



Alabama Real Estate Commission
Empowering | Connecting | Educating
Phone: 334.242.5544 | Fax: 334.270.9118
1201 Carmichael Way Montgomery, AL 36106

@arecalabamagov | arec.alabama.gov

BRIEFLY LEGAL AND COMMISSION NOTE

Paying Commissions to LLCs and Happy Holidays

December 23, 2019

TODAY'S QUESTION

Can a qualifying broker pay a salesperson's and associate broker's commission to their LLC?

THE ANSWER

Yes. Section 34-27-36(a)(11) of License Law allows a salesperson or associate broker to own a lawfully constituted business organization, including but not limited to a corporation, limited liability company, or limited liability corporation for the purpose of receiving commissions. However, this business organization cannot engage in any licensed activity as defined in Section 34-27-30.

If you have any questions, please feel free to call Mandy or Starla at 334-242-5544.

COMMISSION NOTE

The Commission team and Commissioners would like to take this time to wish you all Happy Holidays with family and friends and to thank you for your service to the citizens of Alabama in your role as real estate licensees. We also wish each and every one of you the very best in the New Year. Please call on us anytime we may be of service to you.