STATE OF NEW YORK

9740

IN ASSEMBLY

March 28, 2022

Introduced by M. of A. SOLAGES -- read once and referred to the Committee on Judiciary

AN ACT to amend the real property law, in relation to the duty of a licensed real estate broker to supervise real estate salesmen

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

Section 1. Section 442-c of the real property law, as amended by chapter 699 of the laws of 1988, is amended to read as follows:

§ 442-c. Violations by salesmen; **duty to supervise;** broker's responsibility. **1. A licensed real estate broker shall have a duty to exercise reasonable and adequate supervision over real estate salesmen and associate real estate brokers through regular, frequent and consistent personal guidance, instruction and oversight. Reasonable and adequate supervision shall also be determined by: the availability of the supervising broker to all salesmen and associate brokers under the supervision of the broker to review and approve all documents; the distance between the supervising broker's main location and all branch offices with salesmen and associate brokers the supervising broker oversees; and the ability of the broker to familiarize salesmen and associate brokers with the requirements of federal and state law governing real estate transactions, including, without limitation, prohibitions against discrimination.**

2. No violation of a provision of this article by a real estate salesman or employee of a real estate broker shall be deemed to be cause for the revocation or suspension of the license of the broker, unless it shall appear that the broker had actual knowledge of such violation**, or failed to exercise reasonable and adequate supervision over the real estate salesman or associate broker** or retains the benefits, profits or proceeds of a transaction wrongfully negotiated by his salesman**, associate broker** or employee after notice of the salesman's**, associate broker's** or employee's misconduct. A broker shall be guilty of a misdemeanor for having any salesman associated with his firm who has not secured the required license authorizing such employment.

§ 2. This act shall take effect immediately.

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

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