(5 ILCS 80/4.20)

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6

AN ACT concerning professional regulation.

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

Section 5. The Regulatory Sunset Act is amended by changing
Section 4.20 and by adding Section 4.30 as follows:

7 Sec. 4.20. Acts repealed on January 1, 2010 and December 31, 2010. 8 9 (a) The following Acts are repealed on January 1, 2010: The Auction License Act. 10 The Illinois Architecture Practice Act of 1989. 11 The Illinois Landscape Architecture Act of 1989. 12 The Illinois Professional Land Surveyor Act of 1989. 13 14 The Land Sales Registration Act of 1999. The Orthotics, Prosthetics, and Pedorthics Practice 15 16 Act. The Perfusionist Practice Act. 17 The Professional Engineering Practice Act of 1989. 18

- 19 The Real Estate License Act of 2000.
- 20 The Structural Engineering Practice Act of 1989.
- (b) The following Act is repealed on December 31, 2010:
  The Medical Practice Act of 1987.
- 23 (Source: P.A. 95-1018, eff. 12-18-08.)

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1	(5 ILCS 80/4.30 new)
2	Sec. 4.30. Act repealed on January 1, 2020. The following
3	Act is repealed on January 1, 2020:
4	The Real Estate License Act of 2000.

5 Section 10. The Real Estate License Act of 2000 is amended by changing Sections 1-10, 5-5, 5-10, 5-15, 5-20, 5-25, 5-35, 6 5-40, 5-45, 5-50, 5-60, 5-65, 5-70, 5-80, 5-85, 10-15, 10-30, 7 15-15, 15-35, 15-45, 15-65, 20-5, 20-10, 20-20, 20-25, 20-50, 8 9 20-55, 20-60, 20-65, 20-75, 20-85, 20-90, 20-95, 20-100, 10 20-110, 20-115, 25-5, 25-10, 25-13, 25-14, 25-15, 25-20, 25-25, 25-30, 25-35, 25-37, 30-5, 30-10, 30-15, 30-20, and 30-25 and 11 by adding Sections 5-6, 5-7, 5-26, 5-27, 5-28, 5-41, 5-46, 12 5-47, 10-35, 10-40, 20-21, 20-22, 20-62, 20-63, 20-64, 20-66, 13 14 20-67, 20-68, 20-69, 20-72, 20-73, 20-82, and 25-21 as follows:

15 (225 ILCS 454/1-10)

16 (Section scheduled to be repealed on January 1, 2010)
17 Sec. 1-10. Definitions. In this Act, unless the context
18 otherwise requires:

# 19 "Act" means the Real Estate License Act of 2000. 20 <u>"Address of Record" means the designated address recorded</u> 21 by the Department in the applicant's or licensee's application 22 <u>file or license file as maintained by the Department's</u> 23 <u>licensure maintenance unit. It is the duty of the applicant or</u>

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1 licensee to inform the Department of any change of address, and 2 those changes must be made either through the Department's 3 website or by contacting the Department.

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

6 "Agency" means a relationship in which a real estate broker 7 or licensee, whether directly or through an affiliated 8 licensee, represents a consumer by the consumer's consent, 9 whether express or implied, in a real property transaction.

"Applicant" means any person, as defined in this Section,
who applies to <u>the Department</u> OBRE for a valid license as a
real estate broker, real estate salesperson, or leasing agent.

13 "Blind advertisement" means any real estate advertisement 14 that does not include the sponsoring broker's business name and 15 that is used by any licensee regarding the sale or lease of 16 real estate, including his or her own, licensed activities, or 17 the hiring of any licensee under this Act. The broker's business name in the case of a franchise shall include the 18 franchise affiliation as well as the name of the individual 19 20 firm.

21 "Board" means the Real Estate Administration and 22 Disciplinary Board of <u>the Department as created by Section</u> 23 <u>25-10 of this Act</u> <del>OBRE</del>.

24 "Branch office" means a sponsoring broker's office other25 than the sponsoring broker's principal office.

26 "Broker" means an individual, partnership, limited

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liability company, corporation, or registered limited liability partnership other than a real estate salesperson or 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:

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

9 (2) Offers to sell, exchange, purchase, rent, or lease 10 real estate.

11 (3) Negotiates, offers, attempts, or agrees to
12 negotiate the sale, exchange, purchase, rental, or leasing
13 of real estate.

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

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

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

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

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

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(9) Assists or directs in the negotiation of any

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transaction intended to result in the sale, exchange,
 lease, or rental of real estate.

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

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

"Brokerage agreement" means a written or oral agreement 7 8 between a sponsoring broker and a consumer for licensed 9 activities to be provided to a consumer in return for 10 compensation or the right to receive compensation from another. 11 Brokerage agreements may constitute either a bilateral or a 12 unilateral agreement between the broker and the broker's client 13 depending upon the content of the brokerage agreement. All 14 exclusive brokerage agreements shall be in writing.

15 "Client" means a person who is being represented by a 16 licensee.

17 "Commissioner" means the Commissioner of Banks and Real 18 Estate or a person authorized by the Commissioner, the Office 19 of Banks and Real Estate Act, or this Act to act in the 20 Commissioner's stead.

"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:

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(1) commissions;

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1	(2) referral fees;
2	(3) bonuses;
3	(4) prizes;
4	(5) merchandise;
5	(6) finder fees;
6	(7) performance of services;
7	(8) coupons or gift certificates;
8	(9) discounts;
9	(10) rebates;
10	(11) a chance to win a raffle, drawing, lottery, or
11	similar game of chance not prohibited by any other law or
12	statute;
13	(12) retainer fee; or
14	(13) salary.
15	"Confidential information" means information obtained by a
16	licensee from a client during the term of a brokerage agreement
17	that (i) was made confidential by the written request or
18	written instruction of the client, (ii) deals with the
19	negotiating position of the client, or (iii) is information the
20	disclosure of which could materially harm the negotiating
21	position of the client, unless at any time:
22	(1) the client permits the disclosure of information
23	given by that client by word or conduct;
24	(2) the disclosure is required by law; or

(3) the information becomes public from a source otherthan the licensee.

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

4 "Consumer" means a person or entity seeking or receiving5 licensed activities.

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

9 <u>"Coordinator" means the Coordinator of Real Estate created</u>
 10 <u>in Section 25-15 of this Act.</u>

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

14 "Customer" means a consumer who is not being represented by 15 the licensee but for whom the licensee is performing 16 ministerial acts.

## 17 <u>"Department" means the Department of Financial and</u> 18 Professional Regulation.

19 "Designated agency" means a contractual relationship 20 between a sponsoring broker and a client under Section 15-50 of 21 this Act in which one or more licensees associated with or 22 employed by the broker are designated as agent of the client.

23 "Designated agent" means a sponsored licensee named by a 24 sponsoring broker as the legal agent of a client, as provided 25 for in Section 15-50 of this Act.

26 "Director" means the Director of the Real Estate Division,

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#### 1 <del>OBRE.</del>

2 "Dual agency" means an agency relationship in which a licensee is representing both buyer and seller or both landlord 3 tenant in the same transaction. When 4 and the agency relationship is a designated agency, the question of whether 5 6 there is a dual agency shall be determined by the agency 7 relationships of the designated agent of the parties and not of 8 the sponsoring broker.

9 "Employee" or other derivative of the word "employee", when 10 used to refer to, describe, or delineate the relationship 11 between a real estate broker and a real estate salesperson, 12 another real estate broker, or a leasing agent, shall be 13 construed to include an independent contractor relationship, 14 provided that a written agreement exists that clearly 15 establishes and states the relationship. All responsibilities 16 of a broker shall remain.

17 "Escrow moneys" means all moneys, promissory notes or any other type or manner of legal tender or financial consideration 18 deposited with any person for the benefit of the parties to the 19 20 transaction. A transaction exists once an agreement has been reached and an accepted real estate contract signed or lease 21 22 agreed to by the parties. Escrow moneys includes without 23 limitation earnest moneys and security deposits, except those security deposits in which the person holding the security 24 25 deposit is also the sole owner of the property being leased and 26 for which the security deposit is being held.

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1 "Exclusive brokerage agreement" means a written brokerage 2 agreement that provides that the sponsoring broker has the sole 3 right, through one or more sponsored licensees, to act as the 4 exclusive designated agent or representative of the client and 5 that meets the requirements of Section 15-75 of this Act.

6 "Inoperative" means a status of licensure where the 7 licensee holds a current license under this Act, but the 8 licensee is prohibited from engaging in licensed activities 9 because the licensee is unsponsored or the license of the 10 sponsoring broker with whom the licensee is associated or by 11 whom he or she is employed is currently expired, revoked, 12 suspended, or otherwise rendered invalid under this Act.

13 <u>"Leads" means the name or names of a potential buyer,</u> 14 <u>seller, lessor, lessee, or client of a licensee.</u>

"Leasing Agent" means a person who is employed by a real estate 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.

19 "License" means the document issued by <u>the Department</u> OBRE 20 certifying that the person named thereon has fulfilled all 21 requirements prerequisite to licensure under this Act.

22 "Licensed activities" means those activities listed in the 23 definition of "broker" under this Section.

24 "Licensee" means any person, as defined in this Section, 25 who holds a valid unexpired license as a real estate broker, 26 real estate salesperson, or leasing agent. 1 "Listing presentation" means a communication between a 2 real estate broker or salesperson and a consumer in which the 3 licensee is attempting to secure a brokerage agreement with the 4 consumer to market the consumer's real estate for sale or 5 lease.

6 "Managing broker" means a broker who has supervisory 7 responsibilities for licensees in one or, in the case of a 8 multi-office company, more than one office and who has been 9 appointed as such by the sponsoring broker.

10 "Medium of advertising" means any method of communication 11 intended to influence the general public to use or purchase a 12 particular good or service or real estate.

13 "Ministerial acts" means those acts that a licensee may perform for a consumer that are informative or clerical in 14 15 nature and do not rise to the level of active representation on 16 behalf of a consumer. Examples of these acts include without 17 limitation (i) responding to phone inquiries by consumers as to the availability and pricing of brokerage services, (ii) 18 19 responding to phone inquiries from a consumer concerning the 20 price or location of property, (iii) attending an open house 21 and responding to questions about the property from a consumer, 22 (iv) setting an appointment to view property, (v) responding to 23 questions of consumers walking into a licensee's office 24 concerning brokerage services offered or particular (vi) accompanying an 25 properties, appraiser, inspector, 26 contractor, or similar third party on a visit to a property,

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(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.

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### "OBRE" means the Office of Banks and Real Estate.

8 "Office" means a real estate broker's place of business 9 where the general public is invited to transact business and 10 where records may be maintained and licenses displayed, whether 11 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.

17 "Personal assistant" means a licensed or unlicensed person 18 who has been hired for the purpose of aiding or assisting a 19 sponsored licensee in the performance of the sponsored 20 licensee's job.

21 "Pocket card" means the card issued by <u>the Department</u> OBRE22 to signify that the person named on the card is currently23 licensed under this Act.

24 "Pre-license school" means a school licensed by <u>the</u>
 25 <u>Department</u> OBRE offering courses in subjects related to real
 26 estate transactions, including the subjects upon which an

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1 applicant is examined in determining fitness to receive a 2 license.

3 "Pre-renewal period" means the period between the date of 4 issue of a currently valid license and the license's expiration 5 date.

6 <u>"Proctor" means any person, including, but not limited to,</u> 7 <u>an instructor, who has a written agreement to administer</u> 8 <u>examinations fairly and impartially with a licensed</u> 9 <u>pre-license school or a licensed continuing education school.</u>

10 "Real estate" means and includes leaseholds as well as any 11 other interest or estate in land, whether corporeal, 12 incorporeal, freehold, or non-freehold, including timeshare 13 interests, and whether the real estate is situated in this 14 State or elsewhere.

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

21 "Real Estate Administration and Disciplinary Board" or
22 "Board" means the Real Estate Administration and Disciplinary
23 Board created by Section 25-10 of this Act.

24 "Salesperson" means any individual, other than a real 25 estate broker or leasing agent, who is employed by a real 26 estate broker or is associated by written agreement with a real SB1894 Engrossed - 13 - LRB096 09530 ASK 19687 b

estate broker as an independent contractor and participates in
 any activity described in the definition of "broker" under this
 Section.

4 <u>"Secretary" means the Secretary of the Department of</u>
5 <u>Financial and Professional Regulation, or a person authorized</u>
6 by the Secretary to act in the Secretary's stead.

7 "Sponsoring broker" means the broker who has issued a 8 sponsor card to a licensed salesperson, another licensed 9 broker, or a leasing agent.

10 "Sponsor card" means the temporary permit issued by the 11 sponsoring real estate broker certifying that the real estate 12 broker, real estate salesperson, or leasing agent named thereon 13 is employed by or associated by written agreement with the 14 sponsoring real estate broker, as provided for in Section 5-40 15 of this Act.

16 (Source: P.A. 92-217, eff. 8-2-01; 93-957, eff. 8-19-04.)

17 (225 ILCS 454/5-5)

18 (Section scheduled to be repealed on January 1, 2010)

19 Sec. 5-5. Leasing agent license.

(a) The purpose of this Section is to provide for a limited
scope license to enable persons who wish to engage in
activities limited to the leasing of residential real property
for which a license is required under this Act, and only those
activities, to do so by obtaining the license provided for
under this Section.

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(b) Notwithstanding the other provisions of this Act, there 1 2 is hereby created a leasing agent license that shall enable the licensee to engage only in residential leasing activities for 3 which a license is required under this Act. Such activities 4 5 include without limitation leasing or renting residential real property, or attempting, offering, or negotiating to lease or 6 rent residential real property, or supervising the collection, 7 offer, attempt, or agreement to collect rent for the use of 8 9 residential real property. Nothing in this Section shall be 10 construed to require a licensed real estate broker or 11 salesperson to obtain a leasing agent license in order to 12 perform leasing activities for which a license is required 13 under this Act. Licensed leasing agents must be sponsored and 14 employed by a sponsoring broker.

15 (c) <u>The Department</u> OBRE, by rule, with the advice of the 16 Board, shall provide for the licensing of leasing agents, 17 including the issuance, renewal, and administration of 18 licenses.

19 (d) Notwithstanding any other provisions of this Act to the 20 contrary, a person may engage in residential leasing activities for which a license is required under this Act, for a period of 21 22 120 consecutive days without being licensed, so long as the 23 person is acting under the supervision of a licensed real estate broker and the broker has notified the Department OBRE 24 25 that the person is pursuing licensure under this Section. 26 During the 120 day period all requirements of Sections 5-10 and

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1 5-65 of this Act with respect to education, successful 2 completion of an examination, and the payment of all required 3 fees must be satisfied. <u>The Department OBRE</u> may adopt rules to 4 ensure that the provisions of this subsection are not used in a 5 manner that enables an unlicensed person to repeatedly or 6 continually engage in activities for which a license is 7 required under this Act.

8 (Source: P.A. 91-245, eff. 12-31-99.)

9 (225 ILCS 454/5-6 new)

10 <u>Sec. 5-6. Social Security Number or Tax Identification</u> 11 <u>Number on license application. In addition to any other</u> 12 <u>information required to be contained in the application, every</u> 13 <u>application for an original or renewal license under this Act</u> 14 <u>shall include the applicant's Social Security Number or Tax</u> 15 Identification Number.

16 (225 ILCS 454/5-7 new)

17 Sec. 5-7. Application for leasing agent license. Every person who desires to obtain a leasing agent license shall 18 apply to the Department in writing on forms provided by the 19 20 Department which application shall be accompanied by the 21 required non-refundable fee. Any such application shall require such information as in the judgment of the Department 22 23 will enable the Department to pass on the qualifications of the 24 applicant for licensure.

1	(225 ILCS 454/5-10)
2	(Section scheduled to be repealed on January 1, 2010)
3	Sec. 5-10. <u>Requirements for license as leasing agent.</u>
4	Application for leasing agent license.
5	(a) Every applicant for licensure as a leasing agent must
6	meet the following qualifications:
7	(1) Every person who desires to obtain a leasing agent
8	license shall apply to OBRE in writing on forms provided by
9	OBRE. In addition to any other information required to be
10	contained in the application, every application for an
11	original or renewed leasing agent license shall include the
12	applicant's Social Security number. All application or
13	license fees must accompany the application. Each
14	<del>applicant must</del> be at least 18 years of age <u>;</u>
15	(2) <del>, must</del> be of good moral character <u>;</u> <del>, shall have</del>
16	(3) successfully <u>complete</u> <del>completed</del> a 4-year course of
17	study in a high school or secondary school or an equivalent
18	course of study approved by the Illinois State Board of
19	Education; , and shall successfully complete
20	(4) personally take and pass a written examination
21	authorized by <u>the Department</u> <del>OBRE</del> sufficient to
22	demonstrate the applicant's knowledge of the provisions of
23	this Act relating to leasing agents and the applicant's
24	competence to engage in the activities of a licensed
25	leasing agent; . Applicants must successfully complete

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(5) provide satisfactory evidence of having completed 1 2 15 hours of instruction in an approved course of study relating to the leasing of residential real property. The 3 4 course of study shall, among other topics, cover the 5 provisions of this Act applicable to leasing agents; fair relating to residential 6 housing issues leasing; 7 advertising and marketing issues; leases, applications, 8 credit reports; owner-tenant relationships and and 9 owner-tenant laws; the handling of funds: and 10 environmental issues relating to residential real 11 property; -12 (6) complete any other requirements as set forth by 13 rule; and 14 (7) present a valid application for issuance of an initial license accompanied by a sponsor card and the fees 15 16 specified by rule. 17 (b) No applicant shall engage in any of the activities covered by this Act until a valid sponsor card has been issued 18 to such applicant. The sponsor card shall be valid for a 19 20 maximum period of 45 days after the date of issuance unless extended for good cause as provided by rule. 21 22 (c) Successfully completed course work, completed pursuant

to the requirements of this Section, may be applied to the course work requirements to obtain a real estate broker's or salesperson's license as provided by rule. The Advisory Council <u>may shall</u> recommend through the Board to <u>the Department</u> OBRE SB1894 Engrossed - 18 - LRB096 09530 ASK 19687 b

and <u>the Department may</u> OBRE shall adopt requirements for approved courses, course content, and the approval of courses, instructors, and schools, as well as school and instructor fees. <u>The Department</u> OBRE may establish continuing education requirements for licensed leasing agents, by rule, with the advice of the Advisory Council and Board.

7 (Source: P.A. 91-245, eff. 12-31-99.)

8 (225 ILCS 454/5-15)

9 (Section scheduled to be repealed on January 1, 2010)

Sec. 5-15. Necessity of <u>managing broker</u>, broker, salesperson, or leasing agent license or sponsor card; ownership restrictions.

(a) It is unlawful for any person, corporation, limited 13 14 liability company, registered limited liability partnership, 15 or partnership to act as a managing broker, real estate broker, 16 real estate salesperson, or leasing agent or to advertise or assume to act as such broker, salesperson, or leasing agent 17 18 without a properly issued sponsor card or a license issued 19 under this Act by the Department OBRE, either directly or 20 through its authorized designee.

(b) No corporation shall be granted a license or engage in the business or capacity, either directly or indirectly, of a real estate broker, unless every officer of the corporation who actively participates in the real estate activities of the corporation holds a license as a <u>managing broker or</u> <del>real estate</del> SB1894 Engrossed - 19 - LRB096 09530 ASK 19687 b

broker and unless every employee who acts as a salesperson, or
 leasing agent for the corporation holds a license as a real
 estate broker, salesperson, or leasing agent.

(c) No partnership shall be granted a license or engage in 4 5 the business or serve in the capacity, either directly or indirectly, of a real estate broker, unless every general 6 partner in the partnership holds a license as a managing broker 7 8 or real estate broker and unless every employee who acts as a 9 salesperson or leasing agent for the partnership holds a 10 license as a real estate broker, salesperson, or leasing agent. 11 In the case of a registered limited liability partnership 12 (LLP), every partner in the LLP must hold a license as a 13 managing broker or real estate broker and every employee who 14 acts as a salesperson or leasing agent must hold a license as a 15 real estate broker, salesperson, or leasing agent.

16 (d) No limited liability company shall be granted a license 17 or engage in the business or serve in the capacity, either directly or indirectly, of a real estate broker unless every 18 19 manager in the limited liability company or every member in a 20 member managed limited liability company holds a license as a 21 managing broker or real estate broker and unless every other 22 member and employee who acts as a salesperson or leasing agent 23 for the limited liability company holds a license as a real estate broker, salesperson, or leasing agent. 24

(e) No partnership, limited liability company, or
 corporation shall be licensed to conduct a brokerage business

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where an individual salesperson or leasing agent, or group of salespersons or leasing agents, owns or directly or indirectly controls more than 49% of the shares of stock or other ownership in the partnership, limited liability company, or corporation.

6 (Source: P.A. 91-245, eff. 12-31-99.)

7 (225 ILCS 454/5-20)

8 (Section scheduled to be repealed on January 1, 2010)

9 Sec. 5-20. Exemptions from broker, salesperson, or leasing 10 agent license requirement. The requirement for holding a 11 license under this Article 5 shall not apply to:

12 (1) Any person, partnership, or corporation that as owner 13 or lessor performs any of the acts described in the definition of "broker" under Section 1-10 of this Act with reference to 14 property owned or leased by it, or to the regular employees 15 16 thereof with respect to the property so owned or leased, where such acts are performed in the regular course of or as an 17 18 incident to the management, sale, or other disposition of such 19 property and the investment therein, provided that such regular 20 employees do not perform any of the acts described in the 21 definition of "broker" under Section 1-10 of this Act in 22 connection with a vocation of selling or leasing any real 23 estate or the improvements thereon not so owned or leased.

(2) An attorney in fact acting under a duly executed andrecorded power of attorney to convey real estate from the owner

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or lessor or the services rendered by an attorney at law in the
 performance of the attorney's duty as an attorney at law.

3 (3) Any person acting as receiver, trustee in bankruptcy, 4 administrator, executor, or guardian or while acting under a 5 court order or under the authority of a will or testamentary 6 trust.

7 (4) Any person acting as a resident manager for the owner 8 or any employee acting as the resident manager for a broker 9 managing an apartment building, duplex, or apartment complex, 10 when the resident manager resides on the premises, the premises 11 is his or her primary residence, and the resident manager is 12 engaged in the leasing of the property of which he or she is 13 the resident manager.

14 (5) Any officer or employee of a federal agency in the 15 conduct of official duties.

16 (6) Any officer or employee of the State government or any17 political subdivision thereof performing official duties.

Any multiple listing service or other 18 (7)similar 19 information exchange that is engaged in the collection and 20 dissemination of information concerning real estate available for sale, purchase, lease, or exchange for the purpose of 21 22 providing licensees with a system by which licensees may 23 cooperatively share information along with which no other licensed activities, as defined in Section 1-10 of this Act, 24 25 are provided.

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(8) Railroads and other public utilities regulated by the

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1 State of Illinois, or the officers or full time employees 2 thereof, unless the performance of any licensed activities is 3 in connection with the sale, purchase, lease, or other 4 disposition of real estate or investment therein not needing 5 the approval of the appropriate State regulatory authority.

6 (9) Any medium of advertising in the routine course of 7 selling or publishing advertising along with which no other 8 licensed activities, as defined in Section 1-10 of this Act, 9 are provided.

10 (10) Any resident lessee of a residential dwelling unit who 11 refers for compensation to the owner of the dwelling unit, or 12 to the owner's agent, prospective lessees of dwelling units in the same building or complex as the resident lessee's unit, but 13 only if the resident lessee (i) refers no more than 3 14 15 prospective lessees in any 12-month period, (ii) receives 16 compensation of no more than \$1,500 \$1,000 or the equivalent of 17 one month's rent, whichever is less, in any 12-month period, and (iii) limits his or her activities to referring prospective 18 19 lessees to the owner, or the owner's agent, and does not show a 20 residential dwelling unit to a prospective lessee, discuss terms or conditions of leasing a dwelling unit with a 21 22 prospective lessee, or otherwise participate in the 23 negotiation of the leasing of a dwelling unit.

(11) An exchange company registered under the Real Estate
 Timeshare Act of 1999 and the regular employees of that
 registered exchange company but only when conducting an

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1 exchange program as defined in that Act.

2 (12) An existing timeshare owner who, for compensation, 3 refers prospective purchasers, but only if the existing timeshare owner (i) refers no more than 20 prospective 4 5 purchasers in any calendar year, (ii) receives no more than 6 \$1,000, or its equivalent, for referrals in any calendar year 7 and (iii) limits his or her activities to referring prospective 8 purchasers of timeshare interests to the developer or the 9 developer's employees or agents, and does not show, discuss 10 terms or conditions of purchase or otherwise participate in 11 negotiations with regard to timeshare interests.

12 (13) Any person who is licensed without examination under 13 Section 10-25 (now repealed) of the Auction License Act is 14 exempt from holding a broker's or salesperson's license under 15 this Act for the limited purpose of selling or leasing real 16 estate at auction, so long as:

17 (A) that person has made application for said18 exemption by July 1, 2000;

(B) that person verifies to <u>the Department</u> OBRE
that he or she has sold real estate at auction for a
period of 5 years prior to licensure as an auctioneer;

(C) the person has had no lapse in his or herlicense as an auctioneer; and

(D) the license issued under the Auction License
Act has not been disciplined for violation of those
provisions of Article 20 of the Auction License Act

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dealing with or related to the sale or lease of real
 estate at auction.

3 (14) A hotel operator who is registered with the Illinois
4 Department of Revenue and pays taxes under the Hotel Operators'
5 Occupation Tax Act and rents a room or rooms in a hotel as
6 defined in the Hotel Operators' Occupation Tax Act for a period
7 of not more than 30 consecutive days and not more than 60 days
8 in a calendar year.

9 (Source: P.A. 91-245, eff. 12-31-99; 91-585, eff. 1-1-00; 10 91-603, eff. 1-1-00; 92-16, eff. 6-28-01; 92-217, eff. 8-2-01; 11 revised 10-24-08.)

12 (225 ILCS 454/5-25)

13 (Section scheduled to be repealed on January 1, 2010)

Sec. 5-25. <u>Good moral character.</u> Application for and issuance of broker or salesperson license.

16 (a) Every person who desires to obtain a license shall make application to OBRE in writing upon forms prepared 17 and 18 furnished by OBRE. In addition to any other information required to be contained in the application, every application 19 20 for an original or renewed license shall include the 21 applicant's Social Security number. Each applicant shall be at 22 least 21 years of age, be of good moral character, and have successfully completed a 4-year course of study in a high 23 24 school or secondary school approved by the Illinois State Board 25 of Education or an equivalent course of study as determined by

an examination conducted by the Illinois State Board of 1 2 Education and shall be verified under oath by the applicant. The minimum age of 21 years shall be waived for any person 3 seeking a license as a real estate salesperson who has attained 4 5 the age of 18 and can provide evidence of the successful 6 completion of at least 4 semesters of post secondary school 7 as a full time student or the equivalent, with study major emphasis on real estate courses, in a school approved by OBRE. 8

9 (b) When an applicant has had his or her license revoked on 10 a prior occasion or when an applicant is found to have 11 committed any of the practices enumerated in Section 20-20 of 12 this Act or when an applicant has been convicted of or enters a plea of guilty or nolo contendere to forgery, embezzlement, 13 14 obtaining money under false pretenses, larceny, extortion, 15 conspiracy to defraud, or any other similar offense or offenses 16 or has been convicted of a felony involving moral turpitude in 17 any court of competent jurisdiction in this or any other state, district, or territory of the United States or of a foreign 18 19 country, the Board may consider the prior revocation, conduct, or conviction in its determination of the applicant's moral 20 character and whether to grant the applicant a license. In its 21 22 consideration of the prior revocation, conduct, or conviction, 23 the Board shall take into account the nature of the conduct, 24 any aggravating or extenuating circumstances, the time elapsed 25 revocation, conduct, or conviction, since the the 26 rehabilitation or restitution performed by the applicant, and

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1 any other factors that the Board deems relevant. When an 2 applicant has made a false statement of material fact on his or 3 her application, the false statement may in itself be 4 sufficient grounds to revoke or refuse to issue a license.

5 (c) Every valid application for issuance of an initial 6 license shall be accompanied by a sponsor card and the fees 7 specified by rule.

8 (d) No applicant shall engage in any of the activities 9 covered by this Act until a valid sponsor card has been issued 10 to such applicant. The sponsor card shall be valid for a 11 maximum period of 45 days from the date of issuance unless 12 extended for good cause as provided by rule.

13 (c) OBRE shall issue to each applicant entitled thereto license in such form and size as shall be prescribed by OBRE. 14 The procedure for terminating a license shall be printed on the 15 16 reverse side of the license. Each license shall bear the name 17 of the person so qualified, shall specify whether the person is qualified to act in a broker or salesperson capacity, and shall 18 contain such other information as shall be recommended by the 19 Board and approved by OBRE. Each person licensed under this Act 20 shall display his or her license conspicuously in his or her 21 22 place of business.

23 (Source: P.A. 91-245, eff. 12-31-99.)

24 (225 ILCS 454/5-26 new)

25 Sec. 5-26. Requirements for license as a salesperson.

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(a) Every applicant for licensure as a salesperson must 1 meet the following qualifications: 2 3 (1) Be at least 21 years of age. The minimum age of 21 years shall be waived for any person seeking a license as a 4 5 real estate salesperson who has attained the age of 18 and can provide evidence of the successful completion of at 6 least 4 semesters of post-secondary school study as a 7 8 full-time student or the equivalent, with major emphasis on real estate courses, in a school approved by the 9 10 Department; 11 (2) Be of good moral character; 12 (3) Successfully complete a 4-year course of study in a high school or secondary school approved by the Illinois 13 14 State Board of Education or an equivalent course of study as determined by an examination conducted by the Illinois 15 16 State Board of Education, which shall be verified under 17 oath by the applicant; (4) Provide satisfactory evidence of having completed 18 19 at least 45 hours of instruction in real estate courses approved by the Advisory Council, except applicants who are 20 21 currently admitted to practice law by the Supreme Court of 22 Illinois and are currently in active standing; 23 (5) Shall personally take and pass a written 24 examination authorized by the Department; and 25 (6) Present a valid application for issuance of a 26 license accompanied by a sponsor card and the fees

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1 specified by rule. (b) No applicant shall engage in any of the activities 2 3 covered by this Act until a valid sponsor card has been issued 4 to the applicant. The sponsor card shall be valid for a maximum period of 45 days after the date of issuance unless extended 5 for good cause as provided by rule. 6 7 (c) All licenses should be readily available to the public 8 at their sponsoring place of business. 9 (d) No new salesperson licenses shall be issued after April 10 30, 2011 and all existing salesperson licenses shall terminate 11 on May 1, 2012. 12 (225 ILCS 454/5-27 new) Sec. 5-27. Requirements for licensure as a broker. 13 (a) Every applicant for licensure as a broker must meet the 14 15 following qualifications:

16	(1) Be at least 21 years of age. After April 30, 2011,
17	the minimum age of 21 years shall be waived for any person
18	seeking a license as a broker who has attained the age of
19	18 and can provide evidence of the successful completion of
20	at least 4 semesters of post-secondary school study as a
21	full-time student or the equivalent, with major emphasis on
22	real estate courses, in a school approved by the
23	Department;
24	(2) Be of good moral character;
25	(3) Successfully complete a 4-year course of study in a

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high school or secondary school approved by the Illinois 1 2 State Board of Education or an equivalent course of study 3 as determined by an examination conducted by the Illinois State Board of Education which shall be verified under oath 4 5 by the applicant; (4) Prior to May 1, 2011, provide (i) satisfactory 6 7 evidence of having completed at least 120 classroom hours, 8 45 of which shall be those hours required to obtain a 9 salesperson's license plus 15 hours in brokerage 10 administration courses, in real estate courses approved by 11 the Advisory Council or (ii) for applicants who currently 12 hold a valid real estate salesperson's license, give satisfactory evidence of having completed at least 75 hours 13 14 in real estate courses, not including the courses that are 15 required to obtain a salesperson's license, approved by the 16 Advisory Council; (5) After April 30, 2011, provide satisfactory 17 evidence of having completed 90 hours of instruction in 18 19 real estate courses approved by the Advisory Council, 15 20 hours of which must consist of situational and case studies 21 presented in the classroom or by other interactive delivery 22 method presenting instruction and real time discussion 23 between the instructor and the students;

24 (6) Personally take and pass a written examination
 25 <u>authorized by the Department;</u>
 26 (7) Present a valid application for issuance of a

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1 license accompanied by a sponsor card and the fees 2 specified by rule. 3 (b) The requirements specified in items (4) and (5) of subsection (a) of this Section do not apply to applicants who 4 5 are currently admitted to practice law by the Supreme Court of Illinois and are currently in active standing. 6 7 (c) No applicant shall engage in any of the activities 8 covered by this Act until a valid sponsor card has been issued 9 to such applicant. The sponsor card shall be valid for a 10 maximum period of 45 days after the date of issuance unless 11 extended for good cause as provided by rule. 12 (d) All licenses should be readily available to the public at their place of business. 13

14 (225 ILCS 454/5-28 new)
 15 <u>Sec. 5-28. Requirements for licensure as a managing broker.</u>

16 (a) Effective May 1, 2012, every applicant for licensure as

17 <u>a managing broker must meet the following qualifications:</u>

18 (1) be at least 21 years of age;

19 (2) be of good moral character;

20 (3) have been licensed at least 2 out of the preceding
21 3 years as a real estate broker or salesperson;

(4) successfully complete a 4-year course of study in
 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

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State Board of Education, which shall be verified under oath by the applicant;

3 (5) provide satisfactory evidence of having completed at least 165 hours, 120 of which shall be those hours 4 5 required pre and post-licensure to obtain a broker's license, and 45 additional hours completed within the year 6 7 immediately preceding the filing of an application for a managing broker's license, which hours shall focus on 8 9 brokerage administration and management and include at 10 least 15 hours in the classroom or by other interactive 11 delivery method presenting instructional and real time 12 discussion between the instructor and the students;

13 (6) personally take and pass a written examination
 14 authorized by the Department; and

15 (7) present a valid application for issuance of a
 16 license accompanied by a sponsor card, an appointment as a
 17 managing broker, and the fees specified by rule.

18 (b) The requirements specified in item (5) of subsection 19 (a) of this Section do not apply to applicants who are 20 currently admitted to practice law by the Supreme Court of 21 Illinois and are currently in active standing.

(c) No applicant shall act as a managing broker for more than 90 days after an appointment as a managing broker has been filed with the Department without obtaining a managing broker's license. SB1894 Engrossed - 32 - LRB096 09530 ASK 19687 b

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(225 ILCS 454/5-35)

(Section scheduled to be repealed on January 1, 2010)

3 Sec. 5-35. Examination; <u>managing</u> broker, broker, or
4 salesperson, or leasing agent.

5 (a) The Department shall authorize Every person who makes application for an original license as a broker or salesperson 6 7 shall personally take and pass a written examination authorized by OBRE and answer any questions that may be required 8 9 determine the good moral character of the applicant and the 10 applicant's competency to transact the business of broker or 11 salesperson, as the case may be, in such a manner as to 12 safeguard the interests of the public. In determining this competency, OBRE shall require proof that the applicant has a 13 good understanding and the knowledge to conduct real estate 14 brokerage and of the provisions of this Act. The examination 15 16 shall be prepared by an independent testing service designated 17 by OBRE, subject to the approval of the examinations by the Board. The designated independent testing service shall 18 conduct the examinations at such times and places as it may 19 20 designate. The examination shall be of a character to give a fair test of the qualifications of the applicant to practice as 21 22 a managing broker, broker, salesperson, or leasing agent. Applicants for examination as a managing broker, broker, 23 salesperson, or leasing agent shall be required to pay, either 24 25 to the Department or the designated testing service, a fee covering the cost of providing the examination. Failure to 26

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appear for the examination on the scheduled date, at the time 1 2 and place specified, after the applicant's application for 3 examination has been received and acknowledged by the Department or the designated testing service, shall result in 4 the forfeiture of the examination fee. OBRE shall approve. In 5 addition, every person who desires to take the written 6 7 examination shall make application to do so to OBRE or to the 8 designated independent testing service in writing upon forms 9 approved by OBRE. An applicant shall be eligible to take the 10 examination only after successfully completing the education 11 requirements, set forth in Section 5-30 of this Act, and 12 attaining the minimum age provided for specified in Article 5 13 of this Act. Each applicant shall be required to establish compliance with the eligibility requirements in the manner 14 provided by the rules promulgated for the administration of 15 16 this Act.

(b) If a person who has received a passing score on the written examination described in this Section fails to file an application and meet all requirements for a license under this Act within one year after receiving a passing score on the examination, credit for the examination shall terminate. The person thereafter may make a new application for examination.

(c) If an applicant has failed an examination 4 + 3 times, the applicant must repeat the pre-license education required to sit for the examination. For the purposes of this Section, the <u>fifth</u> fourth attempt shall be the same as the first. Approved SB1894 Engrossed - 34 - LRB096 09530 ASK 19687 b

education, as prescribed by this Act for licensure as a salesperson or broker, shall be valid for  $\underline{4} \rightarrow \underline{3}$  years after the date of satisfactory completion of the education.

4 (d) The Department may employ consultants for the purposes
5 of preparing and conducting examinations.

6 (Source: P.A. 91-245, eff. 12-31-99.)

7 (225 ILCS 454/5-40)

(Section scheduled to be repealed on January 1, 2010)

9 Sec. 5-40. Sponsor card; termination indicated by license
10 endorsement; association with new broker.

11 (a) The sponsoring broker shall prepare upon forms provided 12 by the Department OBRE and deliver to each licensee employed by or associated with the sponsoring broker a sponsor card 13 14 certifying that the person whose name appears thereon is in 15 fact employed by or associated with the sponsoring broker. The 16 sponsoring broker shall send, by certified mail, return receipt requested, or other delivery service requiring a signature upon 17 18 delivery, a duplicate of each sponsor card, along with a valid license or other authorization as provided by rule and the 19 20 appropriate fee, to the Department OBRE within 24 hours of 21 issuance of the sponsor card. It is a violation of this Act for 22 any broker to issue a sponsor card to any licensee or applicant unless the licensee or applicant presents in hand a valid 23 24 license or other authorization as provided by rule.

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(b) When a licensee terminates his or her employment or

association with a sponsoring broker or the employment is 1 terminated by the sponsoring broker, the licensee shall obtain 2 from the sponsoring broker his or her license endorsed by the 3 sponsoring broker indicating the termination. The sponsoring 4 5 broker shall surrender to the Department OBRE a copy of the 6 license of the licensee within 2 days of the termination or 7 shall notify the Department OBRE in writing of the termination 8 and explain why a copy of the license is not surrendered. 9 Failure of the sponsoring broker to surrender the license shall 10 subject the sponsoring broker to discipline under Section 20-20 11 of this Act. The license of any licensee whose association with 12 a sponsoring broker is terminated shall automatically become 13 inoperative immediately upon the termination unless the 14 licensee accepts employment or becomes associated with a new 15 sponsoring broker pursuant to subsection (c) of this Section.

16 (c) When a licensee accepts employment or association with 17 a new sponsoring broker, the new sponsoring broker shall send to the Department, by certified mail, return receipt requested, 18 19 or other delivery service requiring a signature upon delivery, 20 to OBRE a duplicate sponsor card, along with the licensee's endorsed license or an affidavit of the licensee of why the 21 endorsed license is not surrendered, and shall pay the 22 23 appropriate fee prescribed by rule to cover administrative expenses attendant to the changes in the registration of the 24 25 licensee.

26 (Source: P.A. 91-245, eff. 12-31-99.)

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1	(225 ILCS 454/5-41 new)
2	Sec. 5-41. Change of address. A licensee shall notify the
3	Department of the address or addresses, and of every change of
4	address, where the licensee practices as a leasing agent,
5	salesperson, broker or managing broker.

6 (225 ILCS 454/5-45)

7 (Section scheduled to be repealed on January 1, 2010)

8 Sec. 5-45. Offices.

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

(b) The sponsoring broker shall name a managing broker for 18 each branch office and the sponsoring broker shall 19 be 20 responsible for supervising all managing brokers. The 21 sponsoring broker shall notify the Department OBRE in writing of the name of all managing brokers of the sponsoring broker 22 23 and the office or offices they manage. Any person initially 24 named as a managing broker after April 30, 2011 must either (i)

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1 be licensed as a managing broker or (ii) meet all the 2 requirements to be licensed as a managing broker except the 3 required education and examination and secure the managing broker's license within 90 days of being named as a managing 4 5 broker. Any changes in managing brokers shall be reported to the Department OBRE in writing within 15 days of the change. 6 Failure to do so shall subject the sponsoring broker to 7 discipline under Section 20-20 of this Act. 8

9 (c) The sponsoring broker shall immediately notify <u>the</u> 10 <u>Department</u> OBRE in writing of any opening, closing, or change 11 in location of any principal or branch office.

12 (d) Except as provided in this Section, each sponsoring 13 broker shall maintain a definite office, or place of business within this State for the transaction of real estate business, 14 shall conspicuously display an identification sign on the 15 16 outside of his or her office of adequate size and visibility  $\overline{r}$ 17 and shall conspicuously display his or her license in his or her office or place of business and also the licenses of all 18 19 persons associated with or employed by the sponsoring broker 20 who primarily work at that location. The office or place of business shall not be located in any retail or financial 21 22 business establishment unless it is separated from the other 23 business by a separate and distinct area within the establishment. A broker who is licensed in this State by 24 25 examination or pursuant to the provisions of Section 5-60 of 26 this Act shall not be required to maintain a definite office or SB1894 Engrossed - 38 - LRB096 09530 ASK 19687 b

1 place of business in this State provided all of the following 2 conditions are met:

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

5 (2) the broker maintains an office in the broker's 6 state of domicile; and

7 (3) the broker has filed with the Department OBRE 8 written statements appointing the Secretary Commissioner 9 to act as the broker's agent upon whom all judicial and 10 other process or legal notices directed to the licensee may 11 be served and agreeing to abide by all of the provisions of 12 this Act with respect to his or her real estate activities within the State of Illinois and submitting to 13 the 14 jurisdiction of the Department OBRE.

15 The statements under subdivision (3) of this Section shall 16 be in form and substance the same as those statements required 17 under Section 5-60 of this Act and shall operate to the same 18 extent.

19 (e) Upon the loss of a managing broker who is not replaced by the sponsoring broker or in the event of the death or 20 21 adjudicated disability of the sole proprietor of an office, a 22 written request for authorization allowing the continued 23 operation of the office may be submitted to the Department OBRE 24 within 15 days of the loss. The Department OBRE may issue a 25 written authorization allowing the continued operation, 26 provided that a licensed broker, or in the case of the death or SB1894 Engrossed - 39 - LRB096 09530 ASK 19687 b

disability of a 1 adjudicated sole proprietor, the 2 representative of the estate, assumes responsibility, in 3 writing, for the operation of the office and agrees to 4 personally supervise the operation of the office. No such 5 written authorization shall be valid for more than 60 days 6 unless extended by the Department OBRE for good cause shown and upon written request by the broker or representative. 7

8 (Source: P.A. 91-245, eff. 12-31-99.)

9 (225 ILCS 454/5-46 new) 10 Sec. 5-46. Transition from salesperson's license to 11 broker's license. 12 (a) No new salesperson licenses shall be issued by the Department after April 30, 2011 and existing salesperson 13 licenses shall end as of 11:59 p.m. on April 30, 2012. The 14 15 following transition rules shall apply to individuals holding a 16 salesperson's license as of April 30, 2011 and seeking to obtain a broker's license: 17 (1) provide evidence of having completed 30 hours of 18

18(1) provide evidence of having completed so hours of19post-license education in courses approved by the Advisory20Council and having passed a written examination approved by21the Department and administered by a licensed pre-license22school; or

23 (2) provide evidence of passing a Department-approved
 24 proficiency examination administered by a licensed
 25 pre-license school, which proficiency examination may only

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be taken one time by any one individual salesperson; and 1 2 (3) present a valid application for a broker's license 3 no later than April 30, 2012 accompanied by a sponsor card and the fees specified by rule. 4 5 (b) The education requirements specified in clause (1) of subsection (a) of this Section do not apply to applicants who 6 7 are currently admitted to practice law by the Supreme Court of 8 Illinois and are currently in active standing. 9 (c) No applicant may engage in any of the activities 10 covered by this Act until a valid sponsor card has been issued 11 to such applicant. The sponsor card shall be valid for a 12 maximum period of 45 days after the date of issuance unless extended for good cause as provided by rule. 13 14 (225 ILCS 454/5-47 new) 15 Sec. 5-47. Transition to managing broker's license. 16 (a) A new license for managing brokers is created effective May 1, 2011. The following transition rules shall apply for 17 18 those brokers listed as managing brokers with the Department as of April 30, 2011. Those individuals licensed as brokers and 19 20 listed as managing brokers with the Department as of April 30, 21 2011 must meet the following qualifications to obtain a

22 <u>managing broker's license:</u>

## 23 (1) provide evidence of having completed the 45 hours 24 of broker management education approved by the Advisory 25 Council and having passed a written examination approved by

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the Department and administered by a licensed pre-license 1 2 school; or 3 (2) provide evidence of passing a Department-approved proficiency examination administered by a licensed 4 5 pre-license school, which proficiency examination may only be taken one time by any one individual broker; and 6 (3) present a valid application for a managing broker's 7 license no later than April 30, 2012 accompanied by a 8 9 sponsor card and the fees specified by rule. 10 (b) The education requirements specified in item (1) of 11 subsection (a) of this Section do not apply to applicants who 12 are currently admitted to practice law by the Supreme Court of

13 Illinois and are currently in active standing.

14 (225 ILCS 454/5-50)

15

(Section scheduled to be repealed on January 1, 2010)

Sec. 5-50. Expiration date and renewal period of managing broker, broker, salesperson, 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 that the
first renewal period ending after the effective date of this
Act for those licensed as a salesperson shall be extended
through April 30, 2012. Except as otherwise provided in this
Section 5-55 of this Act, the holder of a license may renew the
license within 90 days preceding the expiration date thereof by

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completing the continuing education required by this Act and 1 2 paying the fees specified by rule. Upon written request from the sponsoring broker, OBRE shall prepare and mail to 3 the sponsoring broker a listing of licensees under this Act 4 5 according to the records of OBRE, are sponsored by that broker. Every licensee associated with or employed by a broker whose 6 7 license is revoked, suspended, terminated, or expired shall be considered as inoperative until such time as the sponsoring 8 9 broker's license is reinstated or renewed, or the licensee 10 changes employment as set forth in subsection (c) of Section 11 5-40 of this Act.

12 (b) An individual whose first license is that of a broker received after April 30, 2011, must provide evidence of having 13 completed 30 hours of post-license education in courses 14 approved by the Advisory Council, 15 hours of which must 15 16 consist of situational and case studies presented in the 17 classroom or by other interactive delivery method presenting instruction and real time discussion between the instructor and 18 the students, and personally take and pass an examination 19 20 approved by the Department prior to the first renewal of their 21 broker's license. OBRE shall establish and maintain a register 22 of all persons currently licensed by the State and shall issue 23 and prescribe a form of pocket card. Upon payment by a licensee of the appropriate fee as prescribed by rule for engagement in 24 the activity for which the licensee is qualified and holds a 25 26 license for the current period, OBRE shall issue a pocket card

to the licensee. The pocket card shall be verification that the 1 2 required fee for the current period has been paid and shall indicate that the person named thereon is licensed for the 3 current renewal period as a broker, salesperson, or leasing 4 agent as the case may be. The pocket card shall further 5 indicate that the person named thereon is authorized by OBRE to 6 engage in the licensed activity appropriate for his or 7 8 status (broker, salesperson, or leasing agent). Each licensee 9 shall carry on his or her person his or her pocket card or, if 10 such pocket card has not yet been issued, a properly 11 sponsor card when engaging in any licensed activity and shall 12 display the same on demand.

13 (c) Any managing broker, broker, salesperson or leasing agent whose license under this Act has expired shall be 14 eligible to renew the license during the 2-year period 15 16 following the expiration date, provided the managing broker, 17 broker, salesperson or leasing agent pays the fees as prescribed by rule and completes continuing education and other 18 requirements provided for by the Act or by rule. A managing 19 20 broker, broker, salesperson or leasing agent whose license has been expired for more than 2 years shall be required to meet 21 22 the requirements for a new license. Any person licensed as a 23 broker shall be entitled at any renewal date to change his her license status from broker to salesperson. 24

25 <u>(d) Notwithstanding any other provisions of this Act to the</u> 26 <u>contrary, any managing broker, broker, salesperson or leasing</u> SB1894 Engrossed - 44 - LRB096 09530 ASK 19687 b

agent whose license expired while he or she was (i) on active 1 2 duty with the Armed Forces of the United States or called into 3 service or training by the state militia, (ii) engaged in training or education under the supervision of the United 4 5 States preliminary to induction into military service, or (iii) serving as the Coordinator of Real Estate in the State of 6 7 Illinois or as an employee of the Department may have his or 8 her license renewed, reinstated or restored without paying any 9 lapsed renewal fees if within 2 years after the termination of 10 the service, training or education by furnishing the Department 11 with satisfactory evidence of service, training, or education 12 and it has been terminated under honorable conditions.

(e) The Department shall establish and maintain a register 13 14 of all persons currently licensed by the State and shall issue 15 and prescribe a form of pocket card. Upon payment by a licensee 16 of the appropriate fee as prescribed by rule for engagement in 17 the activity for which the licensee is gualified and holds a license for the current period, the Department shall issue a 18 19 pocket card to the licensee. The pocket card shall be 20 verification that the required fee for the current period has 21 been paid and shall indicate that the person named thereon is 22 licensed for the current renewal period as a managing broker, 23 broker, salesperson, or leasing agent as the case may be. The 24 pocket card shall further indicate that the person named 25 thereon is authorized by the Department to engage in the 26 licensed activity appropriate for his or her status (managing SB1894 Engrossed - 45 - LRB096 09530 ASK 19687 b

broker, broker, salesperson, or leasing agent). Each licensee 1 2 shall carry on his or her person his or her pocket card or, if 3 such pocket card has not yet been issued, a properly issued sponsor card when engaging in any licensed activity and shall 4 5 display the same on demand. (f) The Department shall provide to the sponsoring broker a 6 7 notice of renewal for all sponsored licensees by mailing the 8 notice to the sponsoring broker's address of record, or, at the 9 Department's discretion, by an electronic means as provided for 10 by rule. 11 (g) Upon request from the sponsoring broker, the Department 12 shall make available to the sponsoring broker, either by mail or by an electronic means at the discretion of the Department, 13 14 a listing of licensees under this Act who, according to the records of the Department, are sponsored by that broker. Every 15 16 licensee associated with or employed by a broker whose license 17 is revoked, suspended, terminated, or expired shall be considered as inoperative until such time as the sponsoring 18 19 broker's license is reinstated or renewed, or the licensee 20 changes employment as set forth in subsection (c) of Section 21 5-40 of this Act. (Source: P.A. 93-957, eff. 8-19-04.) 22

23 (225 ILCS 454/5-60)

24 (Section scheduled to be repealed on January 1, 2010)

25 Sec. 5-60. <u>Managing broker</u> Broker licensed in another

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state; <u>broker licensed in another state;</u> nonresident
 salesperson <u>licensed in another state</u>; reciprocal agreements;
 agent for service of process.

4 (a) Effective May 1, 2011, a managing broker's license may
5 be issued by the Department to a managing broker or its
6 equivalent licensed under the laws of another state of the
7 United States, under the following conditions:

8 <u>(1) the managing broker holds a managing broker's</u> 9 <u>license in a state that has entered into a reciprocal</u> 10 <u>agreement with the Department;</u>

11 (2) the standards for that state for licensing as a 12 managing broker are substantially equal to or greater than 13 the minimum standards in the State of Illinois;

14 <u>(3) the managing broker has been actively practicing as</u> 15 <u>a managing broker in the managing broker's state of</u> 16 <u>licensure for a period of not less than 2 years</u>, 17 <u>immediately prior to the date of application;</u>

18 <u>(4) the managing broker furnishes the Department with a</u> 19 statement under seal of the proper licensing authority of 20 the state in which the managing broker is licensed showing 21 that the managing broker has an active managing broker's 22 license, that the managing broker is in good standing, and 23 that no complaints are pending against the managing broker 24 in that state; 25 (5) the managing broker is in good standing.

25 (5) the managing broker passes a test on Illinois
 26 <u>specific real estate brokerage laws; and</u>

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1 (6) the managing broker was licensed by an examination 2 in the state that has entered into a reciprocal agreement 3 with the Department.

4 <u>(b)</u> A broker's license may be issued by <u>the Department</u> OBRE 5 to a broker <u>or its equivalent</u> licensed under the laws of 6 another state of the United States, under the following 7 conditions:

8 (1) the broker holds a broker's license in <u>a state that</u> 9 <u>has entered into a reciprocal agreement with the Department</u> 10 <u>his or her state of domicile</u>;

(2) the standards for that state for licensing as a broker are substantially equivalent to or greater than the minimum standards in the State of Illinois;

14 (3) <u>if the application is made prior to May 1, 2012,</u> 15 <u>then</u> the broker has been actively practicing as a broker in 16 the broker's state of <u>licensure</u> <del>domicile</del> for a period of 17 not less than 2 years, immediately prior to the date of 18 application;

(4) the broker furnishes <u>the Department</u> OBRE with a statement under seal of the proper licensing authority of the state in which the broker is licensed showing that the broker has an active broker's license, that the broker is in good standing, and that no complaints are pending against the broker in that state;

(5) the broker completes a course of education and
 passes a test on Illinois specific real estate brokerage

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1 laws; and

2 (6) <u>the broker was licensed by an examination in a</u>
3 <u>state that has entered into</u> <del>OBRE has</del> a reciprocal agreement
4 with <u>the Department</u> <del>that state that includes the provisions</del>
5 <del>of this Section</del>.

(c) (b) Prior to May 1, 2011, a salesperson A nonresident 6 salesperson employed by or associated with a nonresident broker 7 8 holding a broker's license in this State pursuant this to 9 Section may, in the discretion of the Department OBRE, be 10 issued а <del>nonresident</del> salesperson's license <del>under the</del> 11 nonresident broker provided all of the following conditions are 12 met:

(1) the salesperson maintains an active license in the
state that has entered into a reciprocal agreement with the
<u>Department</u> in which he or she is domiciled;

16 (2) the salesperson passes a test on Illinois specific
 17 real estate brokerage laws; and is domiciled in the same
 18 state as the broker with whom he or she is associated;

(3) the salesperson <u>was licensed by an examination in</u>
the state that has entered into a reciprocal agreement with
the Department. completes a course of education and passes
a test on Illinois specific real estate brokerage laws; and
(4) OBRE has a reciprocal agreement with that state
that includes the provisions of this Section.

The nonresident broker with whom the salesperson is associated shall comply with the provisions of this Act and SB1894 Engrossed - 49 - LRB096 09530 ASK 19687 b

issue the salesperson a sponsor card upon the form provided by
 the Department OBRE.

(d) (c) As a condition precedent to the issuance of a 3 license managing broker, nonresident broker, or 4 to а 5 salesperson pursuant to this Section, the managing broker or 6 salesperson shall agree in writing to abide by all the 7 provisions of this Act with respect to his or her real estate activities within the State of Illinois and submit to the 8 9 jurisdiction of the Department OBRE as provided in this Act. 10 The agreement shall be filed with the Department OBRE and shall 11 remain in force for so long as the managing broker, nonresident 12 broker or salesperson is licensed by this State and thereafter 13 with respect to acts or omissions committed while licensed as a 14 broker or salesperson in this State.

15 (e) (d) Prior to the issuance of any license to any managing broker, broker, or salesperson licensed pursuant to 16 17 this Section nonresident, verification of active licensure issued for the conduct of such business in any other state must 18 19 be filed with the Department OBRE by the managing broker, 20 broker, or salesperson nonresident, and the same fees must be paid as provided in this Act for the obtaining of a managing 21 22 broker's, broker's or salesperson's license in this State.

23 (f) (e) Licenses previously granted under reciprocal 24 agreements with other states shall remain in force so long as 25 <u>the Department</u> OBRE has a reciprocal agreement with the state 26 that includes the requirements of this Section, unless that SB1894 Engrossed - 50 - LRB096 09530 ASK 19687 b

license is suspended, revoked, or terminated by <u>the Department</u> OBRE for any reason provided for suspension, revocation, or termination of a resident licensee's license. Licenses granted under reciprocal agreements may be renewed in the same manner as a resident's license.

(q) (f) Prior to the issuance of a license to a nonresident 6 7 managing broker, broker or salesperson, the managing broker, 8 broker or salesperson shall file with the Department OBRE a 9 in writing that appoints the designation Secretary 10 Commissioner to act as his or her agent upon whom all judicial 11 and other process or legal notices directed to the managing 12 broker, broker or salesperson may be served. Service upon the 13 agent so designated shall be equivalent to personal service 14 upon the licensee. Copies of the appointment, certified by the 15 Secretary Commissioner, shall be deemed sufficient evidence 16 thereof and shall be admitted in evidence with the same force 17 and effect as the original thereof might be admitted. In the 18 written designation, the managing broker, broker or 19 salesperson shall agree that any lawful process against the 20 licensee that is served upon the agent shall be of the same legal force and validity as if served upon the licensee and 21 22 that the authority shall continue in force so long as any 23 liability remains outstanding in this State. Upon the receipt 24 of any process or notice, the Secretary Commissioner shall forthwith mail a copy of the same by certified mail to the last 25 known business address of the licensee. 26

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(h) (q) Any person holding a valid license under this 1 Section shall be eligible to obtain a resident managing 2 3 broker's license, a broker's license, or, prior to May 1, 2011, a salesperson's license without examination should that person 4 5 change their state of domicile to Illinois and that person 6 otherwise meets the qualifications for <del>or</del> licensure under this 7 Act. (Source: P.A. 91-245, eff. 12-31-99; 91-702, eff. 5-12-00.) 8 9 (225 ILCS 454/5-65) 10 (Section scheduled to be repealed on January 1, 2010) 11 Sec. 5-65. Fees. The Department OBRE shall provide by rule 12 for fees to be paid by applicants and licensees to cover the reasonable costs of the Department OBRE in administering and 13 enforcing the provisions of this Act. The Department OBRE may 14 15 also provide by rule for general fees to cover the reasonable 16 expenses of carrying out other functions and responsibilities under this Act. 17 (Source: P.A. 91-245, eff. 12-31-99.) 18 19 (225 ILCS 454/5-70) 20 (Section scheduled to be repealed on January 1, 2010) 21 Sec. 5-70. Continuing education requirement; managing 22 broker, broker, or salesperson. 23 (a) The requirements of this Section apply to all managing

24 brokers, brokers, and salespersons licensees.

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(b) Except as otherwise provided in this Section, each 1 2 person who applies for renewal of his or her license as a managing broker, real estate broker, or real estate salesperson 3 4 must successfully complete 6 hours of real estate continuing 5 education courses approved by the Advisory Council for each 6 year of the pre-renewal period. Broker licensees must successfully complete a 6-hour broker management continuing 7 education course approved by the Department for the pre-renewal 8 9 period ending April 30, 2010 at the rate of 6 hours per year or 10 its equivalent. In addition, beginning with the pre-renewal 11 period for managing broker licensees that begins after the 12 effective date of this Act, those licensees renewing or obtaining a managing amendatory Act of the 93rd 13 General Assembly, to renew a real estate broker's license, the licensee 14 15 must successfully complete a 12-hour 6-hour broker management 16 continuing education course approved by Department each 17 pre-renewal period. The broker management continuing education course must be completed in the classroom or by other 18 19 interactive delivery method presenting instruction and real 20 time discussion between the instructor and the students OBRE. Successful completion of the course shall include achieving a 21 22 passing score as provided by rule on a test developed and 23 administered in accordance with rules adopted by the Department OBRE. Beginning on the first day of the pre-renewal period for 24 25 broker licensees that begins after the effective date of this 26 amendatory Act of the 93rd General Assembly, the 6 hour broker

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management continuing education course must be completed by all 1 2 persons receiving their initial broker's license within 180 days after the date of initial licensure as a broker. No 3 license may be renewed except upon the successful completion of 4 5 the required courses or their equivalent or upon a waiver of 6 those requirements for good cause shown as determined by the 7 Secretary Commissioner with the recommendation of the Advisory Council. The requirements of this Article are applicable to all 8 9 managing brokers, brokers, and salespersons except those 10 brokers and salespersons who, during the pre-renewal period: 11 (1) serve in the armed services of the United States; 12 (2) serve as an elected State or federal official; 13 (3) serve as a full-time employee of the Department OBRE; or 14 15 (4) are admitted to practice law pursuant to Illinois 16 Supreme Court rule. 17 (c) A person licensed as a salesperson as of April 30, 2011 who is issued an initial license as a real estate salesperson 18 19 less than one year prior to the expiration date of that license 20 shall not be required to complete the 18 hours of continuing education for the pre-renewal period ending April 30, 2012 if 21 22 that person takes the 30-hour post-licensing course to obtain a 23 broker's license. A person licensed as a broker as of April 30, 24 2011 shall not be required to complete the 12 hours of broker 25 management continuing education for the pre-renewal period ending April 30, 2012, unless that person passes the 26

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proficiency exam provided for in Section 5-47 of this Act to 1 2 qualify for a managing broker's license continuing education as a condition of license renewal. A person who is issued an 3 initial license as a real estate broker less than one year 4 5 prior to the expiration date of that license and who has not 6 been licensed as a real estate salesperson during the 7 pre renewal period shall not be required to complete continuing education as a condition of license renewal. 8

9 <u>(d)</u> A person receiving an initial license as a real estate 10 broker during the 90 days before the broker renewal date shall 11 not be required to complete the broker management continuing 12 education <u>courses</u> <del>course</del> provided for in subsection (b) of this 13 Section as a condition of initial license renewal.

14 The continuing education requirement for (e) <del>(d)</del> 15 salespersons, brokers and managing brokers shall consist of a 16 core curriculum and an elective curriculum, to be established 17 by the Advisory Council. In meeting the continuing education requirements of this Act, at least 3 hours per year or their 18 equivalent, 6 hours for each two-year pre-renewal period, shall 19 20 be required to be completed in the core curriculum. In establishing the core curriculum, the Advisory Council shall 21 22 consider subjects that will educate licensees on recent changes 23 in applicable laws and new laws and refresh the licensee on 24 areas of the license law and the Department OBRE policy that the Advisory Council deems appropriate, and any other areas 25 26 that the Advisory Council deems timely and applicable in order

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to prevent violations of this Act and to protect the public. In establishing the elective curriculum, the 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.

7 <u>(f)</u> <del>(e)</del> The subject areas of continuing education courses 8 approved by the Advisory Council may include without limitation 9 the following:

- (1) license law and escrow;
- 11 (2) antitrust;
- 12 (3) fair housing;
- 13 (4) agency;

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- 14 (5) appraisal;
- 15 (6) property management;
- 16 (7) residential brokerage;
- 17 (8) farm property management;
- 18 (9) rights and duties of sellers, buyers, and brokers;
- 19 (10) commercial brokerage and leasing; and
- 20 (11) real estate financing.

21 (g) (f) In lieu of credit for those courses listed in 22 subsection (f) (e) of this Section, credit may be earned for 23 serving as a licensed instructor in an approved course of 24 continuing education. The amount of credit earned for teaching 25 a course shall be the amount of continuing education credit for 26 which the course is approved for licensees taking the course. SB1894 Engrossed - 56 - LRB096 09530 ASK 19687 b

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

3 <u>(i)</u> (h) A broker or salesperson may earn credit for a 4 specific continuing education course only once during the 5 prerenewal period.

6 (j) (i) No more than 6 hours of continuing education credit
7 may be <u>taken or</u> earned in one calendar day.

8 (k) (i) To promote the offering of a uniform and consistent 9 course content, the <u>Department</u> OBRE may provide for the 10 development of a single broker management course to be offered 11 by all continuing education providers who choose to offer the 12 broker management continuing education course. The Department 13 OBRE may contract for the development of the 6-hour broker 14 management continuing education course with an outside vendor 15 or consultant and, if the course is developed in this manner, 16 the Department or the outside consultant OBRE shall license the 17 use of that course to all approved continuing education providers who wish to provide the course. 18

19 (1) Except as specifically provided in this Act, continuing 20 education credit hours may not be earned for completion of pre or post-license courses. The approved 30-hour post-license 21 22 course for broker licensees shall satisfy the continuing 23 education requirement for the pre-renewal period in which the course is taken. The approved 45-hour brokerage administration 24 25 and management course shall satisfy the 12-hour broker 26 management continuing education requirement for the

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1 pre-renewal period in which the course is taken.

2 (Source: P.A. 93-957, eff. 8-19-04.)

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(225 ILCS 454/5-80)

(Section scheduled to be repealed on January 1, 2010)

5 Sec. 5-80. Evidence of compliance with continuing 6 education requirements.

(a) Each renewal applicant shall certify, on his or her
renewal application, full compliance with continuing education
requirements set forth in Section 5-70. The continuing
education school shall retain and submit to <u>the Department</u> OBRE
after the completion of each course evidence of those
successfully completing the course as provided by rule.

(b) <u>The Department</u> OBRE may require additional evidence demonstrating compliance with the continuing education requirements. The renewal applicant shall retain and produce the evidence of compliance upon request of <u>the Department</u> OBRE. (Source: P.A. 91-245, eff. 12-31-99.)

18 (225 ILCS 454/5-85)

19 (Section scheduled to be repealed on January 1, 2010)

20 Sec. 5-85. Offerings not meeting continuing education 21 requirements. The following offerings do not meet the 22 continuing education requirements:

(1) Examination preparation offerings, except as
 provided in Section 5-70 of this Act.

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(2) Offerings in mechanical office and business skills
 such as typing, speed reading, memory improvement,
 advertising, or psychology of sales.

4 (3) Sales promotion or other meetings held in
5 conjunction with the general business of the attendee or
6 his or her employer.

7 (4) Meetings that are a normal part of in-house staff
8 or employee training.

9 The offerings listed in this Section do not limit the 10 Advisory Council's authority to disapprove any course that 11 fails to meet the standards of this Article 5 or rules adopted 12 by <u>the Department</u> OBRE.

13 (Source: P.A. 91-245, eff. 12-31-99.)

14 (225 ILCS 454/10-15)

15 (Section scheduled to be repealed on January 1, 2010)

Sec. 10-15. No compensation to persons in violation of Act;
compensation to unlicensed persons; consumer.

(a) No compensation may be paid to any unlicensed person in
exchange for the person performing licensed activities in
violation of this Act.

(b) No action or suit shall be instituted, nor recovery therein be had, in any court of this State by any person, partnership, registered limited liability partnership, limited liability company, or corporation for compensation for any act done or service performed, the doing or performing of which is SB1894 Engrossed - 59 - LRB096 09530 ASK 19687 b

prohibited by this Act to other than licensed managing brokers, 1 2 brokers, salespersons, or leasing agents unless the person, 3 partnership, registered limited liability partnership, limited liability company, or corporation was duly licensed hereunder 4 5 as a managing broker, broker, salesperson, or leasing agent 6 under this Act at the time that any such act was done or 7 service performed that would give rise to a cause of action for 8 compensation.

9 (c) A licensee may offer compensation, including prizes, 10 merchandise, services, rebates, discounts, or other 11 consideration to an unlicensed person who is a party to a 12 contract to buy or sell real estate or is a party to a contract 13 for the lease of real estate, so long as the offer complies 14 with the provisions of subdivision (35)  $\frac{(26)}{(26)}$  of subsection (a) 15 (h) of Section 20-20 of this Act.

16 (d) A licensee may offer cash, gifts, prizes, awards, 17 coupons, merchandise, rebates or chances to win a game of chance, if not prohibited by any other law or statute, to a 18 consumer as an inducement to that consumer to use the services 19 of the licensee even if the licensee and consumer do not 20 21 ultimately enter into a broker-client relationship so long as 22 the offer complies with the provisions of subdivision (35) (26)23 of subsection (a) (h) of Section 20-20 of this Act.

24 (Source: P.A. 91-245, eff. 12-31-99.)

25 (225 ILCS 454/10-30)

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1 2 (Section scheduled to be repealed on January 1, 2010) Sec. 10-30. Advertising.

3 (a) No advertising, whether in print, via the Internet, or through any other media, shall be fraudulent, deceptive, 4 5 inherently misleading, or proven to be misleading in practice. Advertising It shall be considered misleading or untruthful if, 6 7 when taken as a whole, there is a distinct and reasonable possibility that it will be misunderstood or will deceive the 8 9 ordinary purchaser, seller, lessee, lessor, or owner. 10 Advertising shall contain all information necessary to 11 communicate the information contained therein to the public in 12 an accurate, a direct, and readily comprehensible manner.

(b) No blind advertisements may be used by any licensee, in
any media, except as provided for in this Section.

(c) A licensee shall disclose, in writing, to all parties in a transaction his or her status as a licensee and any and all interest the licensee has or may have in the real estate constituting the subject matter thereof, directly or indirectly, according to the following guidelines:

(1) On broker yard signs or in broker advertisements,
no disclosure of ownership is necessary. However, the
ownership shall be indicated on any property data form and
disclosed to persons responding to any advertisement or any
sign. The term "broker owned" or "agent owned" is
sufficient disclosure.

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(2) A sponsored or inoperative licensee selling or

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leasing property, owned solely by the sponsored or 1 2 inoperative licensee, without utilizing brokerage services 3 of their sponsoring broker or any other licensee, may advertise "By Owner". For purposes of this 4 Section, 5 property is "solely owned" by a sponsored or inoperative licensee if he or she (i) has a 100% ownership interest 6 7 alone, (ii) has ownership as a joint tenant or tenant by the entirety, or (iii) holds a 100% beneficial interest in 8 9 a land trust. Sponsored or inoperative licensees selling or 10 leasing "By Owner" shall comply with the following if 11 advertising by owner:

12 (A) On "By Owner" yard signs, the sponsored or 13 inoperative licensee shall indicate "broker owned" or 14 "agent owned." "By Owner" advertisements used in any 15 medium of advertising shall include the term "broker 16 owned" or "agent owned."

(B) If a sponsored or inoperative licensee runs
advertisements, for the purpose of purchasing or
leasing real estate, he or she shall disclose in the
advertisements his or her status as a licensee.

(C) A sponsored or inoperative licensee shall not
use the sponsoring broker's name or the sponsoring
broker's company name in connection with the sale,
lease, or advertisement of the property nor utilize the
sponsoring broker's or company's name in connection
with the sale, lease, or advertising of the property in

a manner likely to create confusion among the public as
 to whether or not the services of a real estate company
 are being utilized or whether or not a real estate
 company has an ownership interest in the property.

5 (d) A sponsored licensee may not advertise under his or her 6 own name. Advertising <u>in any media</u> shall be under the direct 7 supervision of the sponsoring or managing broker and in the 8 sponsoring broker's business name, which in the case of a 9 franchise shall include the franchise affiliation as well as 10 the name of the individual firm. This provision does not apply 11 under the following circumstances:

(1) When a licensee enters into a brokerage agreement relating to his or her own real estate, or real estate in which he or she has an ownership interest, with another licensed broker; or

16 (2) When a licensee is selling or leasing his or her 17 own real estate or buying or leasing real estate for 18 himself or herself, after providing the appropriate 19 written disclosure of his or her ownership interest as 20 required in paragraph (2) of subsection (c) of this 21 Section.

(e) No licensee shall list his or her name under the heading or title "Real Estate" in the telephone directory or otherwise advertise in his or her own name to the general public through any medium of advertising as being in the real estate business without listing his or her sponsoring broker's SB1894 Engrossed - 63 - LRB096 09530 ASK 19687 b

1 business name.

2 (f) The sponsoring broker's business name and the name of 3 the licensee must appear in all advertisements, including 4 business cards. Nothing in this Act shall be construed to 5 require specific print size as between the broker's business 6 name and the name of the licensee.

7 <u>(q) Those individuals licensed as a managing broker and</u> 8 <u>designated with the Department as a managing broker by their</u> 9 <u>sponsoring broker shall identify themselves to the public in</u> 10 <u>advertising as a managing broker. No other individuals holding</u> 11 <u>a managing broker's license may hold themselves out to the</u> 12 <u>public or other licensees as a managing broker.</u>

13 (Source: P.A. 91-245, eff. 12-31-99.)

14 (225 ILCS 454/10-35 new)

15 Sec. 10-35. Internet and related advertising.

16 <u>(a) Licensees intending to sell or share consumer</u> 17 <u>information gathered from or through the Internet or other</u> 18 <u>electronic communication media shall disclose that intention</u> 19 <u>to consumers in a timely and readily apparent manner.</u>

20 (b) A licensee using Internet or other similar electronic
21 advertising media must not:

22 <u>(1) use a URL or domain name that is deceptive or</u> 23 <u>misleading;</u>

24 (2) deceptively or without authorization frame another
 25 real estate brokerage or multiple listing service website;

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1	or
2	(3) engage in the deceptive use of metatags, keywords
3	or other devices and methods to direct, drive or divert
4	Internet traffic or otherwise mislead consumers.
5	(225 ILCS 454/10-40 new)
6	Sec. 10-40. Company policy. Every brokerage company or
7	entity, other than a sole proprietorship with no other
8	sponsored licensees, shall adopt a company or office policy
9	dealing with topics such as:
10	(1) the agency policy of the entity;
11	(2) fair housing, nondiscrimination and harassment;
12	(3) confidentiality of client information;
13	(4) advertising;
14	(5) training and supervision of sponsored licensees;
15	(6) required disclosures and use of forms;
16	(7) handling of risk management matters; and
17	(8) handling of earnest money and escrows.
18	These topics are provided as an example and are not
19	intended to be inclusive or exclusive of other topics.
20	(225 ILCS 454/15-15)
21	(Section scheduled to be repealed on January 1, 2010)
22	Sec. 15-15. Duties of licensees representing clients.
23	(a) A licensee representing a client shall:
24	(1) Perform the terms of the brokerage agreement

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1 between a broker and the client.

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(2) Promote the best interest of the client by:

3 (A) Seeking a transaction at the price and terms 4 stated in the brokerage agreement or at a price and 5 terms otherwise acceptable to the client.

(B) Timely presenting all offers to and from the client, unless the client has waived this duty.

Disclosing to the client material facts 8 (C) 9 concerning the transaction of which the licensee has 10 actual knowledge, unless that information is 11 confidential information. Material facts do not 12 include the following when located on or related to real estate that is not the subject of the transaction: 13 14 (i) physical conditions that do not have a substantial 15 adverse effect on the value of the real estate, (ii) 16 fact situations, or (iii) occurrences.

17 (D) Timely accounting for all money and property
18 received in which the client has, may have, or should
19 have had an interest.

(E) Obeying specific directions of the client that
are not otherwise contrary to applicable statutes,
ordinances, or rules.

(F) Acting in a manner consistent with promoting
the client's best interests as opposed to a licensee's
or any other person's self-interest.

26 (3) Exercise reasonable skill and care in the

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1 performance of brokerage services.

2 (4) Keep confidential all confidential information
3 received from the client.

4 (5) Comply with all requirements of this Act and all
5 applicable statutes and regulations, including without
6 limitation fair housing and civil rights statutes.

7 (b) A licensee representing a client does not breach a duty 8 or obligation to the client by showing alternative properties 9 to prospective buyers or tenants, or by showing properties in 10 which the client is interested to other prospective buyers or 11 tenants, or by making or preparing contemporaneous offers or 12 contracts to purchase or lease the same property. However, a 13 licensee shall provide written disclosure to all clients for 14 whom the licensee is preparing or making contemporaneous offers or contracts to purchase or lease the same property and shall 15 16 refer to another designated agent any client that requests such 17 referral.

18 (c) A licensee representing a buyer or tenant client will 19 not be presumed to have breached a duty or obligation to that 20 client by working on the basis that the licensee will receive a 21 higher fee or compensation based on higher selling price or 22 lease cost.

(d) A licensee shall not be liable to a client for providing false information to the client if the false information was provided to the licensee by a customer unless the licensee knew or should have known the information was SB1894 Engrossed

1 false.

2 (e) Nothing in the Section shall be construed as changing a
3 licensee's duty under common law as to negligent or fraudulent
4 misrepresentation of material information.

5 (Source: P.A. 91-245, eff. 12-31-99.)

6 (225 ILCS 454/15-35)

7 (Section scheduled to be repealed on January 1, 2010)

8 Sec. 15-35. Agency relationship disclosure.

9 (a) A <u>licensee shall advise a</u> consumer <u>in writing</u> <del>shall be</del> 10 <del>advised</del> of the following no later than <u>beginning to work as a</u> 11 <u>designated agent on behalf of the consumer</u> <del>entering into a</del> 12 <del>brokerage agreement with the sponsoring broker</del>:

(1) That a designated agency relationship exists,
unless there is written agreement between the sponsoring
broker and the consumer providing for a different brokerage
relationship.

17 (2) The name or names of his or her designated agent or
18 agents. The written disclosure can be included in a
19 brokerage agreement or be a separate document, a copy of
20 which is retained by the sponsoring broker for the licensee
21 in writing.

22 <u>(b) (3)</u> The <u>licensee representing the consumer shall</u> 23 <u>discuss with the consumer the</u> sponsoring broker's 24 compensation and policy with regard to cooperating with 25 brokers who represent other parties in a transaction. SB1894 Engrossed - 68 - LRB096 09530 ASK 19687 b

(c) (b) A licensee shall disclose in writing to a customer 1 2 that the licensee is not acting as the agent of the customer at 3 time intended to prevent disclosure of confidential а information from a customer to a licensee, but in no event 4 5 later than the preparation of an offer to purchase or lease 6 real property. This subsection (b) does not apply 7 residential lease or rental transactions unless the lease 8 rental agreement includes an option to purchase real estate. 9 (Source: P.A. 91-245, eff. 12-31-99.) 10 (225 ILCS 454/15-45) 11 (Section scheduled to be repealed on January 1, 2010) 12 Sec. 15-45. Dual agency. (a) A licensee may act as a dual agent only with the 13 informed written consent of all clients. Informed written 14 15 consent shall be presumed to have been given by any client who 16 signs a document that includes the following: "The undersigned (insert name(s)), ("Licensee"), may 17 18 undertake a dual representation (represent both the seller 19 or landlord and the buyer or tenant) for the sale or lease 20 of property. The undersigned acknowledge they were 21 informed of the possibility of this type of representation. 22 Before signing this document please read the following: 23 Representing more than one party to a transaction presents

a conflict of interest since both clients may rely upon
 Licensee's advice and the client's respective interests

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may be adverse to each other. Licensee will undertake this 1 2 representation only with the written consent of ALL clients 3 in the transaction. Any agreement between the clients as to a final contract price and other terms is a result of 4 5 negotiations between the clients acting in their own best interests and on their own behalf. You acknowledge that 6 7 has explained the implications Licensee of dual 8 representation, including the risks involved, and 9 understand that you have been advised to seek independent advice from your advisors or attorneys before signing any 10 11 documents in this transaction. 12 WHAT A LICENSEE CAN DO FOR CLIENTS

WHEN ACTING AS A DUAL AGENT

14 1. Treat all clients honestly.

13

15 2. Provide information about the property to the buyer or16 tenant.

17 3. Disclose all latent material defects in the property18 that are known to the Licensee.

Disclose financial qualification of the buyer or tenant
 to the seller or landlord.

21 5. Explain real estate terms.

6. Help the buyer or tenant to arrange for propertyinspections.

24 7. Explain closing costs and procedures.

25 8. Help the buyer compare financing alternatives.

26 9. Provide information about comparable properties that

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have sold so both clients may make educated decisions on what price to accept or offer.

WHAT LICENSEE CANNOT DISCLOSE TO CLIENTS WHEN

3

4

ACTING AS A DUAL AGENT

5 1. Confidential information that Licensee may know about a6 client, without that client's permission.

7 2. The price <u>or terms</u> the seller or landlord will take
8 other than the listing price without permission of the
9 seller or landlord.

The price <u>or terms</u> the buyer or tenant is willing to pay
 without permission of the buyer or tenant.

4. A recommended or suggested price <u>or terms</u> the buyer or
tenant should offer.

14 5. A recommended or suggested price <u>or terms</u> the seller or
15 landlord should counter with or accept.

16 If either client is uncomfortable with this disclosure 17 and dual representation, please let Licensee know. You are not required to sign this document unless you want to allow 18 19 Licensee to proceed as a Dual Agent in this transaction. By 20 signing below, you acknowledge that you have read and 21 understand this form and voluntarily consent to Licensee 22 acting as a Dual Agent (that is, to represent BOTH the 23 seller or landlord and the buyer or tenant) should that 24 become necessary."

(b) The dual agency disclosure form provided for in
subsection (a) of this Section must be presented by a licensee,

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who offers dual representation, to the client at the time the brokerage agreement is entered into and may be signed by the client at that time or at any time before the licensee acts as a dual agent as to the client.

5 (c) A licensee acting in a dual agency capacity in a transaction must obtain a written confirmation from the 6 7 licensee's clients of their prior consent for the licensee to 8 act as a dual agent in the transaction. This confirmation 9 should be obtained at the time the clients are executing any 10 offer or contract to purchase or lease in a transaction in 11 which the licensee is acting as a dual agent. This confirmation 12 may be included in another document, such as a contract to purchase, in which case the client must not only sign the 13 document but also initial the confirmation of dual agency 14 15 provision. That confirmation must state, at a minimum, the 16 following:

17 "The undersigned confirm that they have previously 18 consented to (insert name(s)), ("Licensee"), acting as a 19 Dual Agent in providing brokerage services on their behalf 20 and specifically consent to Licensee acting as a Dual Agent 21 in regard to the transaction referred to in this document."

(d) No cause of action shall arise on behalf of any person against a dual agent for making disclosures allowed or required by this Article, and the dual agent does not terminate any agency relationship by making the allowed or required disclosures. SB1894 Engrossed - 72 - LRB096 09530 ASK 19687 b

1 (e) In the case of dual agency, each client and the 2 licensee possess only actual knowledge and information. There 3 shall be no imputation of knowledge or information among or 4 between clients, brokers, or their affiliated licensees.

5 (f) In any transaction, a licensee may without liability withdraw from representing a client who has not consented to a 6 disclosed dual agency. The withdrawal shall not prejudice the 7 ability of the licensee to continue to represent the other 8 9 client in the transaction or limit the licensee from 10 representing the client in other transactions. When а 11 withdrawal as contemplated in this subsection (f) occurs, the 12 licensee shall not receive a referral fee for referring a client to another licensee unless written disclosure is made to 13 14 both the withdrawing client and the client that continues to be 15 represented by the licensee.

16 (Source: P.A. 91-245, eff. 12-31-99.)

17 (225 ILCS 454/15-65)

18 (Section scheduled to be repealed on January 1, 2010)

19 Sec. 15-65. Regulatory enforcement. Nothing contained in 20 this Article limits <u>the Department</u> OBRE in its regulation of 21 licensees under other Articles of this Act and the substantive 22 rules adopted by <u>the Department</u> OBRE. <u>The Department</u> OBRE, with 23 the advice of the Board, is authorized to promulgate any rules 24 that may be necessary for the implementation and enforcement of 25 this Article 15. SB1894 Engrossed - 73 - LRB096 09530 ASK 19687 b

1 (Source: P.A. 91-245, eff. 12-31-99.)

2 (225 ILCS 454/20-5)

3 (Section scheduled to be repealed on January 1, 2010)

4 Sec. 20-5. Index of decisions. The Department OBRE shall 5 maintain an index of formal decisions regarding the issuance, refusal to issue, renewal, refusal to renew, revocation, and 6 suspension of licenses and probationary or other disciplinary 7 8 action taken under this Act on or after December 31, 1999. The 9 decisions shall be indexed according to the Sections of 10 statutes and the administrative rules, if any, that are the 11 basis for the decision. The index shall be available to the public during regular business hours. 12

13 (Source: P.A. 91-245, eff. 12-31-99.)

14 (225 ILCS 454/20-10)

15 (Section scheduled to be repealed on January 1, 2010)

16 Sec. 20-10. Unlicensed practice; civil penalty.

17 (a) Any person who practices, offers to practice, attempts 18 to practice, or holds oneself out to practice as a real estate broker, real estate salesperson, or leasing agent without being 19 20 licensed under this Act shall, in addition to any other penalty 21 provided by law, pay a civil penalty fine to the Department OBRE in an amount not to exceed \$25,000 for each offense as 22 23 determined by the Department OBRE. The civil penalty fine shall be assessed by the Department OBRE after a hearing is held in 24

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accordance with the provisions set forth in this Act regarding
 the provision of a hearing for the discipline of a license.

3 (b) <u>The Department</u> OBRE has the authority and power to
4 investigate any and all unlicensed activity.

5 (c) The civil <u>penalty</u> fine shall be paid within 60 days 6 after the effective date of the order imposing the civil 7 <u>penalty</u> fine. The order shall constitute a <u>judgment</u> <del>judgement</del> 8 and may be filed and execution had thereon in the same manner 9 from any court of record.

10 (Source: P.A. 91-245, eff. 12-31-99.)

11 (225 ILCS 454/20-20)

12 (Section scheduled to be repealed on January 1, 2010)

Sec. 20-20. <u>Grounds for discipline</u> <del>Disciplinary actions;</del> actions; 14 causes.

15 (a) The Department OBRE may refuse to issue or renew a 16 license, may place on probation, suspend, or revoke any license, or may censure, reprimand, or take any other 17 18 disciplinary or non-disciplinary action as the Department may 19 deem proper otherwise discipline or impose a civil fine not to 20 exceed \$25,000 upon any licensee under this Act or against a 21 licensee in handling his or her own property, whether held by 22 deed, option, or otherwise, hereunder for any one or any 23 combination of the following causes:

24 (1) Fraud or misrepresentation in applying for, or
 25 procuring, a license under this Act or in connection with

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applying for renewal of a license under this Act. (a) When the applicant or licensee has, by false or fraudulent representation, obtained or sought to obtain a license.

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(2) The conviction of, plea of guilty or plea of nolo 4 5 contendre to a felony or misdemeanor (b) When the applicant or licensee has been convicted of any crime, an essential 6 7 element of which is dishonesty or fraud or larceny, 8 embezzlement, or obtaining money, property, or credit by 9 false pretenses or by means of a confidence game, in has 10 been convicted in this or another state of a crime that is 11 a felony under the laws of this State, or any other 12 jurisdiction has been convicted of a felony in a federal 13 court.

14 Inability to practice the profession with (3) reasonable judgment, skill, or safety as a result of a 15 16 physical illness, including, but not limited to, 17 deterioration through the aging process or loss of motor skill, or a mental illness or disability (c) When the 18 19 applicant or licensee has been adjudged to be a person 20 under legal disability or subject to involuntary admission 21 or to meet the standard for judicial admission as provided 22 in the Mental Health and Developmental Disabilities Code.

23 (4) Practice under this Act as a (d) When the licensee
 24 performs or attempts to perform any act as a broker or
 25 salesperson in a retail sales establishment from an office,
 26 desk, or space that is not separated from the main retail

SB1894 Engrossed - 76 - LRB096 09530 ASK 19687 b business by a separate and distinct area within the establishment.

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3 (5) Disciplinary action of another state or jurisdiction against the license or other authorization to 4 5 practice as a managing broker, broker, salesperson, or <u>leasing agent</u> (e) <u>Discipline of a licensee by another</u> 6 7 state, the District of Columbia, a territory, a foreign 8 a governmental agency, or any other entity nation, 9 authorized to impose discipline if at least one of the 10 grounds for that discipline is the same as or the 11 equivalent of one of the grounds for discipline set forth in this Act. A certified copy of the record of the action 12 13 by the other state or jurisdiction shall be prima facie evidence thereof, in which case the only issue will be 14 15 whether one of the grounds for that discipline is the same 16 or equivalent to one of the grounds for discipline under 17 this Act.

18 (6) Engaging in the practice of (f) When the applicant 19 or licensee has engaged in real estate brokerage activity 20 without a license or after the licensee's license was 21 expired or while the license was inoperative.

(7) Cheating on or attempting (g) When the applicant or
 licensee attempts to subvert or cheat on the Real Estate
 License Exam or continuing education exam.

25 (8) Aiding or <u>abetting</u> aids and abets an applicant to
 26 subvert or cheat on the Real Estate License Exam or

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continuing education exam administered pursuant to this
 Act.

3 (9) Advertising that is inaccurate, misleading, or contrary to the provisions of the Act. (h) When the 4 5 licensee in performing, attempting to perform, or 6 pretending to perform any act as a broker, salesperson, or 7 leasing agent or when the licensee in handling his 8 own property, whether held by deed, option, or otherwise, 9 is found guilty of:

10 <u>(10)</u> <del>(1)</del> Making any substantial misrepresentation or 11 untruthful advertising.

12 (11) (2) Making any false promises of a character
 13 likely to influence, persuade, or induce.

<u>(12)</u> (3) Pursuing a continued and flagrant course of
 misrepresentation or the making of false promises through
 licensees, employees, agents, advertising, or otherwise.

17 <u>(13)</u> (4) Any misleading or untruthful advertising, or 18 using any trade name or insignia of membership in any real 19 estate organization of which the licensee is not a member.

20 <u>(14)</u> <del>(5)</del> Acting for more than one party in a 21 transaction without providing written notice to all 22 parties for whom the licensee acts.

23 (15) (6) Representing or attempting to represent a
 24 broker other than the sponsoring broker.

25 <u>(16)</u> <del>(7)</del> Failure to account for or to remit any moneys 26 or documents coming into his or her possession that belong SB1894 Engrossed - 78 - LRB096 09530 ASK 19687 b

1 to others.

2 (17) (8) Failure to maintain and deposit in a special 3 account, separate and apart from personal and other business accounts, all escrow moneys belonging to others 4 5 entrusted to a licensee while acting as a real estate 6 broker, escrow agent, or temporary custodian of the funds 7 of others or failure to maintain all escrow moneys on 8 in the account until the transactions deposit are 9 consummated or terminated, except to the extent that the moneys, or any part thereof, shall be: 10

11 disbursed prior to the consummation (A) or 12 termination (i) in accordance with the written 13 direction of the principals to the transaction or their 14 duly authorized agents, (ii) in accordance with 15 directions providing for the release, payment, or 16 distribution of escrow moneys contained in any written 17 contract signed by the principals to the transaction or their duly authorized agents, or (iii) pursuant to an 18 19 order of a court of competent jurisdiction; or

(B) deemed abandoned and transferred to the Office of the State Treasurer to be handled as unclaimed property pursuant to the Uniform Disposition of Unclaimed Property Act. Escrow moneys may be deemed abandoned under this subparagraph (B) only: (i) in the absence of disbursement under subparagraph (A); (ii) in the absence of notice of the filing of any claim in SB1894 Engrossed - 79 - LRB096 09530 ASK 19687 b

1 a court of competent jurisdiction; and (iii) if 6 2 months have elapsed after the receipt of a written 3 demand for the escrow moneys from one of the principals 4 to the transaction or the principal's duly authorized 5 agent.

6 The account shall be noninterest bearing, unless the 7 character of the deposit is such that payment of interest 8 thereon is otherwise required by law or unless the 9 principals to the transaction specifically require, in 10 writing, that the deposit be placed in an interest bearing 11 account.

12 <u>(18)</u> (9) Failure to make available to the <u>Department</u> 13 real estate enforcement personnel of OBRE during normal 14 <u>business hours</u> all escrow records and related documents 15 maintained in connection with the practice of real estate 16 within 24 hours of a request for those documents by 17 <u>Department</u> OBRE personnel.

18 (19) (10) Failing to furnish copies upon request of all
 19 documents relating to a real estate transaction to <u>a party</u>
 20 <u>who has executed that document</u> all parties executing them.

(20) (11) Failure of a sponsoring broker to timely
 provide information, sponsor cards, or termination of
 licenses to the Department OBRE.

24 (21) (12) Engaging in dishonorable, unethical, or
 25 unprofessional conduct of a character likely to deceive,
 26 defraud, or harm the public.

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(22) (13) Commingling the money or property of others
 with his or her own money or property.

3 <u>(23)</u> (14) Employing any person on a purely temporary or 4 single deal basis as a means of evading the law regarding 5 payment of commission to nonlicensees on some contemplated 6 transactions.

7 <u>(24)</u> (15) Permitting the use of his or her license as a 8 broker to enable a salesperson or unlicensed person to 9 operate a real estate business without actual 10 participation therein and control thereof by the broker.

11 (25) (16) Any other conduct, whether of the same or a 12 different character from that specified in this Section, 13 that constitutes dishonest dealing.

14 <u>(26)</u> (17) Displaying a "for rent" or "for sale" sign on 15 any property without the written consent of an owner or his 16 or her duly authorized agent or advertising by any means 17 that any property is for sale or for rent without the 18 written consent of the owner or his or her authorized 19 agent.

20 <u>(27)</u> (18) Failing to provide information requested by 21 <u>the Department, or otherwise respond to that request</u> OBRE, 22 within 30 days of the request, either as the result of a 23 formal or informal complaint to OBRE or as a result of a 24 random audit conducted by OBRE, which would indicate a 25 violation of this Act.

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(28) (19) Advertising by means of a blind

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advertisement, except as otherwise permitted in Section
 10-30 of this Act.

3 <u>(29)</u> <del>(20)</del> Offering guaranteed sales plans, as defined 4 in clause (A) of this subdivision <u>(29)</u> <del>(20)</del>, except to the 5 extent hereinafter set forth:

(A) A "guaranteed sales plan" is any real estate 6 7 purchase or sales plan whereby a licensee enters into a conditional or unconditional written contract with a 8 9 seller, prior to entering into a brokerage agreement 10 with the seller, by the terms of which a licensee 11 agrees to purchase a property of the seller within a 12 specified period of time at a specific price in the event the property is not sold in accordance with the 13 14 terms of a brokerage agreement to be entered into 15 listing contract between the sponsoring broker and the 16 seller or on other terms acceptable to the seller.

(B) A licensee offering a guaranteed sales plan
shall provide the details and conditions of the plan in
writing to the party to whom the plan is offered.

20 (C) A licensee offering a guaranteed sales plan 21 shall provide to the party to whom the plan is offered 22 evidence of sufficient financial resources to satisfy 23 the commitment to purchase undertaken by the broker in 24 the plan.

25 (D) Any licensee offering a guaranteed sales plan 26 shall undertake to market the property of the seller 1 2

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subject to the plan in the same manner in which the broker would market any other property, unless the agreement with the seller provides otherwise.

(E) <u>The licensee cannot purchase seller's property</u> <u>until the brokerage agreement has ended according to</u> <u>its terms or is otherwise terminated.</u>

7 <u>(F)</u> Any licensee who fails to perform on a 8 guaranteed sales plan in strict accordance with its 9 terms shall be subject to all the penalties provided in 10 this Act for violations thereof and, in addition, shall 11 be subject to a civil fine payable to the party injured 12 by the default in an amount of up to \$25,000.

13 (30) (21) Influencing or attempting to influence, by 14 any words or acts, a prospective seller, purchaser, 15 occupant, landlord, or tenant of real estate, in connection 16 with viewing, buying, or leasing real estate, so as to 17 promote or tend to promote the continuance or maintenance of racially and religiously segregated housing or so as to 18 19 retard, obstruct, or discourage racially integrated housing on or in any street, block, neighborhood, or 20 21 community.

22 <u>(31)</u> (22) Engaging in any act that constitutes a 23 violation of any provision of Article 3 of the Illinois 24 Human Rights Act, whether or not a complaint has been filed 25 with or adjudicated by the Human Rights Commission.

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(32) (23) Inducing any party to a contract of sale or

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lease or brokerage agreement to break the contract of sale
 or lease or brokerage agreement for the purpose of
 substituting, in lieu thereof, a new contract for sale or
 lease or brokerage agreement with a third party.

5 <u>(33)</u> (24) Negotiating a sale, exchange, or lease of 6 real estate directly with any person if the licensee knows 7 that the person has <u>an</u> <del>a</del> written exclusive brokerage 8 agreement with another broker, unless specifically 9 authorized by that broker.

10 <u>(34)</u> (25) When a licensee is also an attorney, acting 11 as the attorney for either the buyer or the seller in the 12 same transaction in which the licensee is acting or has 13 acted as a broker or salesperson.

14 (35) (26) Advertising or offering merchandise or 15 services as free if any conditions or obligations necessary 16 for receiving the merchandise or services are not disclosed 17 in the same advertisement or offer. These conditions or obligations include without limitation the requirement 18 19 that the recipient attend a promotional activity or visit a 20 real estate site. As used in this subdivision (35)  $\frac{(26)}{}$ , "free" includes terms such as "award", "prize", "no 21 22 charge", "free of charge", "without charge", and similar 23 words or phrases that reasonably lead a person to believe 24 that he or she may receive or has been selected to receive 25 something of value, without any conditions or obligations 26 on the part of the recipient.

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1 <u>(36)</u> (27) Disregarding or violating any provision of 2 the Land Sales Registration Act of 1989, the Illinois Real 3 Estate Time-Share Act, or the published rules promulgated 4 by <u>the Department</u> OBRE to enforce those Acts.

5 <u>(37)</u> <del>(28)</del> Violating the terms of a disciplinary order 6 issued by <u>the Department</u> <del>OBRE</del>.

7 (38) (29) Paying or failing to disclose compensation in
8 violation of Article 10 of this Act.

9 <u>(39)</u> (30) Requiring a party to a transaction who is not 10 a client of the licensee to allow the licensee to retain a 11 portion of the escrow moneys for payment of the licensee's 12 commission or expenses as a condition for release of the 13 escrow moneys to that party.

14 (40) (31) Disregarding or violating any provision of 15 this Act or the published rules promulgated by the 16 Department OBRE to enforce this Act or aiding or abetting 17 any individual, partnership, registered limited liability partnership, limited liability company, or corporation in 18 19 disregarding any provision of this Act or the published 20 rules promulgated by the Department OBRE to enforce this 21 Act.

(41) (32) Failing to provide the minimum services
 required by Section 15-75 of this Act when acting under an
 exclusive brokerage agreement.

25 <u>(42) Habitual or excessive use or addiction to alcohol,</u>
 26 <u>narcotics, stimulants, or any other chemical agent or drug</u>

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1 <u>that results in a managing broker, broker, salesperson, or</u> 2 <u>leasing agent's inability to practice with reasonable</u> 3 skill or safety.

4 The Department may refuse to issue or renew or may (b) 5 suspend the license of any person who fails to file a return, pay the tax, penalty or interest shown in a filed return, or 6 pay any final assessment of tax, penalty, or interest, as 7 required by any tax Act administered by the Department of 8 9 Revenue, until such time as the requirements of that tax Act 10 are satisfied in accordance with subsection (q) of Section 11 2105-15 of the Civil Administrative Code of Illinois.

12 (c) The Department shall deny a license or renewal 13 authorized by this Act to a person who has defaulted on an 14 educational loan or scholarship provided or guaranteed by the 15 Illinois Student Assistance Commission or any governmental 16 agency of this State in accordance with item (5) of subsection 17 (g) of Section 2105-15 of the Civil Administrative Code of 18 Illinois.

19 (d) In cases where the Department of Healthcare and Family Services (formerly Department of Public Aid) has previously 20 21 determined that a licensee or a potential licensee is more than 22 30 days delinguent in the payment of child support and has 23 subsequently certified the delinquency to the Department may 24 refuse to issue or renew or may revoke or suspend that person's 25 license or may take other disciplinary action against that 26 person based solely upon the certification of delinquency made

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by the Department of Healthcare and Family Services in 1 2 accordance with item (5) of subsection (q) of Section 2105-15 3 of the Civil Administrative Code of Illinois. 4 (e) In enforcing this Section, the Department or Board upon 5 a showing of a possible violation may compel an individual licensed to practice under this Act, or who has applied for 6 licensure under this Act, to submit to a mental or physical 7 8 examination, or both, as required by and at the expense of the 9 Department. The Department or Board may order the examining 10 physician to present testimony concerning the mental or 11 physical examination of the licensee or applicant. No 12 information shall be excluded by reason of any common law or statutory privilege relating to communications between the 13 14 licensee or applicant and the examining physician. The examining physicians shall be specifically designated by the 15 16 Board or Department. The individual to be examined may have, at 17 his or her own expense, another physician of his or her choice present during all aspects of this examination. Failure of an 18 19 individual to submit to a mental or physical examination, when 20 directed, shall be grounds for suspension of his or her license until the individual submits to the examination if the 21 22 Department finds, after notice and hearing, that the refusal to 23 submit to the examination was without reasonable cause. 24 If the Department or Board finds an individual unable to

25 practice because of the reasons set forth in this Section, the 26 Department or Board may require that individual to submit to SB1894 Engrossed - 87 - LRB096 09530 ASK 19687 b

1	care, counseling, or treatment by physicians approved or
2	designated by the Department or Board, as a condition, term, or
3	restriction for continued, reinstated, or renewed licensure to
4	practice; or, in lieu of care, counseling, or treatment, the
5	Department may file, or the Board may recommend to the
6	Department to file, a complaint to immediately suspend, revoke,
7	or otherwise discipline the license of the individual. An
8	individual whose license was granted, continued, reinstated,
9	renewed, disciplined or supervised subject to such terms,
10	conditions, or restrictions, and who fails to comply with such
11	terms, conditions, or restrictions, shall be referred to the
12	Secretary for a determination as to whether the individual
13	shall have his or her license suspended immediately, pending a
14	hearing by the Department.
15	In instances in which the Secretary immediately suspends a

16 person's license under this Section, a hearing on that person's 17 license must be convened by the Department within 30 days after 18 the suspension and completed without appreciable delay. The Department and Board shall have the authority to review the 19 subject individual's record of treatment and counseling 20 21 regarding the impairment to the extent permitted by applicable 22 federal statutes and regulations safeguarding the 23 confidentiality of medical records.

An individual licensed under this Act and affected under this Section shall be afforded an opportunity to demonstrate to the Department or Board that he or she can resume practice in SB1894 Engrossed - 88 - LRB096 09530 ASK 19687 b

1	compliance with acceptable and prevailing standards under the
2	provisions of his or her license.
3	(Source: P.A. 95-851, eff. 1-1-09.)
4	(225 ILCS 454/20-21 new)
5	Sec. 20-21. Injunctions; cease and desist order.
6	(a) If any person violates the provisions of this Act, the
7	Secretary may, in the name of the People of the State of
8	Illinois, through the Attorney General of the State of Illinois
9	or the State's Attorney for any county in which the action is
10	brought, petition for an order enjoining the violation or for
11	an order enforcing compliance with this Act. Upon the filing of
12	a verified petition in court, the court may issue a temporary
13	restraining order, without notice or condition, and may
14	preliminarily and permanently enjoin the violation. If it is
15	established that the person has violated or is violating the
16	injunction, the Court may punish the offender for contempt of
17	court. Proceedings under this Section shall be in addition to,
18	and not in lieu of, all other remedies and penalties provided
19	by this Act.
20	(b) Whenever in the opinion of the Department a person
21	violates a provision of this Act, the Department may issue a
22	ruling to show cause why an order to cease and desist should
23	not be entered against that person. The rule shall clearly set
24	forth the grounds relied upon by the Department and shall allow
25	at least 7 days from the date of the rule to file an answer to

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1 the satisfaction of the Department. Failure to answer to the 2 satisfaction of the Department shall cause an order to cease 3 and desist to be issued immediately.

4 (c) Other than as provided in Section 5-20 of this Act, if 5 any person practices as a real estate broker, real estate salesperson or leasing agent or holds himself or herself out as 6 7 a licensed sponsoring broker, managing broker, real estate 8 broker, real estate salesperson or leasing agent under this Act 9 without being issued a valid existing license by the 10 Department, then any licensed sponsoring broker, managing 11 broker, real estate broker, real estate salesperson, leasing 12 agent, any interested party, or any person injured thereby may, in addition to the Secretary, petition for relief as provided 13 14 in subsection (a) of this Section.

15 (225 ILCS 454/20-22 new)

16 Sec. 20-22. Violations. Any person who is found working or acting as a managing broker, real estate broker, real estate 17 18 salesperson, or leasing agent or holding himself or herself out as a licensed sponsoring broker, managing broker, real estate 19 20 broker, real estate salesperson, or leasing agent without being 21 issued a valid existing license is guilty of a Class A 22 misdemeanor and on conviction of a second or subsequent offense 23 the violator shall be guilty of a Class 4 felony.

24 (225 ILCS 454/20-25)

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(Section scheduled to be repealed on January 1, 2010) 2 Sec. 20-25. Returned checks; fees. Any person who delivers 3 a check or other payment to the Department OBRE that is returned to the Department OBRE unpaid by the financial 4 5 institution upon which it is drawn shall pay to the Department OBRE, in addition to the amount already owed to the Department 6 OBRE, a fee of \$50. The Department OBRE shall notify the person 7 8 that payment of fees and fines shall be paid to the Department 9 OBRE by certified check or money order within 30 calendar days 10 of the notification. If, after the expiration of 30 days from 11 the date of the notification, the person has failed to submit 12 the Department the necessary remittance, OBRE shall automatically terminate the license or deny the application, 13 14 without hearing. If, after termination or denial, the person 15 seeks a license, he or she shall apply to the Department OBRE 16 for restoration or issuance of the license and pay all fees and 17 fines due to the Department OBRE. The Department OBRE may establish a fee for the processing of an application for 18 19 restoration of a license to pay all expenses of processing this 20 application. The Secretary Commissioner may waive the fees due under this Section in individual cases where the Secretary 21 22 Commissioner finds that the fees would be unreasonable or 23 unnecessarily burdensome.

(Source: P.A. 91-245, eff. 12-31-99; 92-146, eff. 1-1-02.) 24

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(225 ILCS 454/20-50)

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1 2 3 (Section scheduled to be repealed on January 1, 2010)

Sec. 20-50. Illegal discrimination. When there has been an adjudication in a civil or criminal proceeding that a licensee has illegally discriminated while engaged in any activity for 4 5 which a license is required under this Act, the Department OBRE, upon the recommendation of the Board as to the extent of 6 7 the suspension or revocation, shall suspend or revoke the 8 license of that licensee in a timely manner, unless the 9 adjudication is in the appeal process. When there has been an 10 order in an administrative proceeding finding that a licensee 11 has illegally discriminated while engaged in any activity for 12 which a license is required under this Act, the Department OBRE, upon recommendation of the Board as to the nature and 13 14 extent of the discipline, shall take one or more of the 15 disciplinary actions provided for in Section 20-20 of this Act 16 in a timely manner, unless the administrative order is in the 17 appeal process.

(Source: P.A. 91-245, eff. 12-31-99.) 18

19 (225 ILCS 454/20-55)

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(Section scheduled to be repealed on January 1, 2010)

21 Sec. 20-55. Illinois Administrative Procedure Act. The 22 Illinois Administrative Procedure Act is hereby expressly adopted and incorporated herein as if all of the provisions of 23 24 that Act were included in this Act, except that the provision Section 10-65 of 25 of subsection (d) of the Illinois SB1894 Engrossed - 92 - LRB096 09530 ASK 19687 b

Administrative Procedure Act that provides that at hearings the 1 2 licensee has the right to show compliance with all lawful requirements for retention, continuation, or renewal of the 3 4 license is specifically excluded. For the purposes of this Act, 5 the notice required under the Illinois Administrative 6 Procedure Act is deemed sufficient when mailed to the last 7 known address of record a party.

8 (Source: P.A. 91-245, eff. 12-31-99.)

9 (225 ILCS 454/20-60)

10 (Section scheduled to be repealed on January 1, 2010)

11 Sec. 20-60. Investigations Hearing; investigation; notice 12 and hearing; disciplinary consent order. The Department may investigate the actions of any applicant or of any person or 13 persons rendering or offering to render services or any person 14 15 holding or claiming to hold a license under this Act. The 16 Department shall, before revoking, (a) OBRE may conduct hearings through the Board or a duly appointed hearing officer 17 18 on proceedings to suspend, revoke, or to refuse to issue or 19 renew licenses of persons applying for licensure or licensed 20 under this Act or to censure, reprimand, or impose a civil fine 21 not to exceed \$25,000 upon any licensee hereunder and may 22 revoke, suspend, or refuse to issue or renew these licenses censure, reprimand, or impose a civil fine not to exceed 23 24 \$25,000 upon any licensee hereunder. (b) Upon the motion of 25 either OBRE or the Board or upon the verified complaint

writing of any persons setting forth facts that if proven would 1 2 constitute grounds for suspension or revocation under this Act, OBRE, the Board, or its subcommittee shall cause to be 3 investigated the actions of any person so accused who holds a 4 5 license or is holding himself or herself out to be a licensee. This person is hereinafter called the accused. (c) Prior to 6 7 initiating any formal disciplinary proceedings resulting from an investigation conducted pursuant to subsection (b) of this 8 9 Section, that matter shall be reviewed by a subcommittee of the 10 Board according to procedures established by rule. The 11 subcommittee shall make a recommendation to the full Board as 12 to the validity of the complaint and may recommend that the Board not proceed with formal disciplinary proceedings if 13 the complaint is determined to be frivolous or without merit. (d) 14 Except as provided for in Section 20-65 of this Act, OBRE 15 16 shall, before suspending, revoking, placing on probation, 17 reprimanding <del>probationary status</del>, or taking any other disciplinary action under Article 20 of this Act, at least 30 18 days before the date set for the hearing, (i) as OBRE may deem 19 proper with regard to any license: (1) notify the accused in 20 21 writing of the at least 30 days prior to the date set for the 22 hearing of any charges made and the time and place for the 23 hearing on of the charges, (ii) direct him or her to file a written answer to the charges with to be heard before the Board 24 25 under oath within 20 days after the service on him or her of the notice, and (iii); and (2) inform the accused that if he or 26

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1 she fails to answer upon failure to file an answer and request 2 a hearing before the date originally set for the hearing, default will be taken against him or her or that the accused 3 and his or her license may be suspended, revoked, or placed on 4 5 probationary status, or other disciplinary action taken with regard to the license, including limiting the scope, nature, or 6 7 extent of his or her practice, as the Department may consider proper. At the time and place fixed in the notice, the Board 8 9 shall proceed to hear the charges and the parties or their 10 counsel shall be accorded ample opportunity to present any 11 pertinent statements, testimony, evidence, and arguments. The 12 Board may continue the hearing from time to time. In case the person, after receiving the the accused's practice, as OBRE may 13 14 deem proper, may be taken with regard thereto. In ease the 15 person fails to file an answer after receiving notice, fails to 16 file an answer, his or her license may, in the discretion of 17 the Department <del>OBRE</del>, be suspended, revoked, <del>or</del> placed on probationary status, or the Department OBRE may take whatever 18 disciplinary action considered deemed proper, including 19 20 limiting the scope, nature, or extent of the person's practice or the imposition of a fine, without a hearing, if the act or 21 22 acts charged constitute sufficient grounds for that such action 23 under this Act. The written notice may be served by personal 24 delivery or by certified mail to the address specified by the 25 accused in his or her last notification with the Department. 26 (e) At the time and place fixed in the notice, the Board

shall proceed to hearing of the charges and both the accused 1 2 person and the complainant shall be accorded ample opportunity to present in person or by counsel such statements, testimony, 3 evidence and argument as may be pertinent to the charges or to 4 5 any defense thereto. The Board or its hearing officer may continue a hearing date upon its own motion or upon an 6 7 accused's motion for one period not to exceed 30 days. The Board or its hearing officer may grant further continuances for 8 9 periods not to exceed 30 days only upon good cause being shown 10 by the moving party. The non moving party shall have the 11 opportunity to object to a continuance on the record at a 12 hearing upon the motion to continue. All motions for continuances and any denial or grant thereof shall be 13 writing. All motions shall be submitted not later than 48 hours 14 before the scheduled hearing unless made upon an emergency 15 16 basis. In determining whether good cause for a continuance is shown, the Board or its hearing officer shall consider such 17 factors as the volume of cases pending, the nature 18 and complexity of legal issues raised, the diligence of the party 19 20 making the request, the availability of party's legal representative or witnesses, and the number of previous 21 22 requests for continuance.

23 (f) Any unlawful act or violation of any of the provisions 24 of this Act upon the part of any licensees employed by a real 25 estate broker or associated by written agreement with the real 26 estate broker, or unlicensed employee of a licensed broker, 1 shall not be cause for the revocation of the license of any 2 such broker, partial or otherwise, unless it appears to the 3 satisfaction of OBRE that the broker had knowledge thereof.

4 (g) OBRE or the Board has power to subpoena any persons or documents for the purpose of investigation or hearing with the 5 same fees and mileage and in the same manner as prescribed by 6 law for judicial procedure in civil cases in courts of this 7 State. The Commissioner, the Director, any member of the Board, 8 9 a certified court reporter, or a hearing officer shall each 10 have power to administer oaths to witnesses at any hearing which OBRE is authorized under this Act to conduct. 11

12 (h) Any circuit court or any judge thereof, upon the application of the accused person, complainant, OBRE, 13 or the Board, may, by order entered, require the attendance of 14 witnesses and the production of relevant books and papers 15 16 before the Board in any hearing relative to the application for 17 or refusal, recall, suspension, or revocation of a license, and the court or judge may compel obedience to the court's or the 18 19 judge's order by proceedings for contempt.

20 (i) OBRE, at its expense, shall preserve a record of all 21 proceedings at the formal hearing of any case involving the 22 refusal to issue or the revocation, suspension, or other 23 discipline of a licensee. The notice of hearing, complaint and 24 all other documents in the nature of pleadings and written 25 motions filed in the proceedings, the transcript of testimony, 26 the report of the Board, and the orders of OBRE shall be the record of the proceeding. At all hearings or pre-hearing
conferences, OBRE and the accused shall be entitled to have a
court reporter in attendance for purposes of transcribing the
proceeding or pre-hearing conference at the expense of the
party requesting the court reporter's attendance. A copy of the
transcribed proceeding shall be available to the other party
for the cost of a copy of the transcript.

(j) The Board shall present to the Commissioner its written 8 9 report of its findings and recommendations. A copy of the 10 report shall be served upon the accused, either personally or by certified mail as provided in this Act for the service of 11 12 the citation. Within 20 days after the service, the accused may present to the Commissioner a motion in writing for a rehearing 13 that shall specify the particular grounds therefor. If the 14 15 accused shall order and pay for a transcript of the record as 16 provided in this Act, the time elapsing thereafter and before 17 the transcript is ready for delivery to the accused shall not be counted as part of the 20 days. Whenever the Commissioner is 18 satisfied that substantial justice has not been done, the 19 Commissioner may order a rehearing by the Board or other 20 special committee appointed by the Commissioner or may remand 21 22 the matter to the Board for their reconsideration of the matter based on the pleadings and evidence presented to the Board. In 23 all instances, under this Act, in which the Board has rendered 24 a recommendation to the Commissioner with respect to a 25 26 particular licensee or applicant, the Commissioner shall, in

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the event that he or she disagrees with or takes action 1 contrary to the recommendation of the Board, file with the 2 Board and the Secretary of State his specific written reasons 3 of disagreement with the Board. The reasons shall be filed 4 within 60 days of the Board's recommendation to the 5 Commissioner and prior to any contrary action. At the 6 7 expiration of the time specified for filing a motion for a rehearing, the Commissioner shall have the right to take the 8 action recommended by the Board. Upon the suspension or 9 10 revocation of a license, the licensee shall be required to 11 surrender his or her license to OBRE, and upon failure or 12 refusal to do so, OBRE shall have the right to seize the license. 13

14 (k) At any time after the suspension, temporary suspension, 15 or revocation of any license, OBRE may restore it to the 16 accused without examination, upon the written recommendation 17 of the Board.

18 (1) An order of revocation or suspension or a certified 19 copy thereof, over the seal of OBRE and purporting to be signed 20 by the Commissioner, shall be prima facie proof that:

21 (1) The signature is the genuine signature of the
 22 Commissioner.

23 (2) The Commissioner is duly appointed and qualified.
24 (3) The Board and the members thereof are qualified.
25 Such proof may be rebutted.

26 (m) Notwithstanding any provisions concerning the conduct

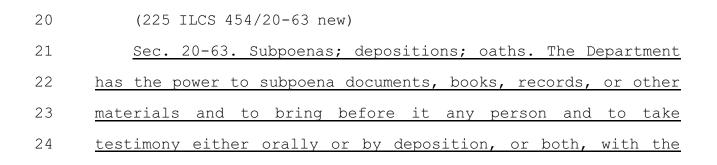
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of hearings and recommendations for disciplinary actions, OBRE 1 2 as directed by the Commissioner has the authority to negotiate agreements with licensees and applicants resulting 3 <u>in</u> disciplinary consent orders. These consent orders may provide 4 5 for any of the forms of discipline provided in this Act. These 6 consent orders shall provide that they were not entered into as 7 a result of any coercion by OBRE. Any such consent order shall be filed with the Commissioner along with 8 the Board's 9 recommendation and accepted or rejected by the Commissioner 10 within 60 days of the Board's recommendation.

11 (Source: P.A. 91-245, eff. 12-31-99; 92-217, eff. 8-2-01.)

12 (225 ILCS 454/20-62 new)

Sec. 20-62. Record of proceedings; transcript. The Department, at its expense, shall preserve a record of all proceedings at the formal hearing of any case. The notice of hearing, complaint, all other documents in the nature of pleadings, written motions filed in the proceedings, the transcripts of testimony, the report of the Board, and orders of the Department shall be in the record of the proceeding.



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1 same fees and mileage and in the same manner as prescribed in 2 civil cases in the courts of this State. The Secretary, the 3 designated hearing officer, and every member of the Board has 4 the power to administer oaths to witnesses at any hearing that 5 the Department is authorized to conduct, and any other oaths 6 authorized in an Act that is administered by the Department.

7

(225 ILCS 454/20-64 new)

8 Sec. 20-64. Board; rehearing. At the conclusion of a hearing, a copy of the Board's report shall be served upon the 9 10 applicant or licensee by the Department, either personally or 11 as provided in this Act for the service of a notice of hearing. 12 Within 20 days after service, the applicant or licensee may 13 present to the Department a motion in writing for a rehearing, 14 which shall specify the particular grounds for rehearing. The 15 Department may respond to the motion, or if a motion for 16 rehearing is denied, then upon denial, and except as provided in Section 20-72 of this Act, the Secretary may enter an order 17 18 in accordance with the recommendations of the Board. If the applicant or licensee orders from the reporting service and 19 20 pays for a transcript of the record within the time for filing 21 a motion for rehearing, then the 20-day period within which a 22 motion may be filed shall commence upon the delivery of the 23 transcript to the applicant or licensee.

24 (225 ILCS 454/20-65)

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(Section scheduled to be repealed on January 1, 2010) 1 2 20-65. Sec. Temporary suspension. The Secretary Commissioner may temporarily suspend the license of a licensee 3 without a hearing, simultaneously with the institution of 4 5 proceedings for a hearing provided for in Section 20-61 20 60 6 of this Act, if the Secretary Commissioner finds that the 7 evidence indicates that the public interest, safety, or welfare 8 imperatively requires emergency action. In the event that the 9 <u>Secretary</u> Commissioner temporarily suspends the license 10 without a hearing before the Board, a hearing shall be 11 commenced held within 30 days after the suspension has 12 occurred. The suspended licensee may seek a continuance of the 13 hearing during which the suspension shall remain in effect. The proceeding shall be concluded without appreciable delay. 14

15 (Source: P.A. 91-245, eff. 12-31-99.)

16

(225 ILCS 454/20-66 new)

17	Sec. 20-66. Appointment of a hearing officer. The Secretary
18	has the authority to appoint any attorney licensed to practice
19	law in the State of Illinois to serve as the hearing officer in
20	any action for refusal to issue, restore, or renew a license or
21	to discipline a licensee. The hearing officer has full
22	authority to conduct the hearing. Any Board member may attend
23	the hearing. The hearing officer shall report his or her
24	findings of fact, conclusions of law, and recommendations to
25	the Board. The Board shall review the report of the hearing

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officer and present its findings of fact, conclusions of law, and recommendations to the Secretary and all parties to the proceeding. If the Secretary disagrees with a recommendation of the Board or of the hearing officer, then the Secretary may issue an order in contravention of the recommendation.

6 (225 ILCS 454/20-67 new)

Sec. 20-67. Order or certified copy; prima facie proof. An order, or certified copy of an order, over the seal of the Department and purporting to be signed by the Secretary is prima facie proof that (i) the signature is the genuine signature of the Secretary, (ii) the Secretary is duly appointed and qualified, and (iii) the Board and its members are qualified to act.

14 (225 ILCS 454/20-68 new)

Sec. 20-68. Surrender of license. Upon the revocation or suspension of a license, the licensee shall immediately surrender his or her license to the Department. If the licensee fails to do so, the Department has the right to seize the license.

## 20 (225 ILCS 454/20-69 new) 21 <u>Sec. 20-69. Restoration of a suspended or revoked license.</u> 22 <u>At any time after the successful completion of a term of</u> 23 <u>suspension or revocation of a license, the Department may</u>

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1 restore it to the licensee, upon the written recommendation of 2 the Board, unless after an investigation and a hearing the 3 Board determines that restoration is not in the public 4 interest.

5 (225 ILCS 454/20-72 new)

6 <u>Sec. 20-72. Secretary; rehearing. If the Secretary</u> 7 <u>believes that substantial justice has not been done in the</u> 8 <u>revocation, suspension, or refusal to issue, restore, or renew</u> 9 <u>a license, or any other discipline of an applicant or licensee,</u> 10 <u>then he or she may order a rehearing by the same or other</u> 11 <u>examiners.</u>

12 (225 ILCS 454/20-73 new) Sec. 20-73. Certifications of record; costs. 13 The 14 Department shall not be required to certify any record to the 15 court, to file an answer in court, or to otherwise appear in any court in a judicial review proceeding unless there is filed 16 17 in the court, with the complaint, a receipt from the Department acknowledging payment of the costs of furnishing and certifying 18 19 the record, which costs shall be determined by the Department. 20 Failure on the part of the plaintiff to file the receipt in court is grounds for dismissal of the action. 21

22 (225 ILCS 454/20-75)

23 (Section scheduled to be repealed on January 1, 2010)

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Sec. 20-75. Administrative Review venue Law; certification 1 fee; summary report of final disciplinary actions. 2 (a) All final administrative decisions of the Department 3 are OBRE shall be subject to judicial review under pursuant to 4 5 the provisions of the Administrative Review Law and its the rules adopted pursuant thereto. The term "administrative 6 7 decision" is defined in Section 3-101 of the Code of Civil 8 Procedure Administrative Review Law. 9 (b) Proceedings for judicial review shall be commenced in 10 the circuit court of the court in which the party applying for 11 review resides, but if the party is not a resident of Illinois, 12 the venue shall be in Sangamon County. OBRE shall not be required to certify any record or file any answer or otherwise 13 14 appear unless the party filing the complaint pays to OBRE the 15 certification fee provided for by rule representing costs of 16 the certification. Failure on the part of the plaintiff to make 17 such a deposit shall be grounds for dismissal of the action. OBRE shall prepare from time to time, but in no event less 18 19 often than once every other month, a summary report of final 20 disciplinary actions taken since the previous summary report. 21 The summary report shall contain a brief description of the 22 action that brought about the discipline and the final disciplinary action taken. The summary report shall be 23 made 24 available upon request. 25 (Source: P.A. 91-245, eff. 12-31-99.)

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(225 ILCS 454/20-82 new)
 <u>Sec. 20-82. Fines and penalties; Real Estate Recovery Fund.</u>
 <u>All fines and penalties collected under this Act by the</u>
 Department shall be deposited in the Real Estate Recovery Fund.

5 (225 ILCS 454/20-85)

6 (Section scheduled to be repealed on January 1, 2010)

7 Sec. 20-85. Recovery from Real Estate Recovery Fund. The Department OBRE shall maintain a Real Estate Recovery Fund from 8 9 which any person aggrieved by an act, representation, 10 transaction, or conduct of a licensee or unlicensed employee of 11 a licensee that is in violation of this Act or the rules promulgated pursuant thereto, constitutes embezzlement of 12 13 money or property, or results in money or property being 14 unlawfully obtained from any person by false pretenses, 15 artifice, trickery, or forgery or by reason of any fraud, 16 misrepresentation, discrimination, or deceit by or on the part of any such licensee or the unlicensed employee of a licensee 17 and that results in a loss of actual cash money, as opposed to 18 19 losses in market value, may recover. The aggrieved person may recover, by order of the circuit court of the county where the 20 21 violation occurred, an amount of not more than \$25,000 \$10,000 22 from the Fund for damages sustained by the act, representation, transaction, or conduct, together with costs of suit and 23 24 attorney's fees incurred in connection therewith of not to 25 exceed 15% of the amount of the recovery ordered paid from the SB1894 Engrossed - 106 - LRB096 09530 ASK 19687 b

Fund. However, no licensee licensed broker or salesperson may 1 2 recover from the Fund unless the court finds that the person suffered a loss resulting from intentional misconduct. The 3 court order shall not include interest on the judgment. The 4 5 maximum liability against the Fund arising out of any one act 6 shall be as provided in this Section, and the judgment order 7 shall spread the award equitably among all co-owners or 8 otherwise aggrieved persons, if any. The maximum liability 9 against the Fund arising out of the activities of any one 10 licensee or one unlicensed employee of a licensee, since 11 January 1, 1974, shall be \$100,000 <del>\$50,000</del>. Nothing in this 12 Section shall be construed to authorize recovery from the Fund 13 unless the loss of the aggrieved person results from an act or 14 omission of a licensee under this Act <del>licensed broker,</del> 15 salesperson, or unlicensed employee who was at the time of the 16 act or omission acting in such capacity or was apparently 17 acting in such capacity and unless the aggrieved person has obtained a valid judgment as provided in Section 20-90 of this 18 19 Act. No person aggrieved by an act, representation, or 20 transaction that is in violation of the Illinois Real Estate Time-Share Act or the Land Sales Registration Act of 1989 may 21 22 recover from the Fund.

23 (Source: P.A. 91-245, eff. 12-31-99.)

24

(225 ILCS 454/20-90)

25 (Section scheduled to be repealed on January 1, 2010)

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Sec. 20-90. Collection from Real Estate Recovery Fund;
 procedure.

3 (a) No action for a judgment that subsequently results in 4 an order for collection from the Real Estate Recovery Fund 5 shall be started later than 2 years after the date on which the 6 aggrieved person knew, or through the use of reasonable 7 diligence should have known, of the acts or omissions giving 8 rise to a right of recovery from the Real Estate Recovery Fund.

9 (b) When any aggrieved person commences action for a 10 judgment that may result in collection from the Real Estate 11 Recovery Fund, the aggrieved person must name as parties 12 defendant to that action any and all individual licensees real 13 estate brokers, real estate salespersons, or their employees 14 who allegedly committed or are responsible for acts or 15 omissions giving rise to a right of recovery from the Real 16 Estate Recovery Fund. Failure to name as parties defendant such 17 licensees individual brokers, salespersons, or their employees shall preclude recovery from the Real Estate Recovery Fund of 18 19 any portion of any judgment received in such an action. The 20 aggrieved party may also name as additional parties defendant 21 any corporations, limited liability companies, partnerships, 22 registered limited liability partnership, or other business 23 associations that may be responsible for acts giving rise to a 24 right of recovery from the Real Estate Recovery Fund.

25 (c) When any aggrieved person commences action for a 26 judgment that may result in collection from the Real Estate SB1894 Engrossed - 108 - LRB096 09530 ASK 19687 b

Recovery Fund, the aggrieved person must notify the Department 1 2 in writing to this effect within 7 days of the <del>obre</del> 3 commencement of the action. Failure to so notify the Department OBRE shall preclude recovery from the Real Estate Recovery Fund 4 5 of any portion of any judgment received in such an action. After receiving notice of the commencement of such an action, 6 the Department OBRE upon timely application shall be permitted 7 8 to intervene as a party defendant to that action.

9 (d) When any aggrieved person commences action for a 10 judgment that may result in collection from the Real Estate 11 Recovery Fund, and the aggrieved person is unable to obtain 12 legal and proper service upon the defendant under the provisions of Illinois law concerning service of process in 13 14 civil actions, the aggrieved person may petition the court 15 where the action to obtain judgment was begun for an order to 16 allow service of legal process on the Secretary Commissioner. 17 Service of process on the Secretary Commissioner shall be taken and held in that court to be as valid and binding as if due 18 19 service had been made upon the defendant. In case any process 20 mentioned in this Section is served upon the Secretary 21 Commissioner, the Secretary Commissioner shall forward a copy 22 of the process by certified mail to the licensee's last address 23 on record with the Department OBRE. Any judgment obtained after 24 service of process on the Secretary Commissioner under this Act 25 shall apply to and be enforceable against the Real Estate 26 Recovery Fund only. OBRE may intervene in and defend any such SB1894 Engrossed - 109 - LRB096 09530 ASK 19687 b

1 action.

2 (e) When an aggrieved party commences action for a judgment that may result in collection from the Real Estate Recovery 3 Fund, and the court before which that action is commenced 4 5 enters judgment by default against the defendant and in favor 6 of the aggrieved party, the court shall upon motion of the Department OBRE set aside that judgment by default. After such 7 8 a judgment by default has been set aside, the Department OBRE 9 shall appear as party defendant to that action, and thereafter 10 the court shall require proof of the allegations in the 11 pleadings upon which relief is sought.

12 (f) The aggrieved person shall give written notice to <u>the</u> 13 <u>Department</u> OBRE within 30 days of the entry of any judgment 14 that may result in collection from the Real Estate Recovery 15 Fund. The aggrieved person shall provide OBRE within 20 days 16 prior written notice of all supplementary proceedings so as to 17 allow <u>the Department</u> OBRE to participate in all efforts to 18 collect on the judgment.

19 (q) When any aggrieved person recovers a valid judgment in 20 any court of competent jurisdiction against any licensee or an unlicensed employee of any broker, upon the grounds of fraud, 21 22 misrepresentation, discrimination, or deceit, the aggrieved 23 person may, upon the termination of all proceedings, including 24 review and appeals in connection with the judgment, file a 25 verified claim in the court in which the judgment was entered and, upon 30 days' written notice to the Department OBRE, and 26

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to the person against whom the judgment was obtained, may apply 1 2 to the court for an order directing payment out of the Real Estate Recovery Fund of the amount unpaid upon the judgment, 3 not including interest on the judgment, and subject to the 4 5 limitations stated in Section 20-85 of this Act. The aggrieved person must set out in that verified claim and at 6 an 7 evidentiary hearing to be held by the court upon the 8 application the aggrieved party shall be required to show that 9 the aggrieved person:

10

(1) Is not a spouse of the debtor or the personal 11 representative of such spouse.

12 (2) Has complied with all the requirements of this 13 Section.

14 (3) Has obtained a judgment stating the amount thereof 15 and the amount owing thereon, not including interest 16 thereon, at the date of the application.

17 (4) Has made all reasonable searches and inquiries to ascertain whether the judgment debtor is possessed of real 18 19 or personal property or other assets, liable to be sold or 20 applied in satisfaction of the judgment.

21 (5) By such search has discovered no personal or real 22 property or other assets liable to be sold or applied, or 23 has discovered certain of them, describing them as owned by 24 the judgment debtor and liable to be so applied and has 25 taken all necessary action and proceedings for the 26 realization thereof, and the amount thereby realized was

insufficient to satisfy the judgment, stating the amount so
 realized and the balance remaining due on the judgment
 after application of the amount realized.

(6) Has diligently pursued all remedies against all the 4 5 judgment debtors and all other persons liable to the 6 aggrieved person in the transaction for which recovery is 7 sought from the Real Estate Recovery Fund, including the 8 filing of an adversary action to have the debts declared 9 non-dischargeable in any bankruptcy petition matter filed 10 by any judgment debtor or person liable to the aggrieved 11 person.

12 The aggrieved person shall also be required to prove the 13 amount of attorney's fees sought to be recovered and the 14 reasonableness of those fees up to the maximum allowed pursuant 15 to Section 20-85 of this Act.

16 (h) The court shall make an order directed to the 17 Department OBRE requiring payment from the Real Estate Recovery Fund of whatever sum it finds to be payable upon the claim, 18 19 pursuant to and in accordance with the limitations contained in Section 20-85 of this Act, if the court is satisfied, upon the 20 hearing, of the truth of all matters required to be shown by 21 22 the aggrieved person under subsection (g) of this Section and 23 that the aggrieved person has fully pursued and exhausted all remedies available for recovering the amount awarded by the 24 25 judgment of the court.

26

(i) Should <u>the Department</u> <del>OBRE</del> pay from the Real Estate

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Recovery Fund any amount in settlement of a claim or toward 1 2 satisfaction of a judgment against a licensed broker or 3 salesperson or an unlicensed employee of a broker, the licensee's license shall be automatically terminated upon the 4 5 issuance of a court order authorizing payment from the Real Estate Recovery Fund. No petition for restoration of a license 6 7 shall be heard until repayment has been made in full, plus 8 interest at the rate prescribed in Section 12-109 of the Code 9 of Civil Procedure of the amount paid from the Real Estate 10 Recovery Fund on their account. A discharge in bankruptcy shall 11 not relieve a person from the penalties and disabilities 12 provided in this subsection (i).

(j) If, at any time, the money deposited in the Real Estate 13 Recovery Fund is insufficient to satisfy any duly authorized 14 claim or portion thereof, the Department OBRE shall, when 15 16 sufficient money has been deposited in the Real Estate Recovery 17 Fund, satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally 18 19 filed, plus accumulated interest at the rate prescribed in 20 Section 12-109 of the Code of Civil Procedure.

21 (Source: P.A. 91-245, eff. 12-31-99.)

22 (225 ILCS 454/20-95)

23 (Section scheduled to be repealed on January 1, 2010)
 24 Sec. 20-95. Power of <u>the Department</u> OBRE to defend. When
 25 <u>the Department</u> OBRE receives any process, notice, order, or

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other document provided for or required under Section 20-90 of this Act, it may enter an appearance, file an answer, appear at the court hearing, defend the action, or take whatever other action it deems appropriate on behalf and in the name of the defendant and take recourse through any appropriate method of review on behalf of and in the name of the defendant.

7 (Source: P.A. 91-245, eff. 12-31-99.)

8

(225 ILCS 454/20-100)

9 (Section scheduled to be repealed on January 1, 2010)

10 Sec. 20-100. Subrogation of the Department OBRE to rights 11 of judgment creditor. When, upon the order of the court, the 12 Department OBRE has paid from the Real Estate Recovery Fund any 13 sum to the judgment creditor, the Department OBRE shall be 14 subrogated to all of the rights of the judgment creditor and 15 the judgment creditor shall assign all rights, title, and 16 interest in the judgment to the Department OBRE and any amount and interest so recovered by the Department OBRE on the 17 18 judgment shall be deposited in the Real Estate Recovery Fund. (Source: P.A. 91-245, eff. 12-31-99.) 19

20

(225 ILCS 454/20-110)

21 (Section scheduled to be repealed on January 1, 2010)

22 Sec. 20-110. Disciplinary actions of <u>the Department</u> OBRE 23 not limited. Nothing contained in Sections 20-80 through 20-100 24 of this Act limits the authority of <u>the Department</u> OBRE to take SB1894 Engrossed - 114 - LRB096 09530 ASK 19687 b

disciplinary action against any licensee for a violation of this Act or the rules of <u>the Department</u> OBRE, nor shall the repayment in full of all obligations to the Real Estate Recovery Fund by any licensee nullify or modify the effect of any other disciplinary proceeding brought pursuant to this Act. (Source: P.A. 91-245, eff. 12-31-99.)

7

8

(225 ILCS 454/20-115)

(Section scheduled to be repealed on January 1, 2010)

9 Sec. 20-115. Time limit on action. No action may be taken 10 by <u>the Department</u> OBRE against any person for violation of the 11 terms of this Act or its rules unless the action is commenced 12 within 5 years after the occurrence of the alleged violation. 13 (Source: P.A. 91-245, eff. 12-31-99.)

14 (225 ILCS 454/25-5)

15 (Section scheduled to be repealed on January 1, 2010) Sec. 25-5. The Department OBRE; powers and duties. The 16 17 Department OBRE shall exercise the powers and duties prescribed by the Civil Administrative Code of 18 Illinois for the administration of licensing acts and shall exercise such other 19 20 powers and duties as are prescribed by this Act. The Department 21 OBRE may contract with third parties for services or the 22 development of courses necessary for the proper administration 23 of this Act.

24 (Source: P.A. 91-245, eff. 12-31-99.)

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(225 ILCS 454/25-10)

2 (Section scheduled to be repealed on January 1, 2010)

3 Sec. 25-10. Real Estate Administration and Disciplinary 4 Board; duties. There is created the Real Estate Administration 5 and Disciplinary Board. The Board shall be composed of 9 6 persons appointed by the Governor. Members shall be appointed 7 to the Board subject to the following conditions:

8 (1) All members shall have been residents and citizens 9 of this State for at least 6 years prior to the date of 10 appointment.

11 (2) Six members shall have been actively engaged as
12 brokers or salespersons or both for at least the 10 years
13 prior to the appointment.

14 (3) Three members of the Board shall be public members15 who represent consumer interests.

16 None of these members shall be (i) a person who is licensed under this Act or a similar Act of another jurisdiction, (ii) 17 18 the spouse or family member of a licensee, (iii), the spouse of 19 a person licensed under this Act, or a person who has an 20 ownership interest in a real estate brokerage business, or (iv) 21 a person the Department determines to have any other connection 22 with a real estate brokerage business or a licensee. The 23 members' terms shall be 4 years or until their successor is 24 appointed, and the expiration of their terms shall be staggered. Appointments to fill vacancies shall be for the 25

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unexpired portion of the term. No A member shall be reappointed 1 2 to the Board for a term that would cause his or her service on the Board to be longer than 12 years in a lifetime may be 3 reappointed for successive terms but no person shall -be 4 5 appointed to more than 2 terms or any part thereof in his or 6 her lifetime. Persons holding office as members of the Board 7 immediately prior to December 31, 1999 under the Real Estate License Act of 1983 shall continue as members of the 8 Board 9 until the expiration of the term for which they were appointed 10 and until their successors are appointed and qualified. The 11 membership of the Board should reasonably reflect the 12 geographic distribution of the licensee population in this 13 State. In making the appointments, the Governor shall give due 14 consideration to the recommendations by members and 15 organizations of the profession. The Governor may terminate the 16 appointment of any member for cause that in the opinion of the 17 Governor reasonably justifies the termination. Cause for shall include without limitation misconduct, 18 termination incapacity, neglect of duty, or missing 4 board meetings during 19 20 any one calendar year. Each member of the Board may shall 21 receive a per diem stipend in an amount to be determined by the 22 Secretary Commissioner. Each member shall be paid his or her 23 necessary expenses while engaged in the performance of his or 24 her duties. Such compensation and expenses shall be paid out of 25 the Real Estate License Administration Fund. The Secretary 26 Commissioner shall consider the recommendations of the Board on

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1 questions involving standards of professional conduct, discipline, and examination of candidates under this Act. The 2 3 <del>OBRE</del>, after notifying and considering Department the recommendations of the Board, if any, may issue rules, 4 5 consistent with the provisions of this Act, for the 6 administration and enforcement thereof and may prescribe forms 7 that shall be used in connection therewith. Five Board members shall constitute a quorum. A quorum is required for all Board 8 9 decisions None of the functions, powers, or duties enumerated 10 in Sections 20 20 and 30 5 and subsections (a) and <del>(i) of</del> 11 Section 20-60 of this Act shall be exercised by OBRE except 12 upon the action and report in writing of the Board.

13 (Source: P.A. 91-245, eff. 12-31-99.)

14 (225 ILCS 454/25-13)

15 (Section scheduled to be repealed on January 1, 2010)

16 Sec. 25-13. Rules. The Department OBRE, after notifying and considering the recommendations of the Board, if any, shall 17 18 adopt, promulgate, and issue any rules that may be necessary 19 for the implementation and enforcement of this Act. Rulemaking authority to implement this Act is conditioned on the rules 20 21 being adopted in accordance with all provisions of and 22 procedures and rules implementing the Illinois Administrative 23 Procedure Act. Any rule not so adopted, for whatever reason, is unauthorized. 24

25 (Source: P.A. 91-245, eff. 12-31-99.)

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1

(225 ILCS 454/25-14)

2 (Section scheduled to be repealed on January 1, 2010)

3 Sec. 25-14. Reliance on advisory letters. Licensees or 4 their representatives may seek an advisory letter from the 5 Department OBRE as to matters arising under this Act or the 6 rules promulgated pursuant to this Act. The Department OBRE 7 shall promulgate rules as to the process of seeking and 8 obtaining an advisory letter and topics and areas on which 9 advisory rules will be issued by the Department OBRE. A 10 licensee is entitled to rely upon an advisory letter from the 11 Department OBRE and will not be disciplined by the Department 12 OBRE for actions taken in reliance on the advisory letter.

13 (Source: P.A. 92-217, eff. 8-2-01.)

14 (225 ILCS 454/25-15)

15 (Section scheduled to be repealed on January 1, 2010) Sec. 25-15. Director of Real Estate Coordinator; duties. 16 17 There shall be in the Department a OBRE a Director and a Deputy Director of Real Estate Coordinator, appointed by the Secretary 18 Commissioner, who shall hold a currently valid broker's 19 20 license, which shall be surrendered to the Department OBRE 21 during the appointment. The Director of Real Estate Coordinator shall have report to the Commissioner and shall do the 22 23 following duties and responsibilities:

24

(1) act as Chairperson of the Board, ex-officio,

1 without vote;

(2) be the direct liaison between the Department OBRE, 2 3 profession, and real estate organizations the and associations; 4

5 (3) prepare and circulate to licensees any educational and informational material that the Department OBRE deems 6 7 necessary for providing quidance or assistance to 8 licensees;

9 (4) appoint any necessary committees to assist in the 10 performance of the functions and duties of the Department 11 OBRE under this Act; and

12 (5) subject to the administrative approval of the 13 Secretary Commissioner, supervise all real estate activities of OBRE. 14

The Commissioner shall appoint, for a term of 4 years, a 15 16 Deputy Director of Real Estate who shall hold a currently valid broker's license, which shall be surrendered to OBRE during the 17 appointment. Under direction of the Director of Real Estate, 18 19 the Deputy Director of Real Estate shall be responsible for the administration of the licensing, disciplinary, and education 20 provisions of this Act. The Deputy Director shall also assist 21 22 the Director of Real Estate in the performance of his or her 23 duties.

24 In designating the <del>Director and Deputy Director of</del> Real 25 Estate Coordinator, the Secretary Commissioner shall give due 26 consideration to recommendations by members and organizations

SB1894 Engrossed - 120 - LRB096 09530 ASK 19687 b 1 of the profession. 2 (Source: P.A. 91-245, eff. 12-31-99.) 3 (225 ILCS 454/25-20) 4 (Section scheduled to be repealed on January 1, 2010) 5 Sec. 25-20. Staff. The Department OBRE shall employ <u>a</u> minimum of one investigator per 10,000 licensees and one 6 prosecutor per 20,000 licensees in order to have sufficient 7 8 staff to perform the Department's obligations under the Act. 9 carry out the provisions of this Act. 10 (Source: P.A. 91-245, eff. 12-31-99.)

11 (225 ILCS 454/25-21 new)

12 Sec. 25-21. Peer review advisors. The Department may contract with licensees meeting qualifications established by 13 14 the Department to serve as peer review advisors for complaints 15 and alleged violations of the Act. A peer review advisor is authorized to investigate and determine the facts of a 16 17 complaint. The peer review advisor shall, at the direction of the Department, interview witnesses, the complainant and any 18 19 licensees involved in the alleged matter and make a 20 recommendation as to the findings of fact to the Department. 21 The Department shall have 30 days from receipt of the 22 recommendation to accept, reject or modify the recommended 23 findings of fact. Peer review advisors shall be compensated from the Real Estate Audit Fund at a rate of not to exceed 24

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1 <u>\$15,000.00 per advisor annually. A peer review advisor shall</u>
2 <u>not investigate a complaint from a marketplace in which the</u>
3 peer review advisor does business.

4 (225 ILCS 454/25-25)

5 (Section scheduled to be repealed on January 1, 2010)

6 Sec. 25-25. Real Estate Research and Education Fund. A 7 special fund to be known as the Real Estate Research and 8 Education Fund is created and shall be held in trust in the 9 State Treasury. Annually, on September 15th, the State 10 Treasurer shall cause a transfer of \$125,000 to the Real Estate 11 Research and Education Fund from the Real Estate License 12 Administration Fund. The Real Estate Research and Education 13 Fund shall be administered by the Department OBRE. Money 14 deposited in the Real Estate Research and Education Fund may be 15 used for research and education at state institutions of higher 16 education or other organizations for research and the 17 advancement of education in the real estate industry. Of the 18 \$125,000 annually transferred into the Real Estate Research and Education Fund, \$15,000 shall be used to fund a scholarship 19 20 program for persons of minority racial origin who wish to 21 pursue a course of study in the field of real estate. For the 22 purposes of this Section, "course of study" means a course or 23 courses that are part of a program of courses in the field of 24 real estate designed to further an individual's knowledge or expertise in the field of real estate. These courses shall 25

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include without limitation courses that a salesperson licensed 1 2 under this Act must complete to qualify for a real estate 3 broker's license, courses that a broker licensed under this Act must complete to qualify for a managing broker's license, 4 5 courses required to obtain the Graduate Realtors Institute 6 designation, and any other courses or programs offered by 7 accredited colleges, universities, or other institutions of 8 higher education in Illinois. The scholarship program shall be 9 administered by the Department OBRE or its designee. Moneys in 10 the Real Estate Research and Education Fund may be invested and 11 reinvested in the same manner as funds in the Real Estate 12 Recovery Fund and all earnings, interest, and dividends 13 received from such investments shall be deposited in the Real 14 Estate Research and Education Fund and may be used for the same 15 purposes as moneys transferred to the Real Estate Research and 16 Education Fund. Moneys in the Real Estate Research and 17 Education Fund may be transferred to the Professions Indirect Cost Fund as authorized under Section 2105-300 of 18 the 19 Department of Professional Regulation Law of the Civil 20 Administrative Code of Illinois.

21 (Source: P.A. 94-91, eff. 7-1-05.)

22 (225 ILCS 454/25-30)

(Section scheduled to be repealed on January 1, 2010)
 Sec. 25-30. Real Estate License Administration Fund;
 audit. A special fund to be known as the Real Estate License

Administration Fund is created in the State Treasury. All fees 1 2 received by the Department OBRE under this Act shall be 3 deposited in the Real Estate License Administration Fund. The moneys deposited in the Real Estate License Administration Fund 4 5 shall be appropriated to the Department OBRE for expenses of the Department OBRE and the Board in the administration of this 6 7 Act and for the administration of any Act administered by the 8 Department OBRE providing revenue to this Fund. Moneys in the 9 Real Estate License Administration Fund may be invested and 10 reinvested in the same manner as funds in the Real Estate 11 Recovery Fund. All earnings received from such investment shall 12 be deposited in the Real Estate License Administration Fund and 13 may be used for the same purposes as fees deposited in the Real 14 Estate License Administration Fund. Moneys in the Real Estate 15 License Administration Fund may be transferred to the 16 Professions Indirect Cost Fund as authorized under Section 17 2105-300 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois. Upon the completion 18 19 of any audit of the Department OBRE, as prescribed by the Illinois State Auditing Act, which includes an audit of the 20 Real Estate License Administration Fund, the Department OBRE 21 22 shall make the audit open to inspection by any interested 23 person.

24 (Source: P.A. 94-91, eff. 7-1-05.)

25 (225 ILCS 454/25-35)

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(Section scheduled to be repealed on January 1, 2010) 1 2 Sec. 25-35. Real Estate Recovery Fund. A special fund to be 3 known as the Real Estate Recovery Fund is created in the State Treasury. All fines and penalties The sums received by the 4 5 Department OBRE pursuant to Article 20 the provisions of Sections 20 20, 20 30, and 20 80 through 20 100 of this Act 6 7 shall be deposited into the State Treasury and held in the Real 8 Estate Recovery Fund. The money in the Real Estate Recovery 9 Fund shall be used by the Department OBRE exclusively for 10 carrying out the purposes established by this Act. If, at any 11 time, the balance remaining in the Real Estate Recovery Fund is 12 less than \$750,000, the State Treasurer shall cause a transfer of moneys to the Real Estate Recovery Fund from the Real Estate 13 14 License Administration Fund in an amount necessary to establish 15 a balance of \$800,000 in the Real Estate Recovery Fund. These 16 funds may be invested and reinvested in the same manner as 17 authorized for pension funds in Article 1 14 of the Illinois Pension Code. All earnings, interest, and dividends received 18 19 from investment of funds in the Real Estate Recovery Fund shall 20 be deposited into the Real Estate License Administration Fund 21 and shall be used for the same purposes as other moneys 22 deposited in the Real Estate License Administration Fund. 23 (Source: P.A. 91-245, eff. 12-31-99.)

24

(225 ILCS 454/25-37)

25 (Section scheduled to be repealed on January 1, 2010)

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Sec. 25-37. Real Estate Audit Fund; audit of special
 accounts; audit of fund.

(a) A special fund to be known as the Real Estate Audit 3 Fund is created in the State Treasury. The State Treasurer 4 5 shall cause a transfer of \$200,000 from the Real Estate License 6 Administration Fund to the Real Estate Audit Fund on January 1, 7 2002. If, at any time, the balance in the Real Estate Audit Fund is less than \$25,000, the State Treasurer shall cause a 8 9 transfer of \$200,000 from the Real Estate License 10 Administration Fund to the Real Estate Audit Fund. The moneys 11 held in the Real Estate Audit Fund shall be used exclusively by 12 the Department OBRE to conduct audits of special accounts of 13 moneys belonging to others held by a broker.

(b) Upon receipt of a complaint or evidence by the 14 Department OBRE sufficient to cause the Department OBRE to 15 16 reasonably believe that funds required to be maintained in a 17 special account by a broker have been misappropriated, the broker shall, within 30 days of written notice, submit to an 18 19 audit of all special accounts. Such audit shall be performed by 20 a licensed certified public accountant, shall result in a 21 written report by the accountant, and shall specifically refer 22 to the escrow and record-keeping requirements of this Act and 23 the rules adopted under this Act. If it is found, pursuant to 24 an order issued by the Secretary Commissioner, that moneys 25 required to be maintained in a special account by a broker were 26 misappropriated, as further defined by rule, the broker shall

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reimburse the Department OBRE, in addition to any other 1 2 discipline or civil penalty imposed, for the cost of the audit 3 performed pursuant to this Section. The Department OBRE may file in circuit court for a judgment to enforce the collection 4 5 of the reimbursement of the cost of such audit. Anv 6 reimbursement collected by the Department OBRE shall be 7 deposited into the Real Estate Audit Fund.

8 (c) Moneys in the Real Estate Audit Fund may be invested 9 and reinvested in the same manner as funds in the Real Estate 10 Recovery Fund. All earnings received from such investment shall 11 be deposited in the Real Estate Audit Fund and may be used for 12 the same purpose as other moneys deposited in the Real Estate 13 Audit Fund. Moneys in the Real Estate Audit Fund may be transferred to the Professions Indirect Cost Fund as authorized 14 15 under Section 2105-300 of the Department of Professional 16 Regulation Law of the Civil Administrative Code of Illinois. 17 Upon completion of any audit of the Department OBRE, prescribed by the Illinois State Auditing Act, which includes an audit of 18 19 the Real Estate Audit Fund, the Department OBRE shall make the 20 audit open to inspection by any interested person.

21 (Source: P.A. 94-91, eff. 7-1-05.)

22 (225 ILCS 454/30-5)

23 (Section scheduled to be repealed on January 1, 2010)
24 Sec. 30-5. Licensing of pre-license schools, school
25 branches, and instructors.

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(a) No person shall operate a pre-license school or school 1 2 branch without possessing a valid pre-license school or school branch license issued by the Department OBRE. No person shall 3 act as a pre-license instructor at a pre-license school or 4 5 school branch without possessing a valid pre-license 6 instructor license issued by <u>the Department</u> OBRE. Every person 7 who desires to obtain a pre-license school, school branch, or 8 pre-license instructor license shall make application to the 9 Department OBRE in writing in form and substance satisfactory 10 to the Department OBRE and pay the required fees prescribed by 11 rule. In addition to any other information required to be 12 contained in the application, every application for an original 13 renewed license shall include the applicant's Social or 14 Security number. The Department OBRE shall issue a pre-license 15 school, school branch, or pre-license instructor license to 16 applicants who meet qualification criteria established by 17 rule. The Department OBRE may refuse to issue, suspend, revoke, or otherwise discipline a pre-license school, school branch, or 18 19 pre-license instructor license or may withdraw approval of a 20 course offered by a pre-license school for good cause. 21 Disciplinary proceedings shall be conducted by the Board in the 22 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 <u>the Department</u> OBRE in lieu thereof. A pre-license instructor may teach at more than one SB1894 Engrossed - 128 - LRB096 09530 ASK 19687 b

1 licensed pre-license school.

2 (c) The term of license for pre-license schools, branches,
3 and instructors shall be 2 years as established by rule.

4 (d) The Department OBRE or the Advisory Council may, after 5 notice, cause a pre-license school to attend an informal conference before the Advisory Council for failure to comply 6 7 with any requirement for licensure or for failure to comply with any provision of this Act or the rules for the 8 9 administration of this Act. The Advisory Council shall make a 10 recommendation to the Board as a result of its findings at the 11 conclusion of any such informal conference.

12 <u>(e) For purposes of this Section, the term "pre-license"</u> 13 <u>shall also include the 30-hour post-license course required to</u> 14 <u>be taken to retain a broker's license.</u>

15 (Source: P.A. 91-245, eff. 12-31-99.)

16 (225 ILCS 454/30-10)

17

(Section scheduled to be repealed on January 1, 2010)

Sec. 30-10. Advisory Council; powers and duties. There is 18 created within the Department OBRE an Advisory Council to be 19 comprised of 5 7 members appointed by the Governor. The 20 21 members' terms shall be 4 years or until their successor is 22 appointed and the expiration of their terms shall be staggered for 4-year staggered terms. No member shall be reappointed to 23 24 the Advisory Council for a term that would cause his or her service on the Advisory Council to be longer than 12 serve more 25

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than 8 years in a lifetime. Two Three of the members shall be 1 2 licensees who are current members of the Board, one member 3 shall be a representative of an Illinois real estate trade organization who is not a member of the Board, one member shall 4 5 be a representative of a licensed pre-license school or continuing education school, and one member shall be a 6 7 representative of an institution of higher education that 8 offers pre-license and continuing education courses. The Real 9 Estate Coordinator Director shall serve as the chairman of the 10 Advisory Council, ex officio, without vote. Three Advisory 11 Council members shall constitute a quorum. A quorum is required 12 for all Advisory Council decisions. The Advisory Council shall 13 recommend criteria for the licensing and renewal of pre-license 14 schools, pre-license instructors, continuing education 15 schools, and continuing education instructors; review 16 applications for these licenses to determine if the applicants 17 meet the qualifications for licensure established in this Act and by rule; approve pre-license school and continuing 18 19 education curricula; and make recommendations to the Board 20 regarding rules to be adopted for the conduct of schools and 21 instructors and the administration of the education provisions 22 of this Act.

23 (Source: P.A. 91-245, eff. 12-31-99.)

24 (225 ILCS 454/30-15)

25 (Section scheduled to be repealed on January 1, 2010)

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

(a) Only continuing education schools in possession of a 3 valid continuing education school license may provide real 4 5 estate continuing education courses that will satisfy the requirements of this Act. Pre-license schools licensed to offer 6 7 pre-license education courses for salespersons, brokers and 8 managing brokers shall qualify for a continuing education 9 school license upon completion of an application and the 10 submission of the required fee. Every entity that desires to 11 obtain a continuing education school license shall make 12 application to the Department OBRE in writing in forms 13 prescribed by the Department OBRE and pay the fee prescribed by rule. In addition to any other information required to be 14 15 contained in the application, every application for an original 16 renewed license shall include the applicant's Social or 17 Security number.

18 (b) The criteria for a continuing education license shall19 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.

24 (2) A sufficient number of qualified, licensed25 instructors as provided by rule.

26

(3) Adequate support personnel to assist with

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1

administrative matters and technical assistance.

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

4 (5) The ability to provide each participant who
5 successfully completes an approved program with a
6 certificate of completion signed by the administrator of a
7 licensed continuing education school on forms provided by
8 <u>the Department OBRE</u>.

9 (6) The continuing education school must have a written 10 policy dealing with procedures for the management of 11 grievances and fee refunds.

12 (7) The continuing education school shall maintain13 lesson plans and examinations for each course.

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

17 (9) The continuing education school shall identify and
18 use instructors who will teach in a planned program.
19 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

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1responsible for the conduct of the proctor. The duties and2responsibilities of a proctor shall be established by rule.3(11) The continuing education school must provide for4closed book examinations for each course unless the5Advisory Council excuses this requirement based on the6complexity of the course material.

7 (c) Advertising and promotion of continuing education 8 activities must be carried out in a responsible fashion, 9 clearly showing the educational objectives of the activity, the 10 nature of the audience that may benefit from the activity, the 11 cost of the activity to the participant and the items covered 12 by the cost, the amount of credit that can be earned, and the 13 credentials of the faculty.

(d) The Department OBRE may or upon request of the Advisory 14 15 Council shall, after notice, cause a continuing education 16 school to attend an informal conference before the Advisory 17 Council for failure to comply with any requirement for licensure or for failure to comply with any provision of this 18 Act or the rules for the administration of this Act. The 19 20 Advisory Council shall make a recommendation to the Board as a 21 result of its findings at the conclusion of any such informal 22 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.

26

(f) All continuing education schools shall submit, at the

time of initial application and with each license renewal, a 1 2 list of courses with course materials to be offered by the continuing education school. <u>The Department</u> OBRE, however, 3 shall establish a mechanism whereby continuing education 4 5 schools may apply for and obtain approval for continuing 6 education courses that are submitted after the time of initial 7 application or renewal. The Department OBRE shall provide to each continuing education school a certificate for each 8 9 approved continuing education course. All continuing education 10 courses shall be valid for the period coinciding with the term 11 of license of the continuing education school. All continuing 12 education schools shall provide a copy of the certificate of 13 the continuing education course within the course materials 14 given to each student or shall display a copy of the 15 certificate of the continuing education course in a conspicuous 16 place at the location of the class.

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

(h) <u>The Department</u> OBRE, upon the recommendation of the Advisory Council, may temporarily suspend a licensed continuing education school's approved courses without hearing and refuse to accept successful completion of or participation SB1894 Engrossed - 134 - LRB096 09530 ASK 19687 b

in any of these continuing education courses for continuing 1 2 education credit from that school upon the failure of that continuing education school to comply with the provisions of 3 this Act or the rules for the administration of this Act, until 4 5 such time as the Department OBRE receives satisfactory assurance of compliance. The Department OBRE shall notify the 6 continuing education school of the noncompliance and may 7 8 initiate disciplinary proceedings pursuant to this Act. The Department OBRE may refuse to issue, suspend, revoke, or 9 10 otherwise discipline the license of a continuing education 11 school or may withdraw approval of a continuing education 12 course for good cause. Failure to comply with the requirements of this Section or any other requirements established by rule 13 shall be deemed to be good cause. Disciplinary proceedings 14 15 shall be conducted by the Board in the same manner as other 16 disciplinary proceedings under this Act.

17 (Source: P.A. 91-245, eff. 12-31-99.)

18 (225 ILCS 454/30-20)

19 (Section scheduled to be repealed on January 1, 2010)

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, SB1894 Engrossed - 135 - LRB096 09530 ASK 19687 b

and a listing of the courses to be offered during the year to 1 2 renew their continuing education school licenses. The term for a continuing education school license shall be 2 years and as 3 established by rule. The fees collected under this Article 30 4 5 shall be deposited in the Real Estate License Administration 6 Fund and shall be used to defray the cost of administration of 7 the program and per diem of the Advisory Council as determined 8 by the Secretary Commissioner. 9 (Source: P.A. 91-245, eff. 12-31-99.) 10 (225 ILCS 454/30-25) 11 (Section scheduled to be repealed on January 1, 2010) 12 Sec. 30-25. Licensing of continuing education instructors. 13 (a) No such person shall act as a continuing education instructor at a continuing education school or branch without 14 15 possessing Only persons approved by the Advisory Council and in 16 possession of a valid continuing education instructor license and satisfying any other qualification criteria established by 17 18 the Department by rule issued by OBRE may instruct continuing education courses. 19 20 (b) After the effective date of this Act, every person who 21 desires to obtain a continuing education instructor's license 22 shall attend and successfully complete a one-day instructor 23 development workshop, as approved by the Department. The term 24 of licensure for a continuing education instructor shall be 2

25 years and as established by rule. Every person who desires to

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obtain a continuing education instructor license shall make 1 2 application to the Department OBRE in writing on forms 3 prescribed by the Office, accompanied by the fee prescribed by rule. In addition to any other information required to be 4 5 contained in the application, every application for an original 6 or renewed license shall include the applicant's Social 7 Security number. The Department OBRE shall issue a continuing 8 education instructor license to applicants who meet 9 qualification criteria established by this Act or rule.

10 (C) The Department OBRE may refuse to issue, suspend, 11 revoke, or otherwise discipline a continuing education 12 instructor for good cause. Disciplinary proceedings shall be 13 conducted by the Board in the same manner as other disciplinary proceedings under this Act. All The term of a license for a 14 continuing education instructors instructor shall be 2 years 15 16 and as established by rule. All Continuing Education 17 Instructors must teach at least one course within the period of licensure or take an instructor training program approved by 18 19 the Department OBRE in lieu thereof.

20 (Source: P.A. 91-245, eff. 12-31-99.)

## 21 (225 ILCS 454/5-30 rep.)

- 22 (225 ILCS 454/5-55 rep.)
- 23 (225 ILCS 454/20-30 rep.)
- 24 (225 ILCS 454/20-35 rep.)
- 25 (225 ILCS 454/20-40 rep.)

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- 1 (225 ILCS 454/20-45 rep.)
- 2 (225 ILCS 454/20-80 rep.)
- 3 (225 ILCS 454/20-120 rep.)
- 4 (225 ILCS 454/30-30 rep.)

5 Section 15. The Real Estate License Act of 2000 is amended
6 by repealing Sections 5-30, 5-55, 20-30, 20-35, 20-40, 20-45,
7 20-80, 20-120, and 30-30.

8 Section 99. Effective date. This Act takes effect December9 31, 2009.

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	Statutes amended 5 ILCS 80/4.20 5 ILCS 80/4.30 new 225 ILCS 454/1-10 225 ILCS 454/5-5 225 ILCS 454/5-6 new 225 ILCS 454/5-7 new 225 ILCS 454/5-10 225 ILCS 454/5-10 225 ILCS 454/5-20 225 ILCS 454/5-20 225 ILCS 454/5-26 new 225 ILCS 454/5-27 new 225 ILCS 454/5-28 new 225 ILCS 454/5-35 225 ILCS 454/5-40 225 ILCS 454/5-41 new 225 ILCS 454/5-45 225 ILCS 454/5-45 225 ILCS 454/5-46 new 225 ILCS 454/5-47 new 225 ILCS 454/5-60 225 ILCS 454/5-60	INDEX 5 ILCS 80/4.20 5 ILCS 80/4.30 new 225 ILCS 454/1-10 225 ILCS 454/5-5 225 ILCS 454/5-6 new 225 ILCS 454/5-7 new 225 ILCS 454/5-70 225 ILCS 454/5-10 225 ILCS 454/5-10 225 ILCS 454/5-20 225 ILCS 454/5-20 225 ILCS 454/5-26 new 225 ILCS 454/5-27 new 225 ILCS 454/5-28 new 225 ILCS 454/5-28 new 225 ILCS 454/5-35 225 ILCS 454/5-40 225 ILCS 454/5-60 225 ILCS 454/5-50 225 ILCS 454/5-60 225 ILCS 454/5-60	INDEX Statutes amended in order of appea 5 ILCS 80/4.20 5 ILCS 80/4.30 new 225 ILCS 454/1-10 225 ILCS 454/5-5 225 ILCS 454/5-7 new 225 ILCS 454/5-7 new 225 ILCS 454/5-10 225 ILCS 454/5-10 225 ILCS 454/5-15 225 ILCS 454/5-26 225 ILCS 454/5-26 new 225 ILCS 454/5-26 new 225 ILCS 454/5-27 new 225 ILCS 454/5-28 new 225 ILCS 454/5-35 225 ILCS 454/5-40 225 ILCS 454/5-40 225 ILCS 454/5-41 new 225 ILCS 454/5-41 new 225 ILCS 454/5-45 225 ILCS 454/5-47 new 225 ILCS 454/5-47 new	INDEX         Statutes amended in order of appearance         5 ILCS 80/4.20         5 ILCS 80/4.30 new         225 ILCS 454/1-10         225 ILCS 454/5-5         225 ILCS 454/5-6 new         225 ILCS 454/5-7 new         225 ILCS 454/5-10         225 ILCS 454/5-10         225 ILCS 454/5-10         225 ILCS 454/5-10         225 ILCS 454/5-20         225 ILCS 454/5-26 new         225 ILCS 454/5-27 new         225 ILCS 454/5-28 new         225 ILCS 454/5-31 new         225 ILCS 454/5-41 new         225 ILCS 454/5-41 new         225 ILCS 454/5-45 new         225 ILCS 454/5-47 new         225 ILCS 454/5-47 new         225 ILCS 454/5-50         225 ILCS 454/5-50         225 ILCS 454/5-60         225 ILCS 454/5-60         225 ILCS 454/5-60         225 ILCS 454/5-60	JIDEX         Statutes amended in order of appearance         5 ILCS 80/4.20         5 ILCS 80/4.30 new         225 ILCS 454/1-10         225 ILCS 454/5-5         225 ILCS 454/5-6 new         225 ILCS 454/5-7 new         225 ILCS 454/5-7 new         225 ILCS 454/5-70         225 ILCS 454/5-10         225 ILCS 454/5-20         225 ILCS 454/5-25         225 ILCS 454/5-26 new         225 ILCS 454/5-27 new         225 ILCS 454/5-27 new         225 ILCS 454/5-28 new         225 ILCS 454/5-27 new         225 ILCS 454/5-28 new         225 ILCS 454/5-40         225 ILCS 454/5-40         225 ILCS 454/5-40         225 ILCS 454/5-45 new         225 ILCS 454/5-50         225 ILCS 454/5-61         225 ILCS 454/5-61         225 ILCS 454/5-65	INDEX           Statutes amended in order of appearance           5 FLCS 80/4.20           5 FLCS 80/4.30 new           225 FLCS 454/1-10           225 FLCS 454/5-5           225 FLCS 454/5-6 new           225 FLCS 454/5-7 new           225 FLCS 454/5-70           225 FLCS 454/5-10           225 FLCS 454/5-15           225 FLCS 454/5-20           225 FLCS 454/5-26           225 FLCS 454/5-27 new           225 FLCS 454/5-26           225 FLCS 454/5-27 new           225 FLCS 454/5-28 new           225 FLCS 454/5-28 new           225 FLCS 454/5-28 new           225 FLCS 454/5-40           225 FLCS 454/5-41 new           225 FLCS 454/5-45           225 FLCS 454/5-46 new           225 FLCS 454/5-50           225 FLCS 454/5-60           225 FLCS 454/5-61

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- 1 225 ILCS 454/5-80
- 2 225 ILCS 454/5-85
- 3 225 ILCS 454/10-15
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- 15 225 ILCS 454/20-22 new
- 16 225 ILCS 454/20-25
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- 20 225 ILCS 454/20-62 new
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- 22 225 ILCS 454/20-64 new
- 23 225 ILCS 454/20-65
- 24 225 ILCS 454/20-66 new
- 25 225 ILCS 454/20-67 new
- 26 225 ILCS 454/20-68 new

- 1 225 ILCS 454/20-69 new
- 2 225 ILCS 454/20-72 new
- 3 225 ILCS 454/20-73 new
- 4 225 ILCS 454/20-75
- 5 225 ILCS 454/20-82 new
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- 2 225 ILCS 454/5-30 rep.
- 3 225 ILCS 454/5-55 rep.
- 4 225 ILCS 454/20-30 rep.
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