

INSURANCE

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF THE NEW JERSEY REAL ESTATE COMMISSION

REAL ESTATE COMMISSION

**Employment Agreements; Commissions; Accounting to Salespersons and Referral Agents;
Actions for Collection of Compensation**

Adopted Amendment: N.J.A.C. 11:5-4.1

Proposed: September 19, 2016, at 48 N.J.R. 1900(a).

Adopted: May 31, 2017, by the New Jersey Real Estate Commission, Patrick J. Mullen, Director of Banking.

Filed: June 1, 2017, as R.2017 d.130, **without change**.

Authority: N.J.S.A. 45:15-6 and 45:15-17.t.

Effective Date: July 3, 2017.

Expiration Date: February 24, 2023.

Summary of Public Comment and Agency Response:

The New Jersey Real Estate Commission (Commission) in the Department of Banking and Insurance received a total of 268 timely written comments. The Commission received one comment from Jarrod C. Grasso, RCE, Chief Executive Officer, on behalf of the New Jersey Realtors in support of the rule proposal. The Commission also received 267 comments from the New Jersey Realtors Action Center in support of the rule proposal on behalf of the following: Alfred J. Sica Jr., Raymond Clarke, Robert Oppenheimer, Necker Jean, George Broome, Jr., Elaine Salas, William Wagner, Ray Smith, Donn Lamon, Frank Glaush, Jeannine Wescoat, Albert S. Veltri, Giovanni LaBarbera, Angelo Del Duca, Carol Menz, Pablo Arias, Paul O'Brien,

Debra Meckbach, Frank Shoemaker, Dennis Gaggini, Jr., Raymond Mizrahi, Allan Dechert, Joseph Burris, Joseph Boniakowski, Barabra Layton, Patricia DiGeronimo, Diane Ailor, John McDonough, Diane Esposito, Calvin Douglass, Albert Cupo, James DeSimone, Bonnie Fitzgerald, Joseph Leone, Alex Mosquera, Michael Buccola, Donna Paul, Don Ricard, Chad Smickley, Douglas Newbold, Marie Meola, Frank Sortino, Lois Fitzpatrick, Daniel Martinez, Frank Camassa, Jr., Feliciano Esguerra, David Lewis, Joseph Buono, Karen Murphy, Diana Sheriff, Vanessa Brown, Joseph Romano, Marcelo Moya, Ralph Barone, Charles Tobin, Augusto Neno, John Terebey, Frank Godino, Charles Coviello, Judy Kao, Jeanmarie McSpedon, Susana Saraiva, Robert Hugus, Douglas Ramos, Wendell Maki, William Hand, Rosalie Daniels, Paul Verdicchio, Yvonne Marshall, Nilda Cotrina, Gene Krutyansky, John Klukowicz, Judith Mizzne, Joseph Gibbons, Walter Smolenski, Robert Dell Elba, Gerri Grassi, Jeffrey Halpren, Barbara Veeder, Peter Lair, Patricia Majorossy, Antonette Solano, Jennifer Mocerino, Nelson Chen, Robert Bornstein, Genette Falk, Johnathan Kessler, Shirley Rader, Thomas Caiaffa, Michele Jackson, Peter Zams, Darren Vella, Randolph Wine, Charles Patrick, Edward Carbone, Hershel L. Davis, Steven Schultz, Cheryl Goldinger, Tonian Kim, Rosa Stimmler, Karen Campo, Roberta Butera, Raquel Lozada, Nick D'Ambrosia, Stephanie Sacchi, Vikas Aggarwal, Susan Pasquali, Michael Decicco, Birgit DeSotle, Andrew Zastko, Myles Garvey, Meiling Kravarik, Gloria Siciliano, Harry Disbrow, Armindo Ventura, Alexander Acebedo, Karol Johnson, Tekeste Ghebremicael, Rick Marchesi, David Fialk, Lorraine Falconer, Kyle Poskitt, Christine Earley, Scott Glenfield, Darlene Bandazian, Charlene Fiorita, Anna Chain, Joseph Zarroli, Dorothy Schulze, George Colavito, Hazel Moore, Scott Bruen, Kevin Bergin, Ronald Holton, Susan Murphy, Valerie Belardo, Heather Moffitt, Linda S. Barmore, John Campo, Natalie Lentini, Michael Donatacci, Mary Sgobba, Patricia Hallock, Roxanne Coleman, Earl Nielsen Sr., Heidi

Wittenberg, John Dinardo, Patti Tahan, John Nuss, Thomas Jones, Patricia Hynes, Richard Jones, Betty Jean Bracken, Linda M. Lomon, Harry Mehlman, Barbara Amato, Jo-Anne Mitchell, Nickie Lisella, Alice Farr-Leonard, Dave Shapiro, Marc Williams, Jose Soares, Cathy Hutchison, Sharon Sawka, Cynthia DiRienzo, Mary Bauer, Elizabeth Roachy, Walter Sawka, Theresa Cuicnotta, Craig Brower, Debra Flower, Joseph Haberl, Paul Porreca, Roseanne Fadil, James Joeriman, Gene Schecher, Robert Van Der Wende, Judson Henderson, Teresa Trigas Pfefferle, Edward Verdel, Maria Marinelli, Cathy Kitchen, John Baier, Augusto Verissimo, Joseph Cassese, Doug Radford, Nick Manis, Patrick Parker, Jeffrey Gamble, Tom Seretis, Violet Smith-Gilmore, Carlo Losco, Jan Kwapniewski, Anthony Balboni, Alireza Memar, Anthony Pustizzi, Barbara Veeder, Paul O'Brien, Francis Joissim, John LaRosa, Patrick Bocchicchio, Ed Barski, Mary Ellen Courtney, Anamaria Delvalle, Christopher Duncan, Jeanine Soderlund, Karla Cino, Walther Kurkela, Maria Schmidt, Salman Alhashim, Richard Grimm, Frank DeMaria, Anthony Dell'Omo, John Sacktig, Carlos Jesus, Alberto Conde, Manuela Carvalho, Albina Vityuk, George Amabile, Timothy Siciliano, John Sass, Muhtesem Bocu, Felipe Cabezas, Sam Sauveur, Harold Maxwell, Robert Oquist, Juana Reyes, Justin Bosak, Rosmena Desa, Sandi Lichtman, John Tamborini, Denise Jessel, Gary Jessel, Fernando Semiao, Thomas Zdanowic, Robert Burr, Dana Mauro, Gary Peze, Susan LaRue, John McHugh, Andrea Schlosser, Diane Disbrow, Jackie Barber, Tina Torres, David Quinones, Judy Appleby, Jack Leonard, Kathleen Glover, Cheryl Goldinger, Lennard Charles, George Scull III, Malik Crichlow, Lisa Lopez, Jose Cordova, June Holder, Joseph Ragonese, Susan Marcie, Edward Tomback, Deborah Kerr, Jacob Steinberg, Catherine Rickards, Allan Layton, Carey Hughes, Elvira Quiray, Christina Clemans, Christine George, and Edward Nuttall.

COMMENT: All commenters state support for the adoption of the amendments to N.J.A.C. 11:5-4.1 as proposed. The commenters noted that the proposed amendments clarify that an independent contractor relationship between a broker and a broker-salesperson, salesperson, or referral agent is permissible in New Jersey's real estate brokerage profession.

RESPONSE: The Commission appreciates the support of its proposal.

Federal Standards Statement

A Federal standards analysis is not required because the amended rule is not subject to any Federal standards or requirements.

Full text of the adopted amendments follows:

TEXT