applicant personally or
13 by certified mail or in any manner authorized by the civil practice law
14 and rules, and if the applicant is a [~~salesman~~] salesperson, or has
15 applied to become a [~~salesman~~] salesperson, the department shall notify
16 the broker with whom such applicant is associated.

17 2. Revocation, suspension, reprimands, fines. The department of state
18 shall, before revoking or suspending any license or imposing any fine or
19 reprimand on the holder thereof or before imposing any fine upon any
20 person not licensed pursuant to this article who is deemed to be in
21 violation of section four hundred forty-two-h of this article, and at
22 least ten days prior to the date set for the hearing, notify in writing
23 the holder of such license or such unlicensed person of any charges made
24 and shall afford such licensee or unlicensed person an opportunity to be
25 heard in person or by counsel in reference thereto. Such written notice
26 may be served by delivery of same personally to the licensee, or by
27 mailing same by certified mail to the last known business address of
28 such licensee or unlicensed person, or by any method authorized by the
29 civil practice law and rules. If said licensee be a [~~salesman~~] salesper-
30 son, the department shall also notify the broker with whom [~~he is~~] they
31 are associated of the charges by mailing notice by certified mail to the
32 broker's last known business address. The hearing on such charges shall
33 be at such time and place as the department shall prescribe.

34 § 14. Subdivision 1 and paragraph (i) of subdivision 2 of section 442
35 of the real property law, as amended by chapter 514 of the laws of 2014,
36 are amended to read as follows:

37 1. No real estate broker shall pay any part of a fee, commission or
38 other compensation received by the broker to any person for any service,
39 help or aid rendered in any place in which this article is applicable,
40 by such person to the broker in buying, selling, exchanging, leasing,
41 renting or negotiating a loan upon any real estate including the resale
42 of a condominium or cooperative apartment unless such a person be a duly
43 licensed real estate [~~salesman~~] salesperson regularly associated with
44 such broker or a duly licensed real estate broker or a person regularly
45 engaged in the real estate brokerage business in a state outside of New
46 York; provided, however, that notwithstanding any other provision of
47 this section, it shall be permissible for a real estate broker to pay
48 any part of a fee, commission, or other compensation received to an
49 unlicensed corporation or an unlicensed limited liability company if
50 each of its shareholders or members, respectively, is associated as an
51 individual with the broker as a duly licensed associate broker or
52 [~~salesman~~] salesperson.

53 (i) a real estate [~~salesman~~] salesperson duly licensed under this
54 article who is regularly associated with such broker;

55 § 15. Section 442-a of the real property law, as amended by chapter
56 226 of the laws of 1980, is amended to read as follows:

1 § 442-a. Compensation of [~~salesmen~~] salespersons; restrictions. No
2 real estate [~~salesman~~] salesperson in any place in which this article is
3 applicable shall receive or demand compensation of any kind from any
4 person, other than a duly licensed real estate broker with whom [~~he~~]
5 they associated, for any service rendered or work done by such [~~sales-~~
6 ~~man~~] salesperson in the appraising, buying, selling, exchanging, leas-
7 ing, renting or negotiating of a loan upon any real estate.

8 § 16. Section 442-b of the real property law, as amended by chapter
9 226 of the laws of 1980, is amended to read as follows:

10 § 442-b. Discontinuance or change of [~~salesman's~~] salesperson's asso-
11 ciation; report. When the association of any real estate [~~salesman~~]
12 salesperson shall have been terminated for any reason whatsoever, [~~his~~]
13 their broker shall forthwith notify the department of state thereof in
14 such manner as the department shall prescribe. Where change of such
15 [~~salesman's~~] salesperson's association is the basis for such termi-
16 nation, the [~~salesman's~~] salesperson's successor broker shall forthwith
17 notify the department of such change in such manner as the department
18 shall prescribe, such notice to be accompanied by a fee of one dollar.
19 No real estate [~~salesman~~] salesperson shall perform any act within any
20 of the prohibitions of this article from and after the termination for
21 any cause of [~~his~~] their association until [~~he~~] they thereafter shall
22 have become associated with a licensed real estate broker.

23 § 17. Section 442-c of the real property law, as amended by chapter
24 699 of the laws of 1988, is amended to read as follows:

25 § 442-c. Violations by [~~salesmen~~] salespersons; broker's responsibil-
26 ity. No violation of a provision of this article by a real estate
27 [~~salesman~~] salesperson or employee of a real estate broker shall be
28 deemed to be cause for the revocation or suspension of the license of
29 the broker, unless it shall appear that the broker had actual knowledge
30 of such violation or retains the benefits, profits or proceeds of a
31 transaction wrongfully negotiated by [~~his-salesman~~] their salesperson or
32 employee after notice of the [~~salesman's~~] salesperson's or employee's
33 misconduct. A broker shall be guilty of a misdemeanor for having any
34 [~~salesman~~] salesperson associated with [~~his~~] their firm who has not
35 secured the required license authorizing such employment.

36 § 18. Section 442-d of the real property law, as amended by chapter
37 324 of the laws of 1998, is amended to read as follows:

38 § 442-d. Actions for commissions; license prerequisite. No person,
39 copartnership, limited liability company or corporation shall bring or
40 maintain an action in any court of this state for the recovery of
41 compensation for services rendered, in any place in which this article
42 is applicable, in the buying, selling, exchanging, leasing, renting or
43 negotiating a loan upon any real estate without alleging and proving
44 that such person was a duly licensed real estate broker or real estate
45 [~~salesman~~] salesperson on the date when the alleged cause of action
46 arose.

47 § 19. Subdivision 5 of section 442-e of the real property law, as
48 added by chapter 468 of the laws of 1940, is amended to read as follows:

49 5. The secretary of state shall have the power to enforce the
50 provisions of this article and upon complaint of any person, or on [~~his~~]
51 their own initiative, to investigate any violation thereof or to inves-
52 tigate the business, business practices and business methods of any
53 person, firm or corporation applying for or holding a license as a real
54 estate broker or [~~salesman~~] salesperson, if in the opinion of the secre-
55 tary of state such investigation is warranted. Each such applicant or
56 licensee shall be obliged, on request of the secretary of state, to

1 supply such information as may be required concerning [~~his~~] their or its
2 business, business practices or business methods, or proposed business
3 practices or methods.

4 § 20. Subdivisions 1, 4, and 6 of section 442-g of the real property
5 law, subdivision 1 as amended by chapter 744 of the laws of 1978, subdivi-
6 sion 4 as amended by chapter 482 of the laws of 1963, and subdivision
7 6 as added by section 2 of part D of chapter 328 of the laws of 2014,
8 are amended to read as follows:

9 1. A nonresident of this state may become a real estate broker or a
10 real estate [~~salesman~~] salesperson by conforming to all of the
11 provisions of this article, except that a nonresident broker regularly
12 engaged in the real estate business as a vocation who is licensed and
13 maintains a definite place of business in another state, which offers
14 the same privileges to the licensed brokers of this state, shall not be
15 required to maintain a place of business within this state. Anything to
16 the contrary herein notwithstanding, if any state prohibits or restricts
17 the right of a resident of this state to become a licensed nonresident
18 real estate broker or [~~salesman~~] salesperson, then the issuance of such
19 a license to an applicant resident in such state shall be similarly
20 restricted. The department of state shall recognize the license issued
21 to a real estate broker or [~~salesman~~] salesperson by another state as
22 satisfactorily qualifying [~~him~~] them for license as broker or [~~salesman~~]
23 salesperson, as the case may be, under this section; provided that the
24 laws of the state of which [~~he is~~] they are a resident require that
25 applicants for licenses as real estate brokers and [~~salesmen~~] salesper-
26 sons shall establish their competency by written examinations but permit
27 licenses to be issued to residents of the State of New York duly
28 licensed under this article, without examination. If the applicant is a
29 resident of a state which has not such requirement then the applicant
30 must meet the examination requirement as provided herein and the depart-
31 ment of state shall issue a license to such nonresident broker or
32 [~~salesman~~] salesperson upon payment of the license fee and the filing by
33 the applicant with the department of a certified copy of the applicant's
34 license issued by such other state.

35 4. The secretary of state shall promptly send one of such copies by
36 registered mail, return receipt requested, to the nonresident broker or
37 nonresident [~~salesman~~] salesperson at the post office address of [~~his~~]
38 their main office as set forth in the last application filed by him or
39 her.

40 6. Notwithstanding any other provisions of this article, the depart-
41 ment of state shall grant a real estate broker or a real estate [~~sales-~~
42 ~~man~~] salesperson license to an applicant who is a member of the house-
43 hold of a member of the armed forces of the United States, national
44 guard or reserves and was a member of such household before such member
45 of the armed forces relocated to the state who submits satisfactory
46 evidence of licensure, certification or registration to practice an
47 equivalent occupation issued by a state, territory, protectorate or
48 dependency of the United States, provided that such license, certifi-
49 cation or certificate of registration was current and effective within
50 one year of the date of the individual's application for licensure in
51 New York, was granted in compliance with standards that are, in the
52 judgment of the secretary, no less rigorous than those required for
53 licensure in New York. If such standards for licensure, certification or
54 registration are deemed by the secretary to be less rigorous than those
55 required for licensure in New York, the secretary shall permit an appli-
56 cant to submit evidence in a form acceptable to the department of state

1 to demonstrate the applicant's competency and trustworthiness. If such
2 evidence is sufficient in the judgment of the secretary, the secretary
3 shall grant a real estate broker or real estate salesperson license.

4 § 21. Paragraph j of subdivision 1 of section 443 of the real property
5 law, as amended by chapter 549 of the laws of 2007, is amended to read
6 as follows:

7 j. "Designated sales agent" means a licensed real estate [~~salesman~~]
8 salesperson or associate broker, working under the supervision of a real
9 estate broker, who has been assigned to represent a client when a
10 different client is also represented by such real estate broker in the
11 same transaction.

12 § 22. This act shall take effect immediately; provided, however, the
13 amendments to paragraph (b) of subdivision 1 of section 441 of the real
14 property law made by section six of this act shall take effect on the
15 same date and in the same manner as section 1 of chapter 688 of the laws
16 of 2021, takes effect, and the amendments to such paragraph (b) made by
17 section seven of this act shall take effect on the same date and in the
18 same manner as section 2 of chapter 697 of the laws of 2021, takes
19 effect; and provided, further, the amendments to paragraph (c) of subdivi-
20 sion 1 of section 441 of the real property law made by section eight
21 of this act shall take effect on the same date and in the same manner as
22 section 2 of chapter 697 of the laws of 2021, takes effect; and
23 provided, further, the amendments to paragraphs (b) and (d) of subdivi-
24 sion 1-A of section 441 of the real property law made by section eight-a
25 of this act shall take effect on the same date and in the same manner as
26 section 3 of chapter 697 of the laws of 2021, takes effect.