100TH GENERAL ASSEMBLY
State of Illinois
2017 and 2018
HB2781

by Rep. Sara Wojcicki Jimenez

SYNOPSIS AS INTRODUCED:

225 ILCS 454/1-10
225 ILCS 454/5-10
225 ILCS 454/5-27
225 ILCS 454/5-50
225 ILCS 454/5-70
225 ILCS 454/5-75
225 ILCS 454/5-85
225 ILCS 454/25-10
225 ILCS 454/30-5
225 ILCS 454/30-15
225 ILCS 454/30-20
225 ILCS 454/30-10 rep.

Amends the Real Estate License Act of 2000. Abolishes the Real Estate Education Advisory Council. Transfers functions of the Council to the Real Estate Administration and Disciplinary Board or the Department of Financial and Professional Regulation. Allows the Department to make continuing education requirements for licensed leasing agents without the advice of the Advisory Council and Board. Makes changes to the membership and terms of the Board. Allows the Secretary of the Department of Financial and Professional Regulation to establish temporary or permanent committees of the Board. Effective immediately.

LRB100 05773 SMS 15796 b

FISCAL NOTE ACT
MAY APPLY
AN ACT concerning regulation.

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

Section 5. The Real Estate License Act of 2000 is amended by changing Sections 1-10, 5-10, 5-27, 5-50, 5-70, 5-75, 5-85, 25-10, 30-5, 30-15, and 30-20 as follows:

(225 ILCS 454/1-10)

(Section scheduled to be repealed on January 1, 2020)

Sec. 1-10. Definitions. In this Act, unless the context otherwise requires:


"Address of record" means the designated address recorded by the Department in the applicant's or licensee's application file or license file as maintained by the Department's licensure maintenance unit. It is the duty of the applicant or licensee to inform the Department of any change of address, and those changes must be made either through the Department's website or by contacting the Department.

"Advisory Council" means the Real Estate Education Advisory Council created under Section 30-10 of this Act.

"Agency" means a relationship in which a broker or licensee, whether directly or through an affiliated licensee, represents a consumer by the consumer's consent, whether...
express or implied, in a real property transaction.

"Applicant" means any person, as defined in this Section, who applies to the Department for a valid license as a managing broker, broker, or leasing agent.

"Blind advertisement" means any real estate advertisement that does not include the sponsoring broker's business name and that is used by any licensee regarding the sale or lease of real estate, including his or her own, licensed activities, or the hiring of any licensee under this Act. The broker's business name in the case of a franchise shall include the franchise affiliation as well as the name of the individual firm.

"Board" means the Real Estate Administration and Disciplinary Board of the Department as created by Section 25-10 of this Act.

"Branch office" means a sponsoring broker's office other than the sponsoring broker's principal office.

"Broker" means an individual, partnership, limited liability company, corporation, or registered limited liability partnership other than a leasing agent who, whether in person or through any media or technology, for another and for compensation, or with the intention or expectation of receiving compensation, either directly or indirectly:

(1) Sells, exchanges, purchases, rents, or leases real estate.

(2) Offers to sell, exchange, purchase, rent, or lease
(3) Negotiates, offers, attempts, or agrees to negotiate the sale, exchange, purchase, rental, or leasing of real estate.

(4) Lists, offers, attempts, or agrees to list real estate for sale, rent, lease, or exchange.

(5) Buys, sells, offers to buy or sell, or otherwise deals in options on real estate or improvements thereon.

(6) Supervises the collection, offer, attempt, or agreement to collect rent for the use of real estate.

(7) Advertises or represents himself or herself as being engaged in the business of buying, selling, exchanging, renting, or leasing real estate.

(8) Assists or directs in procuring or referring of leads or prospects, intended to result in the sale, exchange, lease, or rental of real estate.

(9) Assists or directs in the negotiation of any transaction intended to result in the sale, exchange, lease, or rental of real estate.

(10) Opens real estate to the public for marketing purposes.

(11) Sells, rents, leases, or offers for sale or lease real estate at auction.

(12) Prepares or provides a broker price opinion or comparative market analysis as those terms are defined in this Act, pursuant to the provisions of Section 10-45 of
"Brokerage agreement" means a written or oral agreement between a sponsoring broker and a consumer for licensed activities to be provided to a consumer in return for compensation or the right to receive compensation from another. Brokerage agreements may constitute either a bilateral or a unilateral agreement between the broker and the broker's client depending upon the content of the brokerage agreement. All exclusive brokerage agreements shall be in writing.

"Broker price opinion" means an estimate or analysis of the probable selling price of a particular interest in real estate, which may provide a varying level of detail about the property's condition, market, and neighborhood and information on comparable sales. The activities of a real estate broker or managing broker engaging in the ordinary course of business as a broker, as defined in this Section, shall not be considered a broker price opinion if no compensation is paid to the broker or managing broker, other than compensation based upon the sale or rental of real estate.

"Client" means a person who is being represented by a licensee.

"Comparative market analysis" is an analysis or opinion regarding pricing, marketing, or financial aspects relating to a specified interest or interests in real estate that may be based upon an analysis of comparative market data, the expertise of the real estate broker or managing broker, and
such other factors as the broker or managing broker may deem appropriate in developing or preparing such analysis or opinion. The activities of a real estate broker or managing broker engaging in the ordinary course of business as a broker, as defined in this Section, shall not be considered a comparative market analysis if no compensation is paid to the broker or managing broker, other than compensation based upon the sale or rental of real estate.

"Compensation" means the valuable consideration given by one person or entity to another person or entity in exchange for the performance of some activity or service. Compensation shall include the transfer of valuable consideration, including without limitation the following:

(1) commissions;
(2) referral fees;
(3) bonuses;
(4) prizes;
(5) merchandise;
(6) finder fees;
(7) performance of services;
(8) coupons or gift certificates;
(9) discounts;
(10) rebates;
(11) a chance to win a raffle, drawing, lottery, or similar game of chance not prohibited by any other law or statute;
(12) retainer fee; or
(13) salary.

"Confidential information" means information obtained by a licensee from a client during the term of a brokerage agreement that (i) was made confidential by the written request or written instruction of the client, (ii) deals with the negotiating position of the client, or (iii) is information the disclosure of which could materially harm the negotiating position of the client, unless at any time:

(1) the client permits the disclosure of information given by that client by word or conduct;
(2) the disclosure is required by law; or
(3) the information becomes public from a source other than the licensee.

"Confidential information" shall not be considered to include material information about the physical condition of the property.

"Consumer" means a person or entity seeking or receiving licensed activities.

"Continuing education school" means any person licensed by the Department as a school for continuing education in accordance with Section 30-15 of this Act.

"Coordinator" means the Coordinator of Real Estate created in Section 25-15 of this Act.

"Credit hour" means 50 minutes of classroom instruction in course work that meets the requirements set forth in rules.
adopted by the Department.

"Customer" means a consumer who is not being represented by the licensee but for whom the licensee is performing ministerial acts.

"Department" means the Department of Financial and Professional Regulation.

"Designated agency" means a contractual relationship between a sponsoring broker and a client under Section 15-50 of this Act in which one or more licensees associated with or employed by the broker are designated as agent of the client.

"Designated agent" means a sponsored licensee named by a sponsoring broker as the legal agent of a client, as provided for in Section 15-50 of this Act.

"Dual agency" means an agency relationship in which a licensee is representing both buyer and seller or both landlord and tenant in the same transaction. When the agency relationship is a designated agency, the question of whether there is a dual agency shall be determined by the agency relationships of the designated agent of the parties and not of the sponsoring broker.

"Employee" or other derivative of the word "employee", when used to refer to, describe, or delineate the relationship between a sponsoring broker and a managing broker, broker, or a leasing agent, shall be construed to include an independent contractor relationship, provided that a written agreement exists that clearly establishes and states the relationship.
All responsibilities of a broker shall remain.

"Escrow moneys" means all moneys, promissory notes or any other type or manner of legal tender or financial consideration deposited with any person for the benefit of the parties to the transaction. A transaction exists once an agreement has been reached and an accepted real estate contract signed or lease agreed to by the parties. Escrow moneys includes without limitation earnest moneys and security deposits, except those security deposits in which the person holding the security deposit is also the sole owner of the property being leased and for which the security deposit is being held.

"Electronic means of proctoring" means a methodology providing assurance that the person taking a test and completing the answers to questions is the person seeking licensure or credit for continuing education and is doing so without the aid of a third party or other device.

"Exclusive brokerage agreement" means a written brokerage agreement that provides that the sponsoring broker has the sole right, through one or more sponsored licensees, to act as the exclusive designated agent or representative of the client and that meets the requirements of Section 15-75 of this Act.

"Inoperative" means a status of licensure where the licensee holds a current license under this Act, but the licensee is prohibited from engaging in licensed activities because the licensee is unsponsored or the license of the sponsoring broker with whom the licensee is associated or by
whom he or she is employed is currently expired, revoked, suspended, or otherwise rendered invalid under this Act.

"Interactive delivery method" means delivery of a course by an instructor through a medium allowing for 2-way communication between the instructor and a student in which either can initiate or respond to questions.

"Leads" means the name or names of a potential buyer, seller, lessor, lessee, or client of a licensee.

"Leasing Agent" means a person who is employed by a broker to engage in licensed activities limited to leasing residential real estate who has obtained a license as provided for in Section 5-5 of this Act.

"License" means the document issued by the Department certifying that the person named thereon has fulfilled all requirements prerequisite to licensure under this Act.

"Licensed activities" means those activities listed in the definition of "broker" under this Section.

"Licensee" means any person, as defined in this Section, who holds a valid unexpired license as a managing broker, broker, or leasing agent.

"Listing presentation" means a communication between a managing broker or broker and a consumer in which the licensee is attempting to secure a brokerage agreement with the consumer to market the consumer's real estate for sale or lease.

"Managing broker" means a broker who has supervisory responsibilities for licensees in one or, in the case of a
multi-office company, more than one office and who has been appointed as such by the sponsoring broker.

"Medium of advertising" means any method of communication intended to influence the general public to use or purchase a particular good or service or real estate.

"Ministerial acts" means those acts that a licensee may perform for a consumer that are informative or clerical in nature and do not rise to the level of active representation on behalf of a consumer. Examples of these acts include without limitation (i) responding to phone inquiries by consumers as to the availability and pricing of brokerage services, (ii) responding to phone inquiries from a consumer concerning the price or location of property, (iii) attending an open house and responding to questions about the property from a consumer, (iv) setting an appointment to view property, (v) responding to questions of consumers walking into a licensee's office concerning brokerage services offered or particular properties, (vi) accompanying an appraiser, inspector, contractor, or similar third party on a visit to a property, (vii) describing a property or the property's condition in response to a consumer's inquiry, (viii) completing business or factual information for a consumer on an offer or contract to purchase on behalf of a client, (ix) showing a client through a property being sold by an owner on his or her own behalf, or (x) referral to another broker or service provider.

"Office" means a broker's place of business where the
general public is invited to transact business and where
records may be maintained and licenses displayed, whether or
not it is the broker's principal place of business.

"Person" means and includes individuals, entities,
corporations, limited liability companies, registered limited
liability partnerships, and partnerships, foreign or domestic,
except that when the context otherwise requires, the term may
refer to a single individual or other described entity.

"Personal assistant" means a licensed or unlicensed person
who has been hired for the purpose of aiding or assisting a
sponsored licensee in the performance of the sponsored
licensee's job.

"Pocket card" means the card issued by the Department to
signify that the person named on the card is currently licensed
under this Act.

"Pre-license school" means a school licensed by the
Department offering courses in subjects related to real estate
transactions, including the subjects upon which an applicant is
examined in determining fitness to receive a license.

"Pre-renewal period" means the period between the date of
issue of a currently valid license and the license's expiration
date.

"Proctor" means any person, including, but not limited to,
an instructor, who has a written agreement to administer
examinations fairly and impartially with a licensed
pre-license school or a licensed continuing education school.
"Real estate" means and includes leaseholds as well as any other interest or estate in land, whether corporeal, incorporeal, freehold, or non-freehold, including timeshare interests, and whether the real estate is situated in this State or elsewhere.

"Regular employee" means a person working an average of 20 hours per week for a person or entity who would be considered as an employee under the Internal Revenue Service eleven main tests in three categories being behavioral control, financial control and the type of relationship of the parties, formerly the twenty factor test.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation, or a person authorized by the Secretary to act in the Secretary's stead.

"Sponsoring broker" means the broker who has issued a sponsor card to a licensed managing broker, broker, or a leasing agent.

"Sponsor card" means the temporary permit issued by the sponsoring broker certifying that the managing broker, broker, or leasing agent named thereon is employed by or associated by written agreement with the sponsoring broker, as provided for in Section 5-40 of this Act.

(Source: P.A. 98-531, eff. 8-23-13; 98-1109, eff. 1-1-15; 99-227, eff. 8-3-15.)

(225 ILCS 454/5-10)
Sec. 5-10. Requirements for license as leasing agent.

(a) Every applicant for licensure as a leasing agent must meet the following qualifications:

(1) be at least 18 years of age;

(2) be of good moral character;

(3) successfully complete a 4-year course of study in a high school or secondary school or an equivalent course of study approved by the Illinois State Board of Education;

(4) personally take and pass a written examination authorized by the Department sufficient to demonstrate the applicant's knowledge of the provisions of this Act relating to leasing agents and the applicant's competence to engage in the activities of a licensed leasing agent;

(5) provide satisfactory evidence of having completed 15 hours of instruction in an approved course of study relating to the leasing of residential real property. The course of study shall, among other topics, cover the provisions of this Act applicable to leasing agents; fair housing issues relating to residential leasing; advertising and marketing issues; leases, applications, and credit reports; owner-tenant relationships and owner-tenant laws; the handling of funds; and environmental issues relating to residential real property;

(6) complete any other requirements as set forth by
rule; and

(7) present a valid application for issuance of an initial license accompanied by a sponsor card and the fees specified by rule.

(b) No applicant shall engage in any of the activities covered by this Act until a valid sponsor card has been issued to such applicant. The sponsor card shall be valid for a maximum period of 45 days after the date of issuance unless extended for good cause as provided by rule.

(c) Successfully completed course work, completed pursuant to the requirements of this Section, may be applied to the course work requirements to obtain a managing broker's or broker's license as provided by rule. The Board Advisory Council may recommend through the Board to the Department and the Department may adopt requirements for approved courses, course content, and the approval of courses, instructors, and schools, as well as school and instructor fees. The Department may establish continuing education requirements for licensed leasing agents by rule, with the advice of the Advisory Council and Board.

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 454/5-27)

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

Sec. 5-27. Requirements for licensure as a broker.

(a) Every applicant for licensure as a broker must meet the
following qualifications:

(1) Be at least 21 years of age. After April 30, 2011, the minimum age of 21 years shall be waived for any person seeking a license as a broker who has attained the age of 18 and can provide evidence of the successful completion of at least 4 semesters of post-secondary school study as a full-time student or the equivalent, with major emphasis on real estate courses, in a school approved by the Department;

(2) Be of good moral character;

(3) Successfully complete a 4-year course of study in a high school or secondary school approved by the Illinois State Board of Education or an equivalent course of study as determined by an examination conducted by the Illinois State Board of Education which shall be verified under oath by the applicant;

(4) (Blank);

(5) Provide After April 30, 2011, provide satisfactory evidence of having completed 90 hours of instruction in real estate courses approved by the Department Advisory Council, 15 hours of which must consist of situational and case studies presented in the classroom or by other interactive delivery method between the instructor and the students;

(6) Personally take and pass a written examination authorized by the Department;
(7) Present a valid application for issuance of a license accompanied by a sponsor card and the fees specified by rule.

(b) The requirements specified in items (3) and (5) of subsection (a) of this Section do not apply to applicants who are currently admitted to practice law by the Supreme Court of Illinois and are currently in active standing.

(c) No applicant shall engage in any of the activities covered by this Act until a valid sponsor card has been issued to such applicant. The sponsor card shall be valid for a maximum period of 45 days after the date of issuance unless extended for good cause as provided by rule.

(d) All licenses should be readily available to the public at their place of business.

(e) An individual holding an active license as a managing broker may return the license to the Department along with a form provided by the Department and shall be issued a broker's license in exchange. Any individual obtaining a broker's license under this subsection (e) shall be considered as having obtained a broker's license by education and passing the required test and shall be treated as such in determining compliance with this Act.

(Source: P.A. 98-531, eff. 8-23-13; 98-1109, eff. 1-1-15; 99-227, eff. 8-3-15.)

(225 ILCS 454/5-50)
(Section scheduled to be repealed on January 1, 2020)

Sec. 5-50. Expiration and renewal of managing broker, broker, or leasing agent license; sponsoring broker; register of licensees; pocket card.

(a) The expiration date and renewal period for each license issued under this Act shall be set by rule. Except as otherwise provided in this Section, the holder of a license may renew the license within 90 days preceding the expiration date thereof by completing the continuing education required by this Act and paying the fees specified by rule.

(b) An individual whose first license is that of a broker received after April 30, 2011, must provide evidence of having completed 30 hours of post-license education in courses approved by the Department Advisory Council, 15 hours of which must consist of situational and case studies presented in the classroom or by other interactive delivery method between the instructor and the students, and personally take and pass an examination approved by the Department prior to the first renewal of their broker's license.

(c) Any managing broker, broker, or leasing agent whose license under this Act has expired shall be eligible to renew the license during the 2-year period following the expiration date, provided the managing broker, broker, or leasing agent pays the fees as prescribed by rule and completes continuing education and other requirements provided for by the Act or by rule. Beginning on May 1, 2012, a managing broker licensee,
broker, or leasing agent whose license has been expired for more than 2 years but less than 5 years may have it restored by (i) applying to the Department, (ii) paying the required fee, (iii) completing the continuing education requirements for the most recent pre-renewal period that ended prior to the date of the application for reinstatement, and (iv) filing acceptable proof of fitness to have his or her license restored, as set by rule. A managing broker, broker, or leasing agent whose license has been expired for more than 5 years shall be required to meet the requirements for a new license.

(d) Notwithstanding any other provisions of this Act to the contrary, any managing broker, broker, or leasing agent whose license expired while he or she was (i) on active duty with the Armed Forces of the United States or called into service or training by the state militia, (ii) engaged in training or education under the supervision of the United States preliminary to induction into military service, or (iii) serving as the Coordinator of Real Estate in the State of Illinois or as an employee of the Department may have his or her license renewed, reinstated or restored without paying any lapsed renewal fees if within 2 years after the termination of the service, training or education by furnishing the Department with satisfactory evidence of service, training, or education and it has been terminated under honorable conditions.

(e) The Department shall establish and maintain a register of all persons currently licensed by the State and shall issue
and prescribe a form of pocket card. Upon payment by a licensee of the appropriate fee as prescribed by rule for engagement in the activity for which the licensee is qualified and holds a license for the current period, the Department shall issue a pocket card to the licensee. The pocket card shall be verification that the required fee for the current period has been paid and shall indicate that the person named thereon is licensed for the current renewal period as a managing broker, broker, or leasing agent as the case may be. The pocket card shall further indicate that the person named thereon is authorized by the Department to engage in the licensed activity appropriate for his or her status (managing broker, broker, or leasing agent). Each licensee shall carry on his or her person his or her pocket card or, if such pocket card has not yet been issued, a properly issued sponsor card when engaging in any licensed activity and shall display the same on demand.

(f) The Department shall provide to the sponsoring broker a notice of renewal for all sponsored licensees by mailing the notice to the sponsoring broker's address of record, or, at the Department's discretion, by an electronic means as provided for by rule.

(g) Upon request from the sponsoring broker, the Department shall make available to the sponsoring broker, either by mail or by an electronic means at the discretion of the Department, a listing of licensees under this Act who, according to the records of the Department, are sponsored by that broker. Every
licensee associated with or employed by a broker whose license is revoked, suspended, terminated, or expired shall be considered as inoperative until such time as the sponsoring broker's license is reinstated or renewed, or the licensee changes employment as set forth in subsection (c) of Section 5-40 of this Act.

(Source: P.A. 98-531, eff. 8-23-13; 99-227, eff. 8-3-15.)

(225 ILCS 454/5-70)

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

Sec. 5-70. Continuing education requirement; managing broker or broker.

(a) The requirements of this Section apply to all managing brokers and brokers.

(b) Except as otherwise provided in this Section, each person who applies for renewal of his or her license as a managing broker or broker must successfully complete 6 hours of real estate continuing education courses approved by the Department Advisory Council for each year of the pre-renewal period. In addition, beginning with the pre-renewal period for managing broker licensees that begins after the effective date of this Act, those licensees renewing or obtaining a managing broker's license must successfully complete a 12-hour broker management continuing education course approved by the Department each pre-renewal period. The broker management continuing education course must be completed in the classroom.
or by other interactive delivery method between the instructor and the students. Successful completion of the course shall include achieving a passing score as provided by rule on a test developed and administered in accordance with rules adopted by the Department. No license may be renewed except upon the successful completion of the required courses or their equivalent or upon a waiver of those requirements for good cause shown as determined by the Secretary with the recommendation of the Advisory Council. The requirements of this Article are applicable to all managing brokers and brokers except those managing brokers and brokers who, during the pre-renewal period:

(1) serve in the armed services of the United States;
(2) serve as an elected State or federal official;
(3) serve as a full-time employee of the Department; or
(4) are admitted to practice law pursuant to Illinois Supreme Court rule.

(c) (Blank).

(d) A person receiving an initial license during the 90 days before the renewal date shall not be required to complete the continuing education courses provided for in subsection (b) of this Section as a condition of initial license renewal.

(e) The continuing education requirement for brokers and managing brokers shall consist of a core curriculum and an elective curriculum, to be established by the Department Advisory Council. In meeting the continuing education

...
requirements of this Act, at least 3 hours per year or their
equivalent, 6 hours for each two-year pre-renewal period, shall
be required to be completed in the core curriculum. In
establishing the core curriculum, the Department Advisory
Council shall consider subjects that will educate licensees on
recent changes in applicable laws and new laws and refresh the
licensee on areas of the license law and policy that the
Department policy that the Advisory Council deems appropriate,
and any other areas that the Department Advisory Council deems
timely and applicable in order to prevent violations of this
Act and to protect the public. In establishing the elective
curriculum, the Department Advisory Council shall consider
subjects that cover the various aspects of the practice of real
estate that are covered under the scope of this Act. However,
the elective curriculum shall not include any offerings
referred to in Section 5-85 of this Act.

(f) The subject areas of continuing education courses
approved by the Department Advisory Council may include without
limitation the following:

(1) license law and escrow;
(2) antitrust;
(3) fair housing;
(4) agency;
(5) appraisal;
(6) property management;
(7) residential brokerage;
(8) farm property management;
(9) rights and duties of sellers, buyers, and brokers;
(10) commercial brokerage and leasing; and
(11) real estate financing.

(g) In lieu of credit for those courses listed in subsection (f) of this Section, credit may be earned for serving as a licensed instructor in an approved course of continuing education. The amount of credit earned for teaching a course shall be the amount of continuing education credit for which the course is approved for licensees taking the course.

(h) Credit hours may be earned for self-study programs approved by the Department Advisory Council.

(i) A managing broker or broker may earn credit for a specific continuing education course only once during the prerenewal period.

(j) No more than 6 hours of continuing education credit may be taken in one calendar day.

(k) To promote the offering of a uniform and consistent course content, the Department may provide for the development of a single broker management course to be offered by all continuing education providers who choose to offer the broker management continuing education course. The Department may contract for the development of the 12-hour broker management continuing education course with an outside vendor or consultant and, if the course is developed in this manner, the Department or the outside consultant shall license the use of
that course to all approved continuing education providers who
wish to provide the course.

(1) Except as specifically provided in this Act, continuing
education credit hours may not be earned for completion of pre
or post-license courses. The approved 30-hour post-license
course for broker licensees shall satisfy the continuing
education requirement for the pre-renewal period in which the
course is taken. The approved 45-hour brokerage administration
and management course shall satisfy the 12-hour broker
management continuing education requirement for the
pre-renewal period in which the course is taken.
(Source: P.A. 98-531, eff. 8-23-13; 99-227, eff. 8-3-15;
99-728, eff. 1-1-17.)

(225 ILCS 454/5-75)
(Section scheduled to be repealed on January 1, 2020)

Sec. 5-75. Out-of-state continuing education credit. If a
renewal applicant has earned continuing education hours in
another state or territory for which he or she is claiming
credit toward full compliance in Illinois, the Department
Advisory Council shall review, approve, or disapprove those
hours based upon whether the course is one that would be
approved under Section 5-70 of this Act, whether the course
meets the basic requirements for continuing education under
this Act, and any other criteria that is provided by statute or
rule.
Sec. 5-85. Offerings not meeting continuing education requirements. The following offerings do not meet the continuing education requirements:

1. Examination preparation offerings, except as provided in Section 5-70 of this Act.
2. Offerings in mechanical office and business skills such as typing, speed reading, memory improvement, advertising, or psychology of sales.
3. Sales promotion or other meetings held in conjunction with the general business of the attendee or his or her employer.
4. Meetings that are a normal part of in-house staff or employee training.

The offerings listed in this Section do not limit the Department's Advisory Council's authority to disapprove any course that fails to meet the standards of this Article 5 or rules adopted by the Department.

(Source: P.A. 96-856, eff. 12-31-09.)
Board; duties. There is created the Real Estate Administration
and Disciplinary Board. The Board shall be composed of 14 persons appointed by the Governor. Members shall be appointed
to the Board subject to the following conditions:

(1) All members shall have been residents and citizens
of this State for at least 6 years prior to the date of
appointment.

(2) Eight members shall have been actively engaged
as managing brokers or brokers or both for at least the 10
years prior to the appointment.

(3) Three members of the Board shall be public members
who represent consumer interests.

(4) One member shall be a representative of a licensed
real estate education provider.

(5) One member shall be a representative of an Illinois
real estate trade organization.

(6) One member shall be a representative of an
institution of higher education that offers pre-license
and continuing education courses.

None of these members shall be (i) a person who is licensed
under this Act or a similar Act of another jurisdiction, (ii)
the spouse or family member of a licensee, (iii) a person who
has an ownership interest in a real estate brokerage business,
or (iv) a person the Department determines to have any other
connection with a real estate brokerage business or a licensee.

The members' terms shall be 4 years or until their
successor is appointed, and the expiration of their terms shall be staggered. No member shall be reappointed to the Board for a term that would cause his or her cumulative service to the Board to exceed 12 years. Appointments to fill vacancies shall be for the unexpired portion of the term. The membership of the Board should reasonably reflect the geographic distribution of the licensee population in this State. In making the appointments, the Governor shall give due consideration to the recommendations by members and organizations of the profession. The Governor may terminate the appointment of any member for cause that in the opinion of the Governor reasonably justifies the termination. Cause for termination shall include without limitation misconduct, incapacity, neglect of duty, or missing 4 board meetings during any one calendar year. Each member of the Board may receive a per diem stipend in an amount to be determined by the Secretary. Each member shall be paid his or her necessary expenses while engaged in the performance of his or her duties. Such compensation and expenses shall be paid out of the Real Estate License Administration Fund. The Secretary shall consider the recommendations of the Board on questions involving standards of professional conduct, discipline, and examination of candidates under this Act. The Secretary may establish temporary or permanent committees of the Board and may consider the recommendations of the Board on questions involving criteria for the licensing and renewal of pre-license schools, pre-license instructors, continuing
education schools, and continuing education instructors;
pre-license school and continuing education curricula;
standards of educational criteria; and qualifications for
licensure and renewal of professions, schools, courses and
instructors. The Department, after notifying and considering
the recommendations of the Board, if any, may issue rules,
consistent with the provisions of this Act, for the
administration and enforcement thereof and may prescribe forms
that shall be used in connection therewith. Eight five Board
members shall constitute a quorum. A quorum is required for all
Board decisions. The Department is authorized to adopt any rule
that may be necessary for the implementation of this Section.
(Source: P.A. 98-1109, eff. 1-1-15; 99-227, eff. 8-3-15.)

(225 ILCS 454/30-5)
(Section scheduled to be repealed on January 1, 2020)
Sec. 30-5. Licensing of pre-license schools, school
branches, and instructors.
(a) No person shall operate a pre-license school or school
branch without possessing a valid pre-license school or school
branch license issued by the Department. No person shall act as
a pre-license instructor at a pre-license school or school
branch without possessing a valid pre-license instructor
license issued by the Department. Every person who desires to
obtain a pre-license school, school branch, or pre-license
instructor license shall make application to the Department in
writing in form and substance satisfactory to the Department and pay the required fees prescribed by rule. In addition to any other information required to be contained in the application, every application for an original license shall include the applicant's Social Security number, which shall be retained in the agency's records pertaining to the license. As soon as practical, the Department shall assign a customer's identification number to each applicant for a license.

Every application for a renewal or restored license shall require the applicant's customer identification number.

The Department shall issue a pre-license school, school branch, or pre-license instructor license to applicants who meet qualification criteria established by rule. The Department may refuse to issue, suspend, revoke, or otherwise discipline a pre-license school, school branch, or pre-license instructor license or may withdraw approval of a course offered by a pre-license school for good cause. Disciplinary proceedings shall be conducted by the Board in the same manner as other disciplinary proceedings under this Act.

(b) All pre-license instructors must teach at least one course within the period of licensure or take an instructor training program approved by the Department in lieu thereof. A pre-license instructor may teach at more than one licensed pre-license school.

(c) The term of license for pre-license schools, branches, and instructors shall be 2 years as established by rule.
(d) The Department or the Advisory Council may, after notice, cause a pre-license school or instructor to attend an informal conference before the Board Advisory Council for failure to comply with any requirement for licensure or for failure to comply with any provision of this Act or the rules for the administration of this Act. The Board Advisory Council shall make a recommendation to the Department Board as a result of its findings at the conclusion of any such informal conference.

(e) For purposes of this Section, the term "pre-license" shall also include the 30-hour post-license course required to be taken to retain a broker's license.

(Source: P.A. 96-856, eff. 12-31-09; 97-400, eff. 1-1-12.)

(225 ILCS 454/30-15)

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

Sec. 30-15. Licensing of continuing education schools; approval of courses.

(a) Only continuing education schools in possession of a valid continuing education school license may provide real estate continuing education courses that will satisfy the requirements of this Act. Pre-license schools licensed to offer pre-license education courses for brokers, managing brokers, or leasing agents shall qualify for a continuing education school license upon completion of an application and the submission of the required fee. Every entity that desires to
obtain a continuing education school license shall make
application to the Department in writing in forms prescribed by
the Department and pay the fee prescribed by rule. In addition
to any other information required to be contained in the
application, every application for an original or renewed
license shall include the applicant's Social Security number.

(b) The criteria for a continuing education license shall
include the following:

(1) A sound financial base for establishing,
promoting, and delivering the necessary courses. Budget
planning for the School's courses should be clearly
projected.

(2) A sufficient number of qualified, licensed
instructors as provided by rule.

(3) Adequate support personnel to assist with
administrative matters and technical assistance.

(4) Maintenance and availability of records of
participation for licensees.

(5) The ability to provide each participant who
successfully completes an approved program with a
certificate of completion signed by the administrator of a
licensed continuing education school on forms provided by
the Department.

(6) The continuing education school must have a written
policy dealing with procedures for the management of
grievances and fee refunds.
(7) The continuing education school shall maintain lesson plans and examinations for each course.

(8) The continuing education school shall require a 70% passing grade for successful completion of any continuing education course.

(9) The continuing education school shall identify and use instructors who will teach in a planned program. Suggested criteria for instructor selections include:
   
   (A) appropriate credentials;
   
   (B) competence as a teacher;
   
   (C) knowledge of content area; and
   
   (D) qualification by experience.

(10) The continuing education school shall provide a proctor or an electronic means of proctoring for each examination. The continuing education school shall be responsible for the conduct of the proctor. The duties and responsibilities of a proctor shall be established by rule.

(11) The continuing education school must provide for closed book examinations for each course unless the Department Advisory Council excuses this requirement based on the complexity of the course material.

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

(d) The Department may or upon request of the Advisory Council shall, after notice, cause a continuing education school or instructor to attend an informal conference before the Board Advisory Council for failure to comply with any requirement for licensure or for failure to comply with any provision of this Act or the rules for the administration of this Act. The Board Advisory Council shall make a recommendation to the Department Board as a result of its findings at the conclusion of any such informal conference.

(e) All continuing education schools shall maintain these minimum criteria and pay the required fee in order to retain their continuing education school license.

(f) All continuing education schools shall submit, at the time of initial application and with each license renewal, a list of courses with course materials to be offered by the continuing education school. The Department, however, shall establish a mechanism whereby continuing education schools may apply for and obtain approval for continuing education courses that are submitted after the time of initial application or renewal. The Department shall provide to each continuing education school a certificate for each approved continuing education course. All continuing education courses shall be valid for the period coinciding with the term of license of the continuing education school. All continuing education schools
shall provide a copy of the certificate of the continuing education course within the course materials given to each student or shall display a copy of the certificate of the continuing education course in a conspicuous place at the location of the class.

(g) Each continuing education school shall provide to the Department a monthly report in a format determined by the Department, with information concerning students who successfully completed all approved continuing education courses offered by the continuing education school for the prior month.

(h) The Department, upon the recommendation of the Board Advisory Council, may temporarily suspend a licensed continuing education school's approved courses without hearing and refuse to accept successful completion of or participation in any of these continuing education courses for continuing education credit from that school upon the failure of that continuing education school to comply with the provisions of this Act or the rules for the administration of this Act, until such time as the Department receives satisfactory assurance of compliance. The Department shall notify the continuing education school of the noncompliance and may initiate disciplinary proceedings pursuant to this Act. The Department may refuse to issue, suspend, revoke, or otherwise discipline the license of a continuing education school or may withdraw approval of a continuing education course for good cause.
Failure to comply with the requirements of this Section or any other requirements established by rule shall be deemed to be good cause. Disciplinary proceedings shall be conducted by the Board in the same manner as other disciplinary proceedings under this Act.

(Source: P.A. 99-227, eff. 8-3-15.)

(225 ILCS 454/30-20)

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

Sec. 30-20. Fees for continuing education school license; renewal; term. All applications for a continuing education school license shall be accompanied by a nonrefundable application fee in an amount established by rule. All continuing education schools shall be required to submit a renewal application, the required fee as established by rule, and a listing of the courses to be offered during the year to renew their continuing education school licenses. The term for a continuing education school license shall be 2 years and as established by rule. The fees collected under this Article 30 shall be deposited in the Real Estate License Administration Fund and shall be used to defray the cost of administration of the program and per diem of the Board Advisory Council as determined by the Secretary.

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

(225 ILCS 454/30-10 rep.)
Section 10. The Real Estate License Act of 2000 is amended by repealing Section 30-10.

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