



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5210

by Rep. Tom Demmer

SYNOPSIS AS INTRODUCED:

225 ILCS 454/5-45
225 ILCS 454/30-5

Amends the Real Estate License Act of 2000. Requires a sponsoring broker that maintains more than one office within the State to notify the Department of Financial and Professional Regulation on forms prescribed by the Department (rather than apply for a branch office license) for each office other than the sponsoring broker's principal place of business. Requires the brokerage license (rather than the branch office license) to be displayed conspicuously in each branch office. Removes a reference to "education provider branches". Effective January 1, 2019.

LRB100 16039 SMS 31158 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Real Estate License Act of 2000 is amended
5 by changing Sections 5-45 and 30-5 as follows:

6 (225 ILCS 454/5-45)

7 (Section scheduled to be repealed on January 1, 2020)

8 Sec. 5-45. Offices.

9 (a) If a sponsoring broker maintains more than one office
10 within the State, the sponsoring broker shall notify the
11 Department on forms prescribed by the Department ~~apply for a~~
12 ~~branch office license~~ for each office other than the sponsoring
13 broker's principal place of business. The brokerage ~~branch~~
14 ~~office~~ license shall be displayed conspicuously in each branch
15 office. The name of each branch office shall be the same as
16 that of the sponsoring broker's principal office or shall
17 clearly delineate the branch office's relationship with the
18 principal office.

19 (b) The sponsoring broker shall name a managing broker for
20 each branch office and the sponsoring broker shall be
21 responsible for supervising all managing brokers. The
22 sponsoring broker shall notify the Department in writing of the
23 name of all managing brokers of the sponsoring broker and the

1 office or offices they manage. Any person initially named as a
2 managing broker after April 30, 2011 must either (i) be
3 licensed as a managing broker or (ii) meet all the requirements
4 to be licensed as a managing broker except the required
5 education and examination and secure the managing broker's
6 license within 90 days of being named as a managing broker. Any
7 changes in managing brokers shall be reported to the Department
8 in writing within 15 days of the change. Failure to do so shall
9 subject the sponsoring broker to discipline under Section 20-20
10 of this Act.

11 (c) The sponsoring broker shall immediately notify the
12 Department in writing of any opening, closing, or change in
13 location of any principal or branch office.

14 (d) Except as provided in this Section, each sponsoring
15 broker shall maintain a definite office, or place of business
16 within this State for the transaction of real estate business,
17 shall conspicuously display an identification sign on the
18 outside of his or her office of adequate size and visibility.
19 The office or place of business shall not be located in any
20 retail or financial business establishment unless it is
21 separated from the other business by a separate and distinct
22 area within the establishment. A broker who is licensed in this
23 State by examination or pursuant to the provisions of Section
24 5-60 of this Act shall not be required to maintain a definite
25 office or place of business in this State provided all of the
26 following conditions are met:

1 (1) the broker maintains an active broker's license in
2 the broker's state of domicile;

3 (2) the broker maintains an office in the broker's
4 state of domicile; and

5 (3) the broker has filed with the Department written
6 statements appointing the Secretary to act as the broker's
7 agent upon whom all judicial and other process or legal
8 notices directed to the licensee may be served and agreeing
9 to abide by all of the provisions of this Act with respect
10 to his or her real estate activities within the State of
11 Illinois and submitting to the jurisdiction of the
12 Department.

13 The statements under subdivision (3) of this Section shall
14 be in form and substance the same as those statements required
15 under Section 5-60 of this Act and shall operate to the same
16 extent.

17 (e) Upon the loss of a managing broker who is not replaced
18 by the sponsoring broker or in the event of the death or
19 adjudicated disability of the sole proprietor of an office, a
20 written request for authorization allowing the continued
21 operation of the office may be submitted to the Department
22 within 15 days of the loss. The Department may issue a written
23 authorization allowing the continued operation, provided that
24 a licensed broker, or in the case of the death or adjudicated
25 disability of a sole proprietor, the representative of the
26 estate, assumes responsibility, in writing, for the operation

1 of the office and agrees to personally supervise the operation
2 of the office. No such written authorization shall be valid for
3 more than 60 days unless extended by the Department for good
4 cause shown and upon written request by the broker or
5 representative.

6 (Source: P.A. 96-856, eff. 12-31-09.)

7 (225 ILCS 454/30-5)

8 (Section scheduled to be repealed on January 1, 2020)

9 Sec. 30-5. Licensing of real estate education providers,
10 ~~education provider branches,~~ and instructors.

11 (a) No person shall operate an education provider entity
12 without possessing a valid and active license issued by the
13 Department. Only education providers in possession of a valid
14 education provider license may provide real estate
15 pre-license, post-license, or continuing education courses
16 that satisfy the requirements of this Act. Every person that
17 desires to obtain an education provider license shall make
18 application to the Department in writing on forms prescribed by
19 the Department and pay the fee prescribed by rule. In addition
20 to any other information required to be contained in the
21 application as prescribed by rule, every application for an
22 original or renewed license shall include the applicant's
23 Social Security number or tax identification number.

24 (b) (Blank).

25 (c) (Blank).

1 (d) (Blank).

2 (e) (Blank).

3 (f) To qualify for an education provider license, an
4 applicant must demonstrate the following:

5 (1) a sound financial base for establishing,
6 promoting, and delivering the necessary courses; budget
7 planning for the school's courses should be clearly
8 projected;

9 (2) a sufficient number of qualified, licensed
10 instructors as provided by rule;

11 (3) adequate support personnel to assist with
12 administrative matters and technical assistance;

13 (4) maintenance and availability of records of
14 participation for licensees;

15 (5) the ability to provide each participant who
16 successfully completes an approved program with a
17 certificate of completion signed by the administrator of a
18 licensed education provider on forms provided by the
19 Department;

20 (6) a written policy dealing with procedures for the
21 management of grievances and fee refunds;

22 (7) lesson plans and examinations, if applicable, for
23 each course;

24 (8) a 75% passing grade for successful completion of
25 any continuing education course or pre-license or
26 post-license examination, if required;

1 (9) the ability to identify and use instructors who
2 will teach in a planned program; instructor selections must
3 demonstrate:

- 4 (A) appropriate credentials;
- 5 (B) competence as a teacher;
- 6 (C) knowledge of content area; and
- 7 (D) qualification by experience.

8 Unless otherwise provided for in this Section, the
9 education provider shall provide a proctor or an electronic
10 means of proctoring for each examination; the education
11 provider shall be responsible for the conduct of the proctor;
12 the duties and responsibilities of a proctor shall be
13 established by rule.

14 Unless otherwise provided for in this Section, the
15 education provider must provide for closed book examinations
16 for each course unless the Department, upon the recommendation
17 of the Board, excuses this requirement based on the complexity
18 of the course material.

19 (g) Advertising and promotion of education activities must
20 be carried out in a responsible fashion clearly showing the
21 educational objectives of the activity, the nature of the
22 audience that may benefit from the activity, the cost of the
23 activity to the participant and the items covered by the cost,
24 the amount of credit that can be earned, and the credentials of
25 the faculty.

26 (h) The Department may, or upon request of the Board shall,

1 after notice, cause an education provider to attend an informal
2 conference before the Board for failure to comply with any
3 requirement for licensure or for failure to comply with any
4 provision of this Act or the rules for the administration of
5 this Act. The Board shall make a recommendation to the
6 Department as a result of its findings at the conclusion of any
7 such informal conference.

8 (i) All education providers shall maintain these minimum
9 criteria and pay the required fee in order to retain their
10 education provider license.

11 (j) The Department may adopt any administrative rule
12 consistent with the language and intent of this Act that may be
13 necessary for the implementation and enforcement of this
14 Section.

15 (Source: P.A. 100-188, eff. 1-1-18.)

16 Section 99. Effective date. This Act takes effect January
17 1, 2019.