

1 AN ACT concerning education.

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

4 Section 5. The Private Business and Vocational Schools Act  
5 is amended by changing Sections 6 and 11 as follows:

6 (105 ILCS 425/6) (from Ch. 144, par. 141)

7 Sec. 6. Application for certificate - Contents. Every  
8 person, partnership or corporation doing business in Illinois  
9 desiring to obtain a certificate of approval shall make a  
10 signed and verified application to the Superintendent upon  
11 forms prepared and furnished by the Superintendent, which forms  
12 shall include the following information:

13 1. The legal title and name of the school, together with  
14 ownership and controlling officers, members, and managing  
15 employees.†

16 2. The specific courses of instruction which will be  
17 offered, and the specific purposes of such instruction.†

18 3. The place or places where such instruction will be given  
19 and a description of the physical and sanitary facilities  
20 thereof.†

21 4. A written inspection report of approval by the State  
22 Fire Marshal or his designee for use of the premises as a  
23 school.†

24 5. A specific listing of the equipment available for  
25 instruction in each course of instruction, with the maximum  
26 enrollment that such equipment will accommodate.†

27 6. The names, addresses and current status of all schools  
28 of which each applicant has previously owned any interest, and  
29 a declaration as to whether any of these schools were ever  
30 denied accreditation or licensing, or, lost accreditation or  
31 licensing from any governmental body or accrediting agency.†

32 7. The educational and teaching qualifications of

1 instructors in each course and subject of instruction, and the  
2 teacher to student ratio established by rule by the  
3 superintendent pursuant to industry standards and after  
4 soliciting and receiving comments by the schools in each  
5 industry.†

6 7.1. The qualifications of administrators.†

7 8. The financial resources available to establish and  
8 maintain the school, documented by a current balance sheet and  
9 income statement prepared and certified by an accountant or any  
10 such similar evidence as required by the Superintendent.†

11 9. A continuous surety company bond, written by a company  
12 authorized to do business in this State, for the protection of  
13 the contractual rights including faithful performance of all  
14 contracts and agreements for students, their parents,  
15 guardians, or sponsors in a sum of up to \$100,000, except that  
16 when the unearned prepaid tuition for Illinois students in the  
17 possession of the school, as annually determined by the  
18 Superintendent, exceeds \$100,000 the bond shall be in an amount  
19 equal to the greatest amount of prepaid tuition in the school's  
20 possession. In lieu of a surety bond, an applicant may, with  
21 the advanced approval of the State Board of Education prior to  
22 January 1, 2007, deposit with the State Board of Education as  
23 security a certificate of deposit of any bank organized or  
24 transacting business in the United States in an amount equal to  
25 or greater than the amount of the required bond. The applicant  
26 must first satisfy the State Board of Education that the  
27 certificate of deposit is free and clear of all liens, pledges,  
28 security interests, and other encumbrances. The State Board of  
29 Education shall perfect a first priority security interest in  
30 the certificate of deposit to provide the protection required  
31 under this item 9. The certificate of deposit must be held and  
32 made payable in accordance with terms and provisions approved  
33 in advance by the State Board of Education and must be replaced  
34 by a bond meeting the requirements set forth in this item 9  
35 within 180 days after the issuance of the certificate of  
36 approval to the applicant. Failure to replace the certificate

1 of deposit with a continuous surety company bond shall result  
2 in revocation of the certificate of approval.†

3 10. Annual reports reflecting teacher, equipment and  
4 curriculum evaluations.†

5 11. Copies of enrollment agreements and retail installment  
6 contracts to be used in Illinois.†

7 12. Methods used to collect tuition and procedures for  
8 collecting delinquent payments.†

9 13. Copies of all brochures, films, promotional material  
10 and written scripts, and media advertising and promotional  
11 literature that may be used to induce students to enroll in  
12 courses of instruction.†

13 14. Evidence of liability insurance, in such form and  
14 amount as the Board shall from time to time prescribe pursuant  
15 to rules and regulations promulgated hereunder, to protect its  
16 students and employees at its places of business and at all  
17 classroom extensions including any work experience locations.†

18 15. Each application for a certificate of approval shall be  
19 signed and certified under oath by the school's chief managing  
20 employee and also by its individual owner or owners; provided,  
21 that if the applicant is a partnership or a corporation, then  
22 such application shall be signed and certified under oath by  
23 the school's chief managing employee and also by each member of  
24 the partnership or each officer of the corporation, as the case  
25 may be.†

26 16. If the evaluation of a particular course or facility  
27 requires the services of an expert not employed by the State  
28 Board of Education or if in the interest of expediting the  
29 approval, a school requests the State Board of Education to  
30 employ such an expert, the school shall reimburse the State  
31 Board of Education for the reasonable cost of such services.

32 (Source: P.A. 85-1382.)

33 (105 ILCS 425/11) (from Ch. 144, par. 146)

34 Sec. 11. Sales representative permits - Application -  
35 Contents - Fees - Separate permits.) Every sales representative

1 representing a school, whether located in the State of Illinois  
2 or without, shall make application for a Sales Representative  
3 Permit to the Superintendent in writing upon forms prepared and  
4 furnished by the Superintendent. The sales representative  
5 shall be approved by the Superintendent prior to solicitation  
6 of students. Each application shall state the name of the  
7 school which the applicant will represent, contain evidence of  
8 the honesty, truthfulness, and integrity of the applicant and  
9 shall be accompanied by the recommendation of two reputable  
10 persons, neither of whom shall be in the employ of the school  
11 or members of the applicant's immediate family, certifying that  
12 the applicant is truthful, honest, and of good reputation, and  
13 recommending that a permit as a sales representative be  
14 granted. The fee for an original permit as a sales  
15 representative shall be \$100. The annual renewal fee shall be  
16 \$50. A separate permit shall be obtained for each school  
17 represented by a sales representative.

18 In determining honesty, truthfulness and integrity under  
19 this Section, the Superintendent may take into consideration  
20 any felony conviction of the applicant, but such a conviction  
21 shall not operate as a bar to approval unless a court or parole  
22 authority has determined that the applicant is not  
23 rehabilitated sufficiently to serve as a sales representative.

24 Each sales representative shall provide a continuous  
25 surety company bond for the protection of the contractual  
26 rights, including loss resulting from any fraud or  
27 misrepresentation used by the sales representative, of  
28 students, their parents, guardians or sponsors, in the penal  
29 sum of \$2,000, except under exceptional circumstances up to  
30 \$10,000, upon the order of the Superintendent. The surety  
31 company bond shall be written by a company authorized to do  
32 business in this State. In lieu of a surety bond, an applicant  
33 may, with the advanced approval of the State Board of Education  
34 prior to January 1, 2007, deposit with the State Board of  
35 Education as security a certificate of deposit of any bank  
36 organized or transacting business in the United States in an

1 amount equal to or greater than the amount of the required  
2 bond. The applicant must first satisfy the State Board of  
3 Education that the certificate of deposit is free and clear of  
4 all liens, pledges, security interests, and other  
5 encumbrances. The State Board of Education shall perfect a  
6 first priority security interest in the certificate of deposit  
7 to provide the protection required under this paragraph. The  
8 certificate of deposit must be held and made payable in  
9 accordance with terms and provisions approved in advance by the  
10 State Board of Education and must be replaced by a bond meeting  
11 the requirements set forth in this paragraph within 180 days  
12 after the issuance of the Sales Representative Permit to the  
13 applicant. Failure to replace the certificate of deposit with a  
14 continuous surety company bond shall result in revocation of  
15 the Sales Representative Permit.

16 (Source: P.A. 83-1484.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.