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HOUSE . . . . No. 999

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Bill accompanying the petition of Raymond P. Delano for the licensing of real estate brokers in certain cities and towns. Mercantile Affairs. January 16.

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**The Commonwealth of Massachusetts.**

In the Year One Thousand Nine Hundred and Seventeen.

**AN ACT**

To provide for the Licensing of Real Estate Brokers and Others.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. The secretary of the commonwealth shall  
2 establish a department or bureau which shall be main-  
3 tained under the direction of the insurance commis-  
4 sioner; and for the purposes of this act the said insur-  
5 ance commissioner shall also be constituted and known  
6 as the commissioner of brokers' licenses.

1 SECTION 2. The commissioner may, with the approval  
2 of the governor and council, appoint, and with their con-  
3 sent remove a deputy who shall receive an annual salary  
4 to be fixed by the commissioner, but not to exceed  
5 twenty-five hundred dollars, who shall perform the duties

6 of the bureau subject to the direction and authority of  
7 the said insurance commissioner.

1 SECTION 3. It shall be unlawful for any person, firm  
2 or corporation to engage with the public in the business  
3 of buying, selling, renting, leasing or mortgaging real  
4 estate or soliciting for the purpose of buying, selling,  
5 renting, leasing or mortgaging of real estate, as an agent  
6 or representative for any other person, firm or corpora-  
7 tion, whereby he shall receive any compensation, com-  
8 mission or consideration for such negotiation or agency,  
9 nor shall any person, firm or corporation advertise or set  
10 himself, themselves or itself forth to the public for the  
11 conducting of such business; nor shall any person, firm  
12 or corporation engage in the business of buying, selling  
13 or renting of established business chances or enterprises,  
14 including lodging houses, as an agent for any other per-  
15 son, firm or corporation whereby he shall receive any  
16 compensation, commission or consideration for such ne-  
17 gotiation or agency; nor shall any person, firm or corpo-  
18 ration advertise or set himself or themselves forth for  
19 the conducting of such business without first obtaining  
20 from the commissioner a license so to do, which license  
21 shall state that all the requirements of the laws of this  
22 state relative to real estate brokers or agents have been  
23 complied with, and authorizing him or it to do business  
24 as a real estate broker or agent. This certificate of au-  
25 thority shall also give the city or town, together with  
26 the street and number, if any, of the principal place of  
27 business of the person, firm, company or corporation to  
28 whom it is issued.

1 SECTION 4. Any person, firm, company or corporation  
2 desiring to do business under the provisions of this act

3 shall present an application for authority therefor to the  
4 secretary of state, which application shall give the name  
5 of the applicant, post office address, the name and place  
6 of the city, together with the street and number thereof,  
7 if any, which application shall be indorsed by at least  
8 ten reputable citizens and taxpayers of the county  
9 wherein such applicant shall desire to have his or its  
10 principal place of business. Said indorsement shall state  
11 that the applicant has been known to each and every  
12 such signer for a period of not less than one year, and  
13 that they believe such applicant to be of good reputa-  
14 tion and a proper person to transact business as a real  
15 estate broker or agent. Such applicant must also pledge  
16 that he will maintain an office for the transaction of his  
17 business. Such licenses to be granted for a term of one  
18 year.

1 SECTION 5. Any person, firm, company or corporation  
2 receiving a certificate of authority to do business under  
3 the provisions of this act shall be responsible for the  
4 acts of any and all of his or its employees while acting  
5 as his or its agents.

6 There shall be paid to the secretary of state for the  
7 issuing of the certificate of authority provided for in this  
8 act, and the filing of the necessary papers in connection  
9 with the issuance of such certificate, a fee of fifteen  
10 dollars, which shall be paid by the applicant at the time  
11 of presenting his application and indorsement, and there  
12 shall be a further license fee of five dollars per annum  
13 for each person, firm, company or corporation receiving  
14 a certificate of authority under this act.

15 There shall also be filed at the time of presenting an  
16 application and indorsement for a certificate of authority  
17 under the provisions of this act a good and sufficient

18 surety bond running to the people of the state of Massa-  
19 chusetts for the sum of one thousand dollars, which bond  
20 shall be conditioned upon the faithful observance of all  
21 the laws and statutes relative to real estate brokers and  
22 agents. Said bond shall remain in the office of the sec-  
23 retary of state, in his custody, and shall be open to the  
24 inspection of anyone during office hours.

25 The certificate of authority and license granted here-  
26 under to any person, firm, company or corporation shall  
27 permit the conduct of business by not more than three  
28 individuals under one license, except that the secretary  
29 of state may issue licenses for salesmen on payment of  
30 five dollars per annum for each license, which shall be  
31 granted only upon the application of any person, firm,  
32 company or corporation authorized to do business under  
33 this act, which license shall continue during the fiscal  
34 year in which it is issued or unless revoked sooner for  
35 cause, or upon the application of the person, firm, com-  
36 pany or corporation upon whose application said sales-  
37 man's license was issued.

1 SECTION 6. The secretary of state is hereby given  
2 power to revoke any certificate of authority granted  
3 under this act whenever any person, firm, company or  
4 corporation shall be found to be irresponsible or shall  
5 violate any of the provisions of this act, or for any other  
6 cause which shall be found to justify the revocation of  
7 said certificate: *provided*, that the secretary of state  
8 shall, upon application, give all parties interested a hear-  
9 ing before him before any certificate shall be revoked,  
10 which hearing must be heard not more than thirty days  
11 from the time the secretary of state shall have notice  
12 of any cause for the revocation of any such certificate  
13 of authority, and *provided, further*, that the person or

14 persons presenting such charges shall give a good and  
15 sufficient bond to cover costs of said hearing in the  
16 amount of five hundred dollars, providing the charges  
17 are not sustained.

1 SECTION 7. *Provided, further,* that all persons, firms,  
2 companies or corporations doing business in the state at  
3 the time of passage of this act shall have ninety days in  
4 which to comply with its provisions, after which time  
5 no license shall be granted within less than thirty days  
6 from the date of application for same.

7 All licenses shall be issued or applications rejected  
8 within sixty days from the time they are received by  
9 the insurance commissioner; any person who is refused  
10 a license shall have the right to a public hearing before  
11 said commissioner, and shall be allowed to examine mat-  
12 ters relative to his case.

1 SECTION 8. Any person, firm, company or corporation,  
2 or any member, employee, officer or director thereof who  
3 shall do or attempt to do any business of real estate  
4 agent or broker within this state without first having  
5 received the certificate of authority provided for in this  
6 act shall be deemed guilty of a misdemeanor and shall be  
7 fined in any sum not exceeding five hundred dollars, or  
8 committed to the county jail for not more than ninety  
9 days, or both such fine and imprisonment, and any per-  
10 son convicted of the violation of the provisions of this  
11 act shall have, and is hereby given the right of appeal  
12 as provided in other cases of misdemeanor.

1 SECTION 9. All fees received by the commissioner for  
2 such licenses shall be applied to the maintenance of such  
3 extra assistance or bureau as the secretary may employ

4 or create to carry out the purposes and intents of this  
5 act, and the balance, if any, to be paid into the treasury  
6 of the commonwealth.

1 SECTION 10. Whoever for compensation, not being the  
2 owner of the property involved, acts or aids in any man-  
3 ner in negotiating the sale, transfer, renting, leasing or  
4 trading or the making or procuring loans on any property  
5 for any person other than himself shall be considered a  
6 real estate broker or agent under the provisions of this  
7 act, and no person shall act as such broker or agent  
8 unless licensed and bonded as herein provided.

1 SECTION 11. This act shall not be construed to apply  
2 to lawyers, trustees, guardians, executors or administra-  
3 tors or their employees in the specific fulfillment of their  
4 duties as such.

1 SECTION 12. This act shall apply only to cities or  
2 towns of five thousand or more inhabitants, and shall  
3 take effect on September first, nineteen hundred and  
4 sixteen.



