



Department of Justice

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(202) 514-2007
TDD (202) 514-1888

SOUTH DAKOTA REAL ESTATE COMMISSION PERMITS REAL ESTATE BROKERS TO OFFER REBATES AND INDUCEMENTS

Rescission of Rulings Will Benefit Consumers of Real Estate Services

WASHINGTON, D.C. – The Department of Justice announced today that the South Dakota Real Estate Commission, in response to an investigation by the Department’s Antitrust Division, has rescinded two rulings that prohibited South Dakota real estate brokers from offering rebates, inducements, and other discounts to consumers. The Commission advised the Department of its action in a letter received today.

The Commission voted unanimously, on June 30, 2005, to repeal, cancel, and nullify the Commission’s Declaratory Rulings 93-1 and 03-01. Subsequently, the Commission notified all South Dakota real estate brokers that they now are free to offer commission rebates, incentives, and other discounts to buyers and sellers. In its letter, the Commission assured the Department that the “South Dakota Real Estate Commission will refrain from instituting any kind of prohibition that would ban licensees from offering rebates and inducements.”

“The rescission of the Commission’s rulings is a good result for South Dakota’s consumers of real estate brokerage services,” said Thomas O. Barnett, Acting Assistant Attorney General in charge of the Department’s Antitrust Division. “These consumers can expect to benefit from increased competition through broker-offered rebates, incentives, and discounts.

We are pleased that the Commission took quick action to address the competition issues raised during the Division's investigation."

Since early June 2005, the Department's Antitrust Division has been investigating the Commission's rulings, which prevented South Dakota brokers from competing with each other for buyers and sellers of real estate services by offering rebates, discounts, and other incentives.

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