

AN ACT concerning government.

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

Section 5. The Regulatory Sunset Act is amended by changing Section 4.30 and by adding Section 4.40 as follows:

(5 ILCS 80/4.30)

Sec. 4.30. Acts repealed on January 1, 2020. The following Acts are repealed on January 1, 2020:

The Auction License Act.

The Community Association Manager Licensing and Disciplinary Act.

The Illinois Architecture Practice Act of 1989.

The Illinois Landscape Architecture Act of 1989.

The Illinois Professional Land Surveyor Act of 1989.

The Orthotics, Prosthetics, and Pedorthics Practice Act.

The Perfusionist Practice Act.

The Pharmacy Practice Act.

The Professional Engineering Practice Act of 1989.

~~The Real Estate License Act of 2000.~~

The Structural Engineering Practice Act of 1989.

(Source: P.A. 100-497, eff. 9-8-17; 100-534, eff. 9-22-17; 100-863, eff. 8-14-18.)

(5 ILCS 80/4.40 new)

Sec. 4.40. Act repealed on January 1, 2030. The following Act is repealed on January 1, 2030:

The Real Estate License Act of 2000.

Section 10. The Real Estate License Act of 2000 is amended by changing Sections 1-5, 1-10, 5-5, 5-6, 5-7, 5-10, 5-15, 5-20, 5-25, 5-27, 5-28, 5-35, 5-40, 5-41, 5-45, 5-50, 5-60, 5-70, 5-75, 10-5, 10-10, 10-15, 10-20, 10-30, 10-35, 15-5, 15-10, 15-15, 15-25, 15-35, 15-45, 15-50, 15-65, 15-75, 20-5, 20-10, 20-15, 20-20, 20-21, 20-22, 20-25, 20-60, 20-64, 20-65, 20-66, 20-72, 20-75, 20-85, 20-90, 25-15, 25-21, 25-25, 30-5, 30-15, and 30-25 and by adding Sections 5-29, 10-50, 10-55, and 20-20.1 as follows:

(225 ILCS 454/1-5)

(Section scheduled to be repealed on January 1, 2020)

Sec. 1-5. Legislative intent. The intent of the General Assembly in enacting this statute is to evaluate the competency of persons engaged in the real estate profession ~~business~~ and to regulate their activities ~~this business~~ for the protection of the public.

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

(225 ILCS 454/1-10)

(Section scheduled to be repealed on January 1, 2020)

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

"Act" means the Real Estate License Act of 2000.

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

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

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

"Blind advertisement" means any real estate advertisement that is used by a licensee regarding the sale or lease of real estate, licensed activities, or the hiring of any licensee under this Act that does not include the sponsoring broker's complete business name or, in the case of electronic advertisements, does not provide a direct link to a display with all the required disclosures ~~and that is used by any licensee regarding the sale or lease of real estate, licensed activities, or the hiring of any licensee under this Act.~~ The

broker's business name in the case of a franchise shall include the franchise affiliation as well as the name of the individual firm.

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

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

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

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

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

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

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

(5) Whether for another or themselves, engages in a pattern of business of buying, selling, offering to buy or

sell, marketing for sale, exchanging, or otherwise dealing in contracts, including assignable contracts for the purchase or sale of, or Buys, sells, offers to buy or sell, or otherwise deals in options on real estate or improvements thereon. For purposes of this definition, an individual or entity will be found to have engaged in a pattern of business if the individual or entity by itself or with any combination of other individuals or entities, whether as partners or common owners in another entity, has engaged in one or more of these practices on 2 or more occasions in any 12-month period.

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

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

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

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

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

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

(12) Prepares or provides a broker price opinion or comparative market analysis as those terms are defined in this Act, pursuant to the provisions of Section 10-45 of this Act.

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

"Broker price opinion" means an estimate or analysis of the probable selling price of a particular interest in real estate, which may provide a varying level of detail about the property's condition, market, and neighborhood and information on comparable sales. The activities of a real estate broker or managing broker engaging in the ordinary course of business as a broker, as defined in this Section, shall not be considered a broker price opinion if no compensation is paid to the broker or managing broker, other than compensation based upon the sale or rental of real estate. A broker price opinion shall not be considered an appraisal within the meaning of the Real Estate Appraiser Licensing Act of 2002, any amendment to that Act, or any successor Act.

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

licensee.

"Comparative market analysis" means ~~is~~ an analysis or opinion regarding pricing, marketing, or financial aspects relating to a specified interest or interests in real estate that may be based upon an analysis of comparative market data, the expertise of the real estate broker or managing broker, and such other factors as the broker or managing broker may deem appropriate in developing or preparing such analysis or opinion. The activities of a real estate broker or managing broker engaging in the ordinary course of business as a broker, as defined in this Section, shall not be considered a comparative market analysis if no compensation is paid to the broker or managing broker, other than compensation based upon the sale or rental of real estate. A comparative market analysis shall not be considered an appraisal within the meaning of the Real Estate Appraiser Licensing Act of 2002, any amendment to that Act, or any successor Act.

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

- (1) commissions;
- (2) referral fees;
- (3) bonuses;
- (4) prizes;

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

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

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

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



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

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

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

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

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

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

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

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

"Director" means the Director of Real Estate within the Department of Financial and Professional Regulation.

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

"Education provider" means a school licensed by the Department offering courses in pre-license, post-license, or continuing education required by this Act.

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

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

for which the security deposit is being held.

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

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

"Inactive" ~~"Inoperative"~~ means a status of licensure where the licensee holds a current license under this Act, but the licensee is prohibited from engaging in licensed activities because the licensee is unsponsored or the license of the sponsoring broker with whom the licensee is associated or by whom he or she is employed is currently expired, revoked, suspended, or otherwise rendered invalid under this Act. The license of any business entity that is not in good standing with the Illinois Secretary of State, or is not authorized to conduct business in Illinois, shall immediately become inactive and that entity shall be prohibited from engaging in any licensed activities.

~~"Interactive delivery method" means delivery of a course by an instructor through a medium allowing for 2-way communication between the instructor and a student in which either can~~

~~initiate or respond to questions.~~

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

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

"License" means the privilege conferred ~~document issued~~ by the Department to a ~~certifying that the person that named~~ ~~thereon~~ has fulfilled all requirements prerequisite to any type of licensure under this Act.

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

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

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

"Managing broker" means a licensee who may be authorized to assume broker who has supervisory responsibilities as a designated managing broker for licensees in one or, in the case of a multi-office company, more than one office, upon appointment by the sponsoring broker and registration with the

~~Department and who has been appointed as such by the sponsoring broker. A managing broker may act as his or her own sponsor.~~

"Medium of advertising" means any method of communication intended to influence the general public to use or purchase a particular good or service or real estate, including, but not limited to, print, electronic, social media, and digital forums.

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

~~(x) referral to another broker or service provider.~~

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

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

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

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

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

"Proctor" means any person, including, but not limited to, an instructor, who has a written agreement to administer examinations fairly and impartially with a licensed education provider.

"Real estate" means and includes leaseholds as well as any

other interest or estate in land, whether corporeal, incorporeal, freehold, or non-freehold and whether the real estate is situated in this State or elsewhere. "Real estate" does not include property sold, exchanged, or leased as a timeshare or similar vacation item or interest, vacation club membership, or other activity formerly regulated under the Real Estate Timeshare Act of 1999 (repealed).

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

"Renewal period" means the period beginning 90 days prior to the expiration date of a license.

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

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

"Sponsoring broker" means the broker who certifies to the Department his, her, or its sponsorship of ~~has issued a sponsor~~ ~~card to~~ a licensed managing broker, broker, or a residential leasing agent.

"Sponsorship" ~~"Sponsor card"~~ means that a sponsoring broker has certified to the Department that a ~~the temporary permit issued by the sponsoring broker certifying that the~~ managing broker, broker, or residential leasing agent named thereon is employed by or associated by written agreement with the sponsoring broker and the Department has registered the sponsorship, as provided for in Section 5-40 of this Act.

"Team" means any 2 or more licensees who work together to provide real estate brokerage services, represent themselves to the public as being part of a team or group, are identified by a team name that is different than their sponsoring broker's name, and together are supervised by the same managing broker and sponsored by the same sponsoring broker. "Team" does not mean a separately organized, incorporated, or legal entity.

(Source: P.A. 99-227, eff. 8-3-15; 100-188, eff. 1-1-18; 100-534, eff. 9-22-17; 100-831, eff. 1-1-19; 100-863, eff. 8-14-18.)

(225 ILCS 454/5-5)

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

Sec. 5-5. Residential leasing ~~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 a ~~the~~ license ~~provided for~~



under this Section.

(b) Notwithstanding the other provisions of this Act, there is hereby created a residential leasing agent license that shall enable the licensee to engage only in residential leasing activities for which a license is required under this Act. Such activities include leasing or renting residential real property, or attempting, offering, or negotiating to lease or rent residential real property, or supervising the collection, offer, attempt, or agreement to collect rent for the use of residential real property. Nothing in this Section shall be construed to require a licensed managing broker or broker to obtain a residential leasing agent license in order to perform leasing activities for which a license is required under this Act. Licensed residential leasing agents, including those operating under subsection (d), may engage in activities enumerated within the definition of "residential leasing agent" in Section 1-10 of this Act and may not engage in any activity that would otherwise require a broker's license, including, but not limited to, selling, offering for sale, negotiating for sale, listing or showing for sale, or referring for sale or commercial lease real estate. Licensed residential leasing agents must be sponsored and employed by a sponsoring broker.

(c) The Department, by rule and in accordance with this Act, shall provide for the licensing of residential leasing agents, including the issuance, renewal, and administration of

licenses.

(d) Notwithstanding any other provisions of this Act to the contrary, a person may engage in residential leasing activities for which a license is required under this Act, for a period of 120 consecutive days without being licensed, so long as the person is acting under the supervision of a sponsoring broker, the sponsoring broker has notified the Department that the person is pursuing licensure under this Section, and the person has enrolled in the residential leasing agent pre-license education course no later than 60 days after beginning to engage in residential leasing activities. During the 120-day period all requirements of Sections 5-10 and 5-65 of this Act with respect to education, successful completion of an examination, and the payment of all required fees must be satisfied. The Department may adopt rules to ensure that the provisions of this subsection are not used in a manner that enables an unlicensed person to repeatedly or continually engage in activities for which a license is required under this Act.

(Source: P.A. 99-227, eff. 8-3-15; 100-188, eff. 1-1-18.)

(225 ILCS 454/5-6)

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

Sec. 5-6. Social Security Number or Tax Identification Number on license application. In addition to any other information required to be contained in the application, every

application for an original license under this Act shall include the applicant's Social Security Number or Tax Identification Number, which shall be retained in the agency's records pertaining to the license. As soon as practical, the Department shall assign a separate and distinct ~~customer's~~ identification number to each applicant for a license.

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

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

(225 ILCS 454/5-7)

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

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

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

(225 ILCS 454/5-10)

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

Sec. 5-10. Requirements for license as a residential

leasing agent; continuing education.

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

(1) be at least 18 years of age;

(2) be of good moral character;

(3) successfully complete a 4-year course of study in a high school or secondary school or an equivalent course of study approved by the state in which the school is located, or possess a high school equivalency certificate, which shall be verified under oath by the applicant ~~the Illinois State Board of Education;~~

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

(5) provide satisfactory evidence of having completed 15 hours of instruction in an approved course of study relating to the leasing of residential real property. The Board may ~~shall~~ recommend to the Department the number of hours each topic of study shall require. The course of study shall, among other topics, cover the provisions of this Act applicable to residential leasing agents; fair housing and human rights issues relating to residential leasing; advertising and marketing issues; leases,

applications, and credit and criminal background reports; owner-tenant relationships and owner-tenant laws; the handling of funds; and environmental issues relating to residential real property;

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

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

(b) No applicant shall engage in any of the activities covered by this Act without a valid license and until a valid sponsorship has been registered with the Department ~~sponsor card has been issued to such applicant. The sponsor card shall be valid for a maximum period of 45 days after the date of issuance unless extended for good cause as provided by rule.~~

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

(d) The continuing education requirement for residential leasing agents shall consist of a single core curriculum to be prescribed ~~established~~ by the Department as recommended by the Board. Leasing agents shall be required to complete no less than 8 ~~6~~ hours of continuing education in the core curriculum for each 2-year renewal period. The curriculum shall, at a minimum, consist of a single course or courses on the subjects of fair housing and human rights issues related to residential leasing, advertising and marketing issues, leases, applications, credit reports, and criminal history, the handling of funds, owner-tenant relationships and owner-tenant laws, and environmental issues relating to residential real estate.

(Source: P.A. 99-227, eff. 8-3-15; 100-188, eff. 1-1-18.)

(225 ILCS 454/5-15)

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

Sec. 5-15. Necessity of managing broker, broker, or residential leasing agent license ~~or sponsor card~~; ownership restrictions.

(a) It is unlawful for any person, as defined in Section 1-10, to act as a managing broker, broker, or residential leasing agent or to advertise or assume to act as such managing broker, broker or residential leasing agent without a ~~properly issued sponsor card or a~~ license issued in accordance with ~~under~~ this Act and a valid sponsorship registered with ~~by~~ the

Department, either directly or 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 broker, unless every officer of the corporation who actively participates in the real estate activities of the corporation holds a license as a managing broker or broker and unless every employee who acts as a managing broker, broker, or residential leasing agent for the corporation holds a license as a managing broker, broker, or residential leasing agent. All nonparticipating owners or officers shall submit affidavits of nonparticipation as required by the Department. No corporation shall be granted a license if any nonparticipating owner or officer has previously been publicly disciplined by the Department resulting in that licensee being currently barred from real estate practice because of a suspension or revocation.

(c) No partnership shall be granted a license or engage in the business or serve in the capacity, either directly or indirectly, of a broker, unless every partner in the partnership who actively participates in the real estate activities of the partnership holds a license as a managing broker or broker and unless every employee who acts as a managing broker, broker, or residential leasing agent for the partnership holds a license as a managing broker, broker, or residential leasing agent. All nonparticipating partners shall

submit affidavits of nonparticipation as required by the Department. In the case of a registered limited liability partnership (LLP), every partner in the LLP that actively participates in the real estate activities of the limited liability partnership must hold a license as a managing broker or broker and every employee who acts as a managing broker, broker, or residential leasing agent must hold a license as a managing broker, broker, or residential leasing agent. All nonparticipating limited liability partners shall submit affidavits of nonparticipation as required by the Department. No partnership shall be granted a license if any nonparticipating partner has previously been publicly disciplined by the Department resulting in that licensee being currently barred from real estate practice because of a suspension or revocation.

(d) No limited liability company shall be granted a license or engage in the business or serve in the capacity, either directly or indirectly, of a broker unless every member or manager in the limited liability company that actively participates in the real estate activities of the limited liability company holds a license as a managing broker or broker and unless every other member and employee who acts as a managing broker, broker, or residential leasing agent for the limited liability company holds a license as a managing broker, broker, or residential leasing agent. All nonparticipating members or managers shall submit affidavits of



nonparticipation as required by the Department. No limited liability company shall be granted a license if any nonparticipating member or manager has previously been publicly disciplined by the Department resulting in that licensee being currently barred from real estate practice because of a suspension or revocation.

(e) (Blank).

(f) No person, partnership, or business entity shall be granted a license if any ~~participating~~ owner, officer, director, partner, limited liability partner, member, or manager has been denied a real estate license by the Department in the previous 5 years or is otherwise currently barred from real estate practice because of a suspension or revocation.

(Source: P.A. 99-227, eff. 8-3-15; 100-831, eff. 1-1-19.)

(225 ILCS 454/5-20)

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

Sec. 5-20. Exemptions from managing broker, broker, or residential leasing agent license requirement; Department exemption from education provider and related licenses. The requirement for holding a license under this Article 5 shall not apply to:

(1) Any person, as defined in Section 1-10, that as owner or lessor performs any of the acts described in the definition of "broker" under Section 1-10 of this Act with reference to property owned or leased by it, or to the

regular employees thereof with respect to the property so owned or leased, where such acts are performed in the regular course of or as an incident to the management, sale, or other disposition of such property and the investment therein, if ~~provided that~~ such regular employees do not perform any of the acts described in the definition of "broker" under Section 1-10 of this Act in connection with a vocation of selling or leasing any real estate or the improvements thereon not so owned or leased.

(2) An attorney in fact acting under a duly executed and recorded power of attorney to convey real estate from the owner 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) Any person acting as receiver, trustee in bankruptcy, administrator, executor, or guardian or while acting under a court order or under the authority of a will or testamentary trust.

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

(5) Any officer or employee of a federal agency in the

conduct of official duties.

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

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

(8) Railroads and other public utilities regulated by the State of Illinois, or the officers or full-time ~~full time~~ employees thereof, unless the performance of any licensed activities is in connection with the sale, purchase, lease, or other disposition of real estate or investment therein that does not require ~~not needing~~ the approval of the appropriate State regulatory authority.

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

(10) Any resident lessee of a residential dwelling unit who refers for compensation to the owner of the dwelling unit, or to the owner's agent, prospective lessees of

dwelling units in the same building or complex as the resident lessee's unit, but only if the resident lessee (i) refers no more than 3 prospective lessees in any 12-month period, (ii) receives compensation of no more than \$5,000 ~~\$1,500~~ or the equivalent of 2 months' ~~one month's~~ rent, whichever is less, in any 12-month period, and (iii) limits his or her activities to referring prospective lessees to the owner, or the owner's agent, and does not show a residential dwelling unit to a prospective lessee, discuss terms or conditions of leasing a dwelling unit with a prospective lessee, or otherwise participate in the negotiation of the leasing of a dwelling unit.

(11) The purchase, sale, or transfer of a timeshare or similar vacation item or interest, vacation club membership, or other activity formerly regulated under the Real Estate Timeshare Act of 1999 (repealed).

(12) (Blank).

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

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

(B) that person verifies to the Department 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 her license 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 dealing with or related to the sale or lease of real estate at auction.

(14) A person who holds a valid license under the Auction License Act and a valid real estate auction certification and conducts auctions for the sale of real estate under Section 5-32 of this Act.

(15) A hotel operator who is registered with the Illinois Department of Revenue and pays taxes under the Hotel Operators' Occupation Tax Act and rents a room or rooms in a hotel as defined in the Hotel Operators' Occupation Tax Act for a period of not more than 30 consecutive days and not more than 60 days in a calendar year or a person who participates in an online marketplace enabling persons to rent out all or part of the person's owned residence.

(16) Notwithstanding any provisions to the contrary, the Department and its employees shall be exempt from education, course provider, instructor, and course license requirements and fees while acting in an official capacity on behalf of the Department. Courses offered by the

Department shall be eligible for continuing education credit.

(Source: P.A. 99-227, eff. 8-3-15; 100-534, eff. 9-22-17; 100-831, eff. 1-1-19.)

(225 ILCS 454/5-25)

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

Sec. 5-25. Good moral character.

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

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

(b) In its consideration of the prior revocation, conduct, or conviction, the Board shall take into account the nature of the conduct, any aggravating or extenuating circumstances, the time elapsed since the revocation, conduct, or conviction, the rehabilitation or restitution performed by the applicant, mitigating factors, and any other factors that the Board deems relevant, including, but not limited to:

(1) the lack of direct relation of the offense for which the applicant was previously convicted to the duties, functions, and responsibilities of the position for which a license is sought;

(2) unless otherwise specified, whether 5 years since a felony conviction or 3 years since release from confinement for the conviction, whichever is later, have passed without a subsequent conviction;

(3) if the applicant was previously licensed or employed in this State or other states or jurisdictions, the lack of prior misconduct arising from or related to the licensed position or position of employment;

(4) the age of the person at the time of the criminal offense;

(5) if, due to the applicant's criminal conviction

history, the applicant would be explicitly prohibited by federal rules or regulations from working in the position for which a license is sought;

(6) successful completion of sentence and, for applicants serving a term of parole or probation, a progress report provided by the applicant's probation or parole officer that documents the applicant's compliance with conditions of supervision;

(7) evidence of the applicant's present fitness and professional character;

(8) evidence of rehabilitation or rehabilitative effort during or after incarceration, or during or after a term of supervision, including, but not limited to, a certificate of good conduct under Section 5-5.5-25 of the Unified Code of Corrections or a certificate of relief from disabilities under Section 5-5.5-10 of the Unified Code of Corrections; and

(9) any other mitigating factors that contribute to the person's potential and current ability to perform the job duties.

(c) The Department shall not require applicants to report the following information and shall not consider the following criminal history records in connection with an application for licensure or registration:

(1) juvenile adjudications of delinquent minors as defined in Section 5-105 of the Juvenile Court Act of 1987



subject to the restrictions set forth in Section 5-130 of that Act;

(2) law enforcement records, court records, and conviction records of an individual who was 17 years old at the time of the offense and before January 1, 2014, unless the nature of the offense required the individual to be tried as an adult;

(3) records of arrests not followed by a charge or conviction;

(4) records of arrests where the charges were dismissed unless related to the practice of the profession; however, applicants shall not be asked to report any arrests, and an arrest not followed by a conviction shall not be the basis of a denial and may be used only to assess an applicant's rehabilitation;

(5) convictions overturned by a higher court; or

(6) convictions or arrests that have been sealed or expunged.

(d) If an applicant makes a false statement of material fact on his or her application, the false statement may in itself be sufficient grounds to revoke or refuse to issue a license.

(e) A licensee shall report to the Department, in a manner adopted by rule, any plea of guilty, or nolo contendere to forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any similar

offense or offenses or any conviction of a felony involving moral turpitude that occurs during the licensee's term of licensure.

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

(225 ILCS 454/5-27)

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

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

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

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

(2) Be of good moral character;

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

(4) (Blank);

(5) Provide satisfactory evidence of having completed 75 ~~90~~ hours of instruction in real estate courses approved by the Department, 15 hours of which must consist of situational and case studies presented in the classroom or by live, interactive webinar or online distance education courses;

(6) Personally take and pass a written examination authorized by the Department;

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

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

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

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

(e) An individual holding an active license as a managing broker may, upon written request to the Department, permanently

and irrevocably place his or her managing broker license on inactive status ~~return the license to the Department along with a form provided by the Department~~ and shall be issued a broker's license in exchange. Any individual obtaining a broker's license under this subsection (e) shall be considered as having obtained a broker's license by education and passing the required test and shall be treated as such in determining compliance with this Act.

(Source: P.A. 99-227, eff. 8-3-15; 100-188, eff. 1-1-18.)

(225 ILCS 454/5-28)

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

Sec. 5-28. Requirements for licensure as a managing broker.

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

- (1) be at least 20 ~~21~~ years of age;
- (2) be of good moral character;
- (3) have been licensed at least 2 consecutive years out of the preceding 3 years as a broker;
- (4) successfully complete a 4-year course of study in high school or secondary school approved by the state in which the school is located, or a high school equivalency certificate ~~Illinois State Board of Education or an equivalent course of study as determined by an examination conducted by the Illinois State Board of Education~~, which shall be verified under oath by the applicant;

(5) provide satisfactory evidence of having completed at least 165 hours, 120 of which shall be those hours required pre-licensure ~~pre~~ and post-licensure to obtain a broker's license, and 45 additional hours completed within the year immediately preceding the filing of an application for a managing broker's license, which hours shall focus on brokerage administration and management and residential leasing agent management and include at least 15 hours in the classroom or by live, interactive webinar or online distance education courses;

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

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

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

~~(c) No applicant shall 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.~~

(Source: P.A. 99-227, eff. 8-3-15; 100-188, eff. 1-1-18.)

Sec. 5-29. Temporary practice as a designated managing broker. Upon the loss of a designated managing broker who is not replaced by the sponsoring broker or in the event of the death or adjudicated disability of the sole proprietor of an office, a written request for authorization allowing the continued operation of the office may be submitted to the Department within 15 days of the loss. The Department may issue a written authorization allowing the continued operation, provided that a licensed managing broker or, in the case of the death or adjudicated disability of a sole proprietor, the representative of the estate, assumes responsibility, in writing, for the operation of the office and agrees to personally supervise the operation of the office. No such written authorization shall be valid for more than 60 days unless extended by the Department for good cause shown and upon written request by the broker or representative.

(225 ILCS 454/5-35)

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

Sec. 5-35. Examination; managing broker, broker, or residential leasing agent.

(a) The Department shall authorize examinations at such times and places as it may designate. The examination shall be of a character to give a fair test of the qualifications of the applicant to practice as a managing broker, broker, or residential leasing agent. Applicants for examination as a

managing broker, broker, or residential leasing agent shall be required to pay, either to the Department or the designated testing service, a fee covering the cost of providing the examination. Failure to appear for the examination on the scheduled date, at the time and place specified, after the applicant's application for examination has been received and acknowledged by the Department or its ~~the~~ designated testing service, shall result in the forfeiture of the examination fee. An applicant shall be eligible to take the examination only after successfully completing the education requirements and attaining the minimum age provided for in Article 5 of this Act. Each applicant shall be required to establish compliance with the eligibility requirements in the manner provided by the rules promulgated for the administration of this Act.

(b) If a person who has received a passing score on the written examination described in this Section fails to submit ~~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 consecutive times, the applicant must repeat the pre-license education required to sit for that ~~the~~ examination. For the purposes of this Section, the fifth attempt shall be the same as the first. Approved education, as prescribed by this Act for licensure as

a managing broker, broker, or residential leasing agent, shall be valid for 2 4 years after the date of satisfactory completion of the education.

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

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

(225 ILCS 454/5-40)

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

Sec. 5-40. Sponsorship; establishing and terminating sponsorship ~~Sponsor card; termination indicated by license endorsement; association with new broker.~~

(a) The sponsoring broker shall notify the Department, in a manner prescribed by the Department, of each licensee employed by or associated with the sponsoring broker within 24 hours after establishing a sponsorship ~~prepare upon forms provided by the Department and deliver to each licensee employed by or associated with the sponsoring broker a sponsor card certifying that the person whose name appears thereon is in fact employed by or associated with the sponsoring broker. The sponsoring broker shall send a duplicate of each sponsor card, along with a valid license or other authorization as provided by rule and the appropriate fee, to the Department within 24 hours of issuance of the sponsor card. It is a violation of this Act for any broker to issue a sponsor card to any licensee or applicant unless the licensee or applicant presents in hand a valid~~



~~license or other authorization as provided by rule.~~

(b) When a licensee terminates his or her employment or association with a sponsoring broker or the employment is terminated by the sponsoring broker, the person or entity initiating the termination shall notify the Department, in a manner prescribed by the Department, of the termination within 24 hours ~~licensee shall obtain from the sponsoring broker his or her license endorsed by the sponsoring broker indicating the termination. The sponsoring broker shall surrender to the Department a copy of the license of the licensee within 2 days of the termination or shall notify the Department in writing of the termination and explain why a copy of the license is not surrendered. Failure to timely notify the Department of the termination shall subject the person or entity initiating the termination of the sponsoring broker to surrender the license shall subject the sponsoring broker to discipline under Section 20-20 of this Act. The license of any licensee whose association with a sponsoring broker is terminated shall automatically become inactive ~~inoperative~~ immediately upon the termination, and the licensee shall not be authorized to practice until a new valid sponsorship is registered with the Department unless the licensee accepts employment or becomes associated with a new sponsoring broker pursuant to subsection (c) of this Section.~~

~~(c) When a licensee accepts employment or association with a new sponsoring broker, the new sponsoring broker shall send~~

~~to the Department a duplicate sponsor card, along with the licensee's endorsed license or an affidavit of the licensee of why the endorsed license is not surrendered, and shall pay the appropriate fee prescribed by rule to cover administrative expenses attendant to the changes in the registration of the licensee.~~

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

(225 ILCS 454/5-41)

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

Sec. 5-41. Licensee contact information ~~Change of address.~~  
An applicant or A licensee shall inform ~~notify~~ the Department of any change of address, email address, telephone number, or office location within 24 hours after any such change. A licensee shall notify the Department of any such change either through the Department's website or by other means prescribed by the Department ~~the address or addresses, and of every change of address, where the licensee practices as a leasing agent, broker or managing broker.~~

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

(225 ILCS 454/5-45)

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

Sec. 5-45. Offices.

(a) If a sponsoring broker maintains more than one office within the State, the sponsoring broker shall notify the

Department in a manner ~~on forms~~ prescribed by the Department for each office other than the sponsoring broker's principal place of business. The brokerage license shall be displayed conspicuously in each ~~branch~~ office. The name of each branch office shall be the same as that of the sponsoring broker's principal office or shall clearly delineate the ~~branch~~ office's relationship with the principal office.

(b) The sponsoring broker shall name a designated managing broker for each ~~branch~~ office and the sponsoring broker shall be responsible for supervising all designated managing brokers. The sponsoring broker shall notify the Department in a manner prescribed by the Department ~~writing~~ of the name of all designated managing brokers of the sponsoring broker and the office or offices they manage. ~~Any person initially named as a managing broker after April 30, 2011 must either (i) be licensed as a managing broker or (ii) meet all the requirements to be licensed as a managing broker except the required education and examination and secure the managing broker's license within 90 days of being named as a managing broker.~~ Any changes in designated managing brokers shall be reported to the Department in a manner prescribed by the Department ~~writing~~ within 15 days of the change. Failure to do so shall subject the sponsoring broker to discipline under Section 20-20 of this Act.

(c) The sponsoring broker shall, within 24 hours, ~~immediately~~ notify the Department in a manner prescribed by the

Department ~~writing~~ of any opening, closing, or change in location of any ~~principal or branch~~ office.

(d) Except as provided in this Section, each sponsoring broker shall maintain an ~~a definite~~ office, or place of business within this State for the transaction of real estate business, shall conspicuously display an identification sign on the outside of his or her physical office of adequate size and visibility. Any record required by this Act to be created or maintained shall be, in the case of a physical record, securely stored and accessible for inspection by the Department at the sponsoring broker's principal office and, in the case of an electronic record, securely stored in the format in which it was originally generated, sent, or received and accessible for inspection by the Department by secure electronic access to the record. Any record relating to a transaction of a special account shall be maintained for a minimum of 5 years, and any electronic record shall be backed up at least monthly. The office or place of business shall not be located in any retail or financial business establishment unless it is clearly separated from the other business ~~by a separate~~ and is situated within a distinct area within the establishment.

(e) A broker who is licensed in this State by examination or pursuant to the provisions of Section 5-60 of this Act shall not be required to maintain a definite office or place of business in this State provided all of the following conditions are met:

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

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

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

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

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

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

(f) The Department may adopt rules to permit and regulate the operation of virtual offices that do not have a fixed location.

(Source: P.A. 100-831, eff. 1-1-19.)

(225 ILCS 454/5-50)

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

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

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

(b) An individual whose first license is that of a broker received on or after the effective date of this amendatory Act of the 101st General Assembly ~~the effective date of this amendatory Act of the 100th General Assembly~~, must provide evidence of having completed 45 ~~30~~ hours of post-license

~~education in courses recommended by the Board and approved by the Department, 15 hours of which must consist of situational and case studies presented in a classroom or a live, interactive webinar, or online distance education course, and which shall require passage of a final examination or home study course. Credit for courses taken through a home study course shall require passage of an examination approved by the Department prior to the first renewal of their broker's license.~~

The Board may recommend, and the Department shall approve, 45 hours of post-license education, consisting of three 15-hour post-license courses, one each that covers applied brokerage principles, risk management/discipline, and transactional issues. Each of the courses shall require its own 50-question final examination, which shall be administered by the education provider that delivers the course.

Individuals whose first license is that of a broker received on or after the effective date of this amendatory Act of the 101st General Assembly, must complete all three 15-hour courses and successfully pass a course final examination for each course prior to the date of the next broker renewal deadline, except for those individuals who receive their first license within the 180 days preceding the next broker renewal deadline, who must complete all three 15-hour courses and successfully pass a course final examination for each course prior to the second broker renewal deadline that follows the

receipt of their license.

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

(d) Notwithstanding any other provisions of this Act to the contrary, any managing broker, broker, or residential leasing agent whose license expired while he or she was (i) on active duty with the Armed Forces of the United States or called into service or training by the state militia, (ii) engaged in training or education under the supervision of the United States preliminary to induction into military service, or (iii)



serving as the Coordinator of Real Estate in the State of Illinois or as an employee of the Department may have his or her license renewed, reinstated or restored without paying any lapsed renewal fees if within 2 years after the termination of the service, training or education by furnishing the Department with satisfactory evidence of service, training, or education and it has been terminated under honorable conditions.

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

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

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

(Source: P.A. 99-227, eff. 8-3-15; 100-188, eff. 1-1-18.)

(225 ILCS 454/5-60)

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

Sec. 5-60. Managing broker licensed in another state; broker licensed in another state; reciprocal agreements; agent for service of process.

(a) ~~A~~ ~~Effective May 1, 2011,~~ a managing broker's license may be issued by the Department to a managing broker or its

equivalent licensed under the laws of another state of the United States, under the following conditions:

(1) the managing broker holds a managing broker's license in a state that has entered into a reciprocal agreement with the Department;

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

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

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

(5) the managing broker passes a test on Illinois specific real estate brokerage laws; and

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

(b) A broker's license may be issued by the Department to a broker or its equivalent licensed under the laws of another

state of the United States, under the following conditions:

(1) the broker holds a broker's license in a state that has entered into a reciprocal agreement with the Department;

(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;

(3) (blank); ~~if the application is made prior to May 1, 2012, then the broker has been actively practicing as a broker in the broker's state of licensure for a period of not less than 2 years, immediately prior to the date of application;~~

(4) the broker furnishes the Department 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 passes a test on Illinois specific real estate brokerage laws; and

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

(c) (Blank).

(d) As a condition precedent to the issuance of a license to a managing broker or broker pursuant to this Section, the

managing broker or broker shall agree in writing to abide by all the provisions of this Act with respect to his or her real estate activities within the State of Illinois and submit to the jurisdiction of the Department as provided in this Act. The agreement shall be filed with the Department and shall remain in force for so long as the managing broker or broker is licensed by this State and thereafter with respect to acts or omissions committed while licensed as a managing broker or broker in this State.

(e) Prior to the issuance of any license to any managing broker or broker pursuant to this Section, verification of active licensure issued for the conduct of such business in any other state must be filed with the Department by the managing broker or broker, and the same fees must be paid as provided in this Act for the obtaining of a managing broker's or broker's license in this State.

(f) Licenses previously granted under reciprocal agreements with other states shall remain in force so long as the Department has a reciprocal agreement with the state that includes the requirements of this Section, unless that license is suspended, revoked, or terminated by the Department 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.

(g) Prior to the issuance of a license to a nonresident

managing broker or broker, the managing broker or broker shall file with the Department, in a manner prescribed by the Department, a designation in writing that appoints the Secretary to act as his or her agent upon whom all judicial and other process or legal notices directed to the managing broker or broker may be served. Service upon the agent so designated shall be equivalent to personal service upon the licensee. Copies of the appointment, certified by the Secretary, shall be deemed sufficient evidence thereof and shall be admitted in evidence with the same force and effect as the original thereof might be admitted. In the written designation, the managing broker or broker shall agree that any lawful process against the licensee that is served upon the agent shall be of the same legal force and validity as if served upon the licensee and that the authority shall continue in force so long as any liability remains outstanding in this State. Upon the receipt of any process or notice, the Secretary shall forthwith deliver mail a copy of the same by regular ~~certified~~ mail or email to the last known business address or email address of the licensee.

(h) Any person holding a valid license under this Section shall be eligible to obtain a managing broker's license or a broker's license without examination should that person change their state of domicile to Illinois and that person otherwise meets the qualifications for licensure under this Act.

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

(225 ILCS 454/5-70)

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

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

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

(b) Except as otherwise provided in this Section, each person who applies for renewal of his or her license as a managing broker or broker must successfully complete 12 ~~6~~ hours of real estate continuing education courses recommended by the Board and approved by the Department during the current term of the license ~~for each year of the pre-renewal period~~. In addition, ~~beginning with the pre-renewal period for managing broker licensees that begins after the effective date of this Act,~~ those licensees renewing or obtaining a managing broker's license must successfully complete a 12-hour broker management continuing education course approved by the Department during the current term of the license ~~each pre-renewal period~~. The broker management continuing education course must be completed in the classroom or through a live, by other interactive webinar or online distance education format ~~delivery method between the instructor and the students~~. ~~Successful completion of the course shall include achieving a passing score as provided by rule on a test developed and administered in accordance with rules adopted by the~~

~~Department.~~ No license may be renewed except upon the successful completion of the required courses or their equivalent or upon a waiver of those requirements for good cause shown as determined by the Secretary upon ~~with~~ the recommendation of the Board. The requirements of this Article are applicable to all managing brokers and brokers except those managing brokers and brokers who, during the renewal ~~pre-renewal~~ period:

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

(c) (Blank).

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

(e) The continuing education requirement for brokers and managing brokers shall consist of a single core curriculum and an elective curriculum, to be recommended by the Board and approved by the Department in accordance with this subsection. The core curriculum shall not be further divided into subcategories or divisions of instruction. The core curriculum shall consist of 4 hours during the current term of the license ~~per 2 year pre-renewal period~~ on subjects that may include, but



are not limited to, advertising, agency, disclosures, escrow, fair housing, residential leasing agent management, and license law. The amount of time allotted to each of these subjects shall be recommended by the Board and determined by the Department. The Department, upon the recommendation of the Board, shall review the core curriculum every 4 years, at a minimum, and shall revise the curriculum if necessary. However, the core curriculum's total hourly requirement shall only be subject to change by amendment of this subsection, and any change to the core curriculum shall not be effective for a period of 6 months after such change is made by the Department. The Department shall provide notice to all approved education providers of any changes to the core curriculum. When determining whether revisions of the core curriculum's subjects or specific time requirements are necessary, the Board shall consider recent changes in applicable laws, new laws, and areas of the license law and the Department policy that the Board deems appropriate, and any other subject areas the Board deems timely and applicable in order to prevent violations of this Act and to protect the public. In establishing a recommendation to the Department regarding the elective curriculum, the Board shall consider subjects that cover the various aspects of the practice of real estate that are covered under the scope of this Act.

(f) The subject areas of continuing education courses recommended by the Board and approved by the Department shall

be meant to protect the professionalism of the industry, the consumer, and the public and prevent violations of this Act and may include without limitation the following:

- (1) license law and escrow;
- (2) antitrust;
- (3) fair housing;
- (4) agency;
- (5) appraisal;
- (6) property management;
- (7) residential brokerage;
- (8) farm property management;
- (9) transaction management rights and duties of parties in a transaction  ~~sellers, buyers, and brokers;~~
- (10) commercial brokerage and leasing;
- (11) real estate financing;
- (12) disclosures;
- (13) residential leasing agent management; ~~and~~
- (14) advertising;~~;~~
- (15) broker supervision and managing broker responsibility;
- (16) professional conduct; and
- (17) use of technology.

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

a course shall be the amount of continuing education credit for which the course is approved for licensees taking the course.

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

(i) A managing broker or broker may earn credit for a specific continuing education course only once during the current term of the license ~~pre-renewal period~~.

(j) No more than 12 ~~6~~ hours of continuing education credit may be taken in one calendar day.

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

(l) Except as specifically provided in this Act, continuing education credit hours may not be earned for completion of pre-license ~~pre~~ or post-license courses. The courses comprising the approved 45-hour ~~30-hour~~ post-license curriculum ~~course~~ for broker licensees shall satisfy the continuing education requirement for the ~~pre-renewal~~ period in which the courses are ~~course is~~ taken. The approved 45-hour

brokerage administration and management course shall satisfy the 12-hour broker management continuing education requirement for the license term ~~pre-renewal period~~ in which the course is taken.

(Source: P.A. 99-227, eff. 8-3-15; 99-728, eff. 1-1-17; 100-188, eff. 1-1-18.)

(225 ILCS 454/5-75)

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

Sec. 5-75. Out-of-state continuing education credit. If a renewal applicant has earned continuing education hours in another state or territory for which he or she is claiming credit toward full compliance in Illinois, ~~the Board shall review and recommend to~~ the Department may ~~whether it should~~ approve those hours based upon whether the course is one that would be approved under Section 5-70 of this Act, whether the course meets the basic requirements for continuing education under this Act, and any other criteria that are ~~is~~ provided by statute or rule.

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

(225 ILCS 454/10-5)

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

Sec. 10-5. Payment of compensation.

(a) No licensee shall pay compensation directly to a licensee sponsored by another sponsoring broker for the

performance of licensed activities. No licensee sponsored by a broker may pay compensation to any licensee other than his or her sponsoring broker for the performance of licensed activities unless the licensee paying the compensation is a principal to the transaction. However, a non-sponsoring broker may pay compensation directly to a licensee sponsored by another or a person who is not sponsored by a broker if the payments are made pursuant to terms of an employment agreement that was previously in place between a licensee and the non-sponsoring broker, and the payments are for licensed activity performed by that person while previously sponsored by the now non-sponsoring broker.

(b) No licensee sponsored by a broker shall accept compensation for the performance of activities under this Act except from the broker by whom the licensee is sponsored, except as provided in this Section.

(c) (Blank). ~~Any person that is a licensed personal assistant for another licensee may only be compensated in his or her capacity as a personal assistant by the sponsoring broker for that licensed personal assistant.~~

(d) One sponsoring broker may pay compensation directly to another sponsoring broker for the performance of licensed activities.

(e) Notwithstanding any other provision of this Act, a sponsoring broker may pay compensation to a person currently licensed under the Auction License Act who is in compliance

with and providing services under Section 5-32 of this Act.

(Source: P.A. 98-553, eff. 1-1-14.)

(225 ILCS 454/10-10)

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

Sec. 10-10. Disclosure of compensation.

(a) A licensee must disclose to a client the sponsoring broker's compensation and policy with regard to cooperating with brokers who represent other parties in a transaction.

(b) A licensee must disclose to a client all sources of compensation related to the transaction received by the licensee from a third party.

(c) If a licensee refers a client to a third party in which the licensee has greater than a 1% ownership interest or from which the licensee receives or may receive dividends or other profit sharing distributions, other than a publicly held or traded company, for the purpose of the client obtaining services related to the transaction, then the licensee shall disclose that fact to the client at the time of making the referral.

(d) If in any one transaction a sponsoring broker receives compensation from both the buyer and seller or lessee and lessor of real estate, the sponsoring broker shall disclose in writing to a client the fact that the compensation is being paid by both buyer and seller or lessee and lessor.

(e) Nothing in the Act shall prohibit the cooperation with

or a payment of compensation to an individual domiciled in any other state ~~a person not domiciled in this State~~ or country who is licensed as a broker in his or her state or country of domicile or to a resident of a country that does not require a person to be licensed to act as a broker if the person complies with the laws of the country in which that person resides and practices there as a broker.

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

(225 ILCS 454/10-15)

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

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 for compensation for any act done or service performed, the doing or performing of which is prohibited by this Act to other than licensed managing brokers, brokers, or residential leasing agents unless the person was duly licensed hereunder as a managing broker, broker, or residential leasing agent under this Act at the time that any such act was done or service performed that would give rise to a cause of action for compensation.

(c) A licensee may offer compensation, including prizes, merchandise, services, rebates, discounts, or other consideration to an unlicensed person who is a party to a contract to buy or sell real estate or is a party to a contract for the lease of real estate, so long as the offer complies with the provisions of subdivision (35) of subsection (a) of Section 20-20 of this Act.

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

(e) A licensee shall not pay compensation to an unlicensed person who is not or will not become a party to a real estate transaction in exchange for a referral of real estate services.

(f) Nothing in this Section shall be construed as waiving or abrogating the provisions of the Real Estate Settlement Procedures Act (RESPA), 88 Stat. 1724.

(Source: P.A. 99-227, eff. 8-3-15; 100-831, eff. 1-1-19.)

(225 ILCS 454/10-20)

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

Sec. 10-20. Sponsoring broker; employment agreement.



(a) A licensee may perform activities as a licensee only for his or her sponsoring broker. A licensee must have only one sponsoring broker at any one time.

(b) Every broker who employs licensees or has an independent contractor relationship with a licensee shall have a written employment or independent contractor agreement with each such licensee. The broker having this written employment or independent contractor agreement with the licensee must be that licensee's sponsoring broker.

(c) Every sponsoring broker must have a written employment or independent contractor agreement with each licensee the broker sponsors. The agreement shall address the employment or independent contractor relationship terms, including without limitation supervision, duties, compensation, and termination process.

(d) (Blank). ~~Every sponsoring broker must have a written employment agreement with each licensed personal assistant who assists a licensee sponsored by the sponsoring broker. This requirement applies to all licensed personal assistants whether or not they perform licensed activities in their capacity as a personal assistant. The agreement shall address the employment or independent contractor relationship terms, including without limitation supervision, duties, compensation, and termination.~~

(e) Notwithstanding the fact that a sponsoring broker has an employment or independent contractor agreement with a

licensee, a sponsoring broker may pay compensation directly to a business entity solely owned by that licensee that has been formed for the purpose of receiving compensation earned by the licensee. A business entity that receives compensation from a sponsoring broker as provided for ~~formed for the purpose stated~~ in this subsection (e) shall not be required to be licensed under this Act and must either be owned solely by the licensee or by the licensee together with the licensee's spouse, but only if the spouse and licensee are both licensed and sponsored by the same sponsoring broker or the spouse is not also licensed ~~so long as the person that is the sole owner of the business entity is licensed.~~

(Source: P.A. 100-831, eff. 1-1-19.)

(225 ILCS 454/10-30)

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

Sec. 10-30. Advertising.

(a) No advertising, whether in print, via the Internet, or through social media, digital forums, or any other media, shall be fraudulent, deceptive, inherently misleading, or proven to be misleading in practice. Advertising shall be considered misleading or untruthful if, when taken as a whole, there is a distinct and reasonable possibility that it will be misunderstood or will deceive the ordinary consumer ~~purchaser, seller, lessee, lessor, or owner~~. Advertising shall contain all information necessary to communicate the information contained

therein to the public in an accurate, direct, and readily comprehensible manner. Team names may not contain inherently misleading terms, such as "company", "realty", "real estate", "agency", "associates", "brokers", "properties", or "property".

(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 accessible to the consumer and disclosed to persons responding to any advertisement or any sign. The term "broker owned" or "agent owned" is sufficient disclosure.

(2) A sponsored or inactive ~~inoperative~~ licensee selling or leasing property, owned solely by the sponsored or inactive ~~inoperative~~ licensee, without utilizing brokerage services of their sponsoring broker or any other licensee, may advertise "By Owner". For purposes of this Section, property is "solely owned" by a sponsored or inactive ~~inoperative~~ licensee if he or she (i) has a 100% ownership interest alone, (ii) has ownership as a joint

tenant or tenant by the entirety, or (iii) holds a 100% beneficial interest in a land trust. Sponsored or inactive ~~inoperative~~ licensees selling or leasing "By Owner" shall comply with the following if advertising by owner:

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

(B) If a sponsored or inactive ~~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 inactive ~~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.

(d) A sponsored licensee may not advertise under his or her

own name. Advertising in any media shall be under the direct supervision of the sponsoring or designated managing broker and in the sponsoring broker's business name, which in the case of a franchise shall include the franchise affiliation as well as the name of the individual firm. This provision does not apply 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

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

(f) The sponsoring broker's business name and the name of the licensee must appear in all advertisements, including business cards. In advertising that includes the sponsoring broker's name and a team name or individual broker's name, the

sponsoring broker's business name shall be at least equal in size or larger than the team name or that of the individual.  
~~Nothing in this Act shall be construed to require specific print size as between the broker's business name and the name of the licensee.~~

(g) Those individuals licensed as a managing broker and designated with the Department as a designated managing broker by their sponsoring broker shall identify themselves to the public in advertising, except on "For Sale" or similar signs, as a designated managing broker. No other individuals holding a managing broker's license may hold themselves out to the public or other licensees as a designated managing broker, but they may hold themselves out to be a managing broker.

(Source: P.A. 96-856, eff. 12-31-09; 97-1002, eff. 8-17-12.)

(225 ILCS 454/10-35)

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

Sec. 10-35. Internet and related advertising.

(a) Licensees intending to sell or share consumer information gathered from or through the Internet or other electronic communication media, including, but not limited to, social media and digital forums, shall disclose that intention to consumers in a timely and readily apparent manner.

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

(1) use a URL or domain name that is deceptive or

misleading;

(2) deceptively or without authorization frame another sponsoring broker's ~~real estate brokerage~~ or multiple listing service website; or

(3) engage in phishing or the deceptive use of metatags, keywords or other devices and methods to direct, drive or divert Internet traffic or otherwise mislead consumers.

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

(225 ILCS 454/10-50 new)

Sec. 10-50. Guaranteed sales plans.

(a) As used in this Section, a "guaranteed sales plan" means a real estate purchase or sales plan whereby a licensee enters into one or more conditional or unconditional written contracts with a seller, one of which is a brokerage agreement, and wherein the person agrees to purchase the seller's property within a specified period of time, at a specific price, in the event the property is not sold in accordance with the terms of a brokerage agreement to be entered into between the sponsoring broker and the seller.

(b) A person who offers a guaranteed sales plan to consumers is engaged in licensed activity under this Act and is required to have a license.

(c) A licensee offering a guaranteed sales plan shall provide the details, including the purchase price, and

conditions of the plan, in writing to the party to whom the plan is offered prior to entering into the brokerage agreement.

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

(e) A licensee offering a guaranteed sales plan shall undertake to market the property of the seller 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.

(f) The licensee may not purchase seller's property until the period for offering the property for sale has ended according to its terms or is otherwise terminated.

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

(225 ILCS 454/10-55 new)

Sec. 10-55. Designated managing broker responsibility and supervision.

(a) A designated managing broker shall be responsible for the supervision of all licensees associated with a designated managing broker's office. A designated managing broker's



responsibilities include implementation of company policies, the training of licensees and other employees on the company's policies as well as on relevant provisions of this Act, and providing assistance to all licensees in real estate transactions. The designated managing broker shall be responsible for, and shall supervise, all special accounts of the company.

(b) A designated managing broker's responsibilities shall further include directly handling all earnest money, escrows, and contract negotiations for all transactions where the designated agent for the transaction has not completed his or her 45 hours of post-license education, as well as the approval of all advertisements involving a licensee who has not completed his or her 45 hours of post-license education. Licensees that have not completed their 45 hours of post-license education shall have no authority to bind the sponsoring broker.

(225 ILCS 454/15-5)

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

Sec. 15-5. Legislative intent.

(a) The General Assembly finds that application of the common law of agency to the relationships among licensees under this Act ~~managing brokers and brokers~~ and consumers of real estate brokerage services has resulted in misunderstandings and consequences that have been contrary to the best interests

of the public. The General Assembly further finds that the real estate brokerage industry has a significant impact upon the economy of the State of Illinois and that it is in the best interest of the public to provide codification of the relationships between licensees under this Act ~~managing brokers and brokers~~ and consumers of real estate brokerage services in order to prevent detrimental misunderstandings and misinterpretations of the relationships by consumers, managing brokers, and brokers and thus promote and provide stability in the real estate market. This Article 15 is enacted to govern the relationships between consumers of real estate brokerage services and licensees under this Act ~~managing brokers and brokers~~ to the extent not governed by an individual written agreement between a sponsoring broker and a consumer, providing that there is a relationship other than designated agency. This Article 15 applies to the exclusion of the common law concepts of principal and agent and to the fiduciary duties, which have been applied to managing brokers, brokers, and real estate brokerage services.

(b) The General Assembly further finds that this Article 15 is not intended to prescribe or affect contractual relationships between managing brokers and brokers and the broker's affiliated licensees.

(c) This Article 15 may serve as a basis for private rights of action and defenses by sellers, buyers, landlords, tenants, managing brokers, and brokers. The private rights of action,

however, do not extend to ~~the provisions of~~ any other Articles of this Act.

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

(225 ILCS 454/15-10)

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

Sec. 15-10. Relationships between licensees and consumers. Licensees shall be considered to be representing the consumer they are working with as a designated agent for the consumer unless there is a written agreement between the sponsoring broker and the consumer providing that there is a different relationship.‡

~~(1) there is a written agreement between the sponsoring broker and the consumer providing that there is a different relationship; or~~

~~(2) the licensee is performing only ministerial acts on behalf of the consumer.~~

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

(225 ILCS 454/15-15)

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

Sec. 15-15. Duties of licensees representing clients.

(a) A licensee representing a client shall:

(1) Perform the terms of the brokerage agreement between a broker and the client.

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

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

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

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

(D) Timely accounting for all money and property received in which the client has, may have, or should 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.

(3) Exercise reasonable skill and care in the performance of brokerage services.

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

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

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

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

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

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

(225 ILCS 454/15-25)

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

Sec. 15-25. Licensee's relationship with customers. ~~(a)~~ Licensees shall treat all customers honestly and shall not negligently or knowingly give them false information. A licensee engaged by a seller client shall timely disclose to customers who are prospective buyers all latent material adverse facts pertaining to the physical condition of the property that are actually known by the licensee and that could not be discovered by a reasonably diligent inspection of the property by the customer. A licensee shall not be liable to a customer for providing false information to the customer if the false information was provided to the licensee by the licensee's client and the licensee did not have actual knowledge that the information was false. No cause of action shall arise on behalf of any person against a licensee for revealing information in compliance with this Section.

~~(b) A licensee representing a client in a real estate transaction may provide assistance to a customer by performing ministerial acts. Performing those ministerial acts shall not be construed in a manner that would violate the brokerage~~

~~agreement with the client, and performing those ministerial acts for the customer shall not be construed in a manner as to form a brokerage agreement with the customer.~~

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

(225 ILCS 454/15-35)

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

Sec. 15-35. Agency relationship disclosure.

(a) A licensee acting as a designated agent shall advise a consumer in writing, no later than beginning to work as a designated agent on behalf of the consumer, of the following ~~no later than beginning to work as a designated agent on behalf of the consumer:~~

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

(2) The name or names of his or her designated agent or agents on the written disclosure, which can be included in a brokerage agreement or be a separate document, a copy of which is retained by the real estate brokerage firm for the licensee. ~~The written disclosure can be included in a brokerage agreement or be a separate document, a copy of which is retained by the sponsoring broker for the licensee.~~

(b) The licensee representing the consumer shall discuss

with the consumer the sponsoring broker's compensation and policy with regard to cooperating with brokers who represent other parties in a transaction.

(c) A licensee shall disclose in writing to a customer that the licensee is not acting as the agent of the customer at a time intended to prevent disclosure of confidential information from a customer to a licensee, but in no event later than the preparation of an offer to purchase or lease real property.

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

(225 ILCS 454/15-45)

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

Sec. 15-45. Dual agency.

(a) An individual ~~A~~ licensee may act as a dual agent or a sponsoring broker may permit one or more of its sponsored licensees to act as dual agents in the same transaction only with the informed written consent of all clients. Informed written consent shall be presumed to have been given by any client who signs a document that includes the following:

"The undersigned (insert name(s)), ("Licensee"), may undertake a dual representation (represent both the seller or landlord and the buyer or tenant) for the sale or lease of property. The undersigned acknowledge they were informed of the possibility of this type of representation. Before signing this document please read the following:



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 may be adverse to each other. Licensee will undertake this representation only with the written consent of ALL clients in the transaction. Any agreement between the clients as to a final contract price and other terms is a result of negotiations between the clients acting in their own best interests and on their own behalf. You acknowledge that Licensee has explained the implications of dual representation, including the risks involved, and understand that you have been advised to seek independent advice from your advisors or attorneys before signing any documents in this transaction.

WHAT A LICENSEE CAN DO FOR CLIENTS

WHEN ACTING AS A DUAL AGENT

1. Treat all clients honestly.
2. Provide information about the property to the buyer or tenant.
3. Disclose all latent material defects in the property that are known to the Licensee.
4. Disclose financial qualification of the buyer or tenant to the seller or landlord.
5. Explain real estate terms.
6. Help the buyer or tenant to arrange for property inspections.

7. Explain closing costs and procedures.
8. Help the buyer compare financing alternatives.
9. Provide information about comparable properties that have sold so both clients may make educated decisions on what price to accept or offer.

WHAT LICENSEE CANNOT DISCLOSE TO CLIENTS WHEN  
ACTING AS A DUAL AGENT

1. Confidential information that Licensee may know about a client, without that client's permission.
2. The price or terms the seller or landlord will take other than the listing price without permission of the seller or landlord.
3. The price or terms the buyer or tenant is willing to pay without permission of the buyer or tenant.
4. A recommended or suggested price or terms the buyer or tenant should offer.
5. A recommended or suggested price or terms the seller or landlord should counter with or accept.

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

become necessary."

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

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

"The undersigned confirm that they have previously consented to (insert name(s)), ("Licensee"), acting as a Dual Agent in providing brokerage services on their behalf and specifically consent to Licensee acting as a Dual Agent 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.

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

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

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

(225 ILCS 454/15-50)

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

Sec. 15-50. Designated agency.

(a) A sponsoring broker entering into an agreement with any person for the listing of property or for the purpose of representing any person in the buying, selling, exchanging,

renting, or leasing of real estate shall ~~may~~ specifically designate those licensees employed by or affiliated with the sponsoring broker who will be acting as legal agents of that person to the exclusion of all other licensees employed by or affiliated with the sponsoring broker. A sponsoring broker entering into an agreement under the provisions of this Section shall not be considered to be acting for more than one party in a transaction if the licensees specifically designated as legal agents of a person are not representing more than one party in a transaction.

(b) A sponsoring broker designating affiliated licensees to act as agents of clients shall take ordinary and necessary care to protect confidential information disclosed by a client to his or her designated agent.

(c) A designated agent may disclose to his or her sponsoring broker or persons specified by the sponsoring broker confidential information of a client for the purpose of seeking advice or assistance for the benefit of the client in regard to a possible transaction. Confidential information shall not be disclosed by the sponsoring broker or other specified representative of the sponsoring broker unless otherwise required by this Act or requested or permitted by the client who originally disclosed the confidential information.

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

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

Sec. 15-65. Regulatory enforcement. Nothing contained in this Article limits the Department in its regulation of licensees under other Articles of this Act and the substantive rules adopted by the Department. The Department, ~~with the advice of the Board,~~ is authorized to adopt ~~promulgate~~ any rules that may be necessary for the implementation and enforcement of this Article 15.

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

(225 ILCS 454/15-75)

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

Sec. 15-75. Exclusive brokerage agreements. All exclusive brokerage agreements must be in writing and specify that the sponsoring broker, through one or more sponsored licensees, must provide, at a minimum, the following services:

(1) accept delivery of and present to the client offers and counteroffers to buy, sell, or lease the client's property or the property the client seeks to purchase or lease;

(2) assist the client in developing, communicating, negotiating, and presenting offers, counteroffers, and notices that relate to the offers and counteroffers until a lease or purchase agreement is signed and all contingencies are satisfied or waived; and

(3) answer the client's questions relating to the

offers, counteroffers, notices, and contingencies.

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

(225 ILCS 454/20-5)

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

Sec. 20-5. Index of decisions. The Department shall maintain an index of formal decisions regarding the issuance, refusal to issue, renewal, refusal to renew, revocation, and suspension of licenses and probationary or other disciplinary action taken under this Act ~~on or after December 31, 1999~~. The index shall be available to the public during regular business hours.

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

(225 ILCS 454/20-10)

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

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

(a) Any person who practices, offers to practice, attempts to practice, or holds oneself out to practice as a managing broker, broker, or residential leasing agent without being licensed under this Act shall, in addition to any other penalty provided by law, pay a civil penalty to the Department in an amount not to exceed \$25,000 for each offense as determined by the Department. The civil penalty shall be assessed by the Department after a hearing is held in accordance with the provisions set forth in this Act regarding the provision of a

hearing for the discipline of a license.

(b) The Department has the authority and power to investigate any and all unlicensed activity.

(c) The civil penalty shall be paid within 60 days after the effective date of the order imposing the civil penalty. The order shall constitute a judgment and may be filed and execution had thereon in the same manner from any court of record.

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

(225 ILCS 454/20-15)

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

Sec. 20-15. Violations. The commission of a single act prohibited by this Act or prohibited by the rules adopted ~~promulgated~~ under this Act or a violation of a disciplinary order issued under this Act constitutes a violation of this Act.

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

(225 ILCS 454/20-20)

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

Sec. 20-20. Nature of and grounds ~~Grounds~~ for discipline.

(a) The Department may refuse to issue or renew a license, may place on probation, suspend, or revoke any license, reprimand, or take any other disciplinary or non-disciplinary action as the Department may deem proper and impose a fine not



to exceed \$25,000 upon any licensee or applicant under this Act or any person who holds himself or herself out as an applicant or licensee or against a licensee in handling his or her own property, whether held by deed, option, or otherwise, for any one or any combination of the following causes:

(1) Fraud or misrepresentation in applying for, or procuring, a license under this Act or in connection with applying for renewal of a license under this Act.

(2) The licensee's conviction of or plea of guilty or plea of nolo contendere to: (A) a felony or misdemeanor in this State or any other jurisdiction; or (B) the entry of an administrative sanction by a government agency in this State or any other jurisdiction. Action taken under this paragraph (2) for a misdemeanor or an administrative sanction is limited to a misdemeanor or administrative sanction that has as an essential element dishonesty or fraud or involves larceny, embezzlement, or obtaining money, property, or credit by false pretenses or by means of a confidence game.

(3) Inability to practice the profession with reasonable judgment, skill, or safety as a result of a physical illness, including, but not limited to, deterioration through the aging process or loss of motor skill, or a mental illness or disability.

(4) Practice under this Act as a licensee in a retail sales establishment from an office, desk, or space that is

not separated from the main retail business and located within ~~by~~ a separate and distinct area within the establishment.

(5) Having been disciplined by another state, the District of Columbia, a territory, a foreign nation, or a governmental agency authorized to impose discipline if at least one of the grounds for that discipline is the same as or the equivalent of one of the grounds for which a licensee may be disciplined under this Act. A certified copy of the record of the action by the other state or jurisdiction shall be prima facie evidence thereof.

(6) Engaging in the practice of real estate brokerage without a license or after the licensee's license or temporary permit was expired or while the license was inactive, revoked, or suspended ~~inoperative~~.

(7) Cheating on or attempting to subvert the Real Estate License Exam or a continuing education course or examination ~~exam~~.

(8) Aiding or abetting an applicant to subvert or cheat on the Real Estate License Exam or continuing education exam administered pursuant to this Act.

(9) Advertising that is inaccurate, misleading, or contrary to the provisions of the Act.

(10) Making any substantial misrepresentation or untruthful advertising.

(11) Making any false promises of a character likely to

influence, persuade, or induce.

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

(13) Any misleading or untruthful advertising, or using any trade name or insignia of membership in any real estate organization of which the licensee is not a member.

(14) Acting for more than one party in a transaction without providing written notice to all parties for whom the licensee acts.

(15) Representing or attempting to represent, or performing licensed activities for, a broker other than the sponsoring broker.

(16) Failure to account for or to remit any moneys or documents coming into his or her possession that belong to others.

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

(A) disbursed prior to the consummation or

termination (i) in accordance with the written direction of the principals to the transaction or their duly authorized agents, (ii) in accordance with directions providing for the release, payment, or distribution of escrow moneys contained in any written contract signed by the principals to the transaction or their duly authorized agents, or (iii) pursuant to an 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 Revised Uniform 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 a court of competent jurisdiction; and (iii) if 6 months have elapsed after the receipt of a written demand for the escrow moneys from one of the principals to the transaction or the principal's duly authorized agent.

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

(18) Failure to make available to the Department all

escrow records and related documents maintained in connection with the practice of real estate within 24 hours of a request for those documents by Department personnel.

(19) Failing to furnish copies upon request of documents relating to a real estate transaction to a party who has executed that document.

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

(21) Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public, including, but not limited to, conduct set forth in rules adopted by the Department.

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

(23) Employing any person on a purely temporary or single deal basis as a means of evading the law regarding payment of commission to nonlicensees on some contemplated transactions.

(24) Permitting the use of his or her license as a broker to enable a residential leasing agent or unlicensed person to operate a real estate business without actual participation therein and control thereof by the broker.

(25) Any other conduct, whether of the same or a different character from that specified in this Section,

that constitutes dishonest dealing.

(26) Displaying a "for rent" or "for sale" sign on any property without the written consent of an owner or his or her duly authorized agent or advertising by any means that any property is for sale or for rent without the written consent of the owner or his or her authorized agent.

(27) Failing to provide information requested by the Department, or otherwise respond to that request, within 30 days of the request.

(28) Advertising by means of a blind advertisement, except as otherwise permitted in Section 10-30 of this Act.

(29) A licensee under this Act or an unlicensed individual offering ~~Offering~~ guaranteed sales plans, as defined in Section 10-50 ~~clause (A) of this subdivision (29)~~, except to the extent ~~hereinafter~~ set forth in Section 10-50.<sup>+</sup>

~~(A) A "guaranteed sales plan" is any real estate purchase or sales plan whereby a licensee enters into a conditional or unconditional written contract with a seller, prior to entering into a brokerage agreement with the seller, by the terms of which a licensee agrees to purchase a property of the seller within a specified period of time at a specific price in the event the property is not sold in accordance with the terms of a brokerage agreement to be entered into between the sponsoring broker and 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.~~

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

~~(D) Any licensee offering a guaranteed sales plan shall undertake to market the property of the seller 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) The licensee cannot purchase seller's property until the brokerage agreement has ended according to its terms or is otherwise terminated.~~

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

(30) Influencing or attempting to influence, by any words or acts, a prospective seller, purchaser, occupant, landlord, or tenant of real estate, in connection with viewing, buying, or leasing real estate, so as to promote

or tend to promote the continuance or maintenance of racially and religiously segregated housing or so as to retard, obstruct, or discourage racially integrated housing on or in any street, block, neighborhood, or community.

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

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

(33) Negotiating a sale, exchange, or lease of real estate directly with any person if the licensee knows that the person has an exclusive brokerage agreement with another broker, unless specifically authorized by that broker.

(34) When a licensee is also an attorney, acting as the attorney for either the buyer or the seller in the same transaction in which the licensee is acting or has acted as a managing broker or broker.

(35) Advertising or offering merchandise or services as free if any conditions or obligations necessary for receiving the merchandise or services are not disclosed in



the same advertisement or offer. These conditions or obligations include without limitation the requirement that the recipient attend a promotional activity or visit a real estate site. As used in this subdivision (35), "free" includes terms such as "award", "prize", "no charge", "free of charge", "without charge", and similar words or phrases that reasonably lead a person to believe that he or she may receive or has been selected to receive something of value, without any conditions or obligations on the part of the recipient.

(36) (Blank).

(37) Violating the terms of a disciplinary order issued by the Department.

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

(39) Requiring a party to a transaction who is not a client of the licensee to allow the licensee to retain a portion of the escrow moneys for payment of the licensee's commission or expenses as a condition for release of the escrow moneys to that party.

(40) Disregarding or violating any provision of this Act or the published rules adopted by the Department to enforce this Act or aiding or abetting any individual, foreign or domestic partnership, registered limited liability partnership, limited liability company, corporation, or other business entity in disregarding any

provision of this Act or the published rules adopted by the Department to enforce this Act.

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

(42) Habitual or excessive use of or addiction to alcohol, narcotics, stimulants, or any other chemical agent or drug that results in a managing broker, broker, or residential leasing agent's inability to practice with reasonable skill or safety.

(43) Enabling, aiding, or abetting an auctioneer, as defined in the Auction License Act, to conduct a real estate auction in a manner that is in violation of this Act.

(44) Permitting any residential leasing agent or temporary residential leasing agent permit holder to engage in activities that require a broker's or managing broker's license.

(45) Failing to notify the Department of any criminal conviction that occurs during the licensee's term of licensure within 30 days after the conviction.

(46) A designated managing broker's failure to provide an appropriate written company policy or failure to perform any of the duties set forth in Section 10-55.

(b) The Department may refuse to issue or renew or may suspend the license of any person who fails to file a return,

pay the tax, penalty or interest shown in a filed return, or pay any final assessment of tax, penalty, or interest, as required by any tax Act administered by the Department of Revenue, until such time as the requirements of that tax Act are satisfied in accordance with subsection (g) of Section 2105-15 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

(c) (Blank).

(d) In cases where the Department of Healthcare and Family Services (formerly Department of Public Aid) has previously determined that a licensee or a potential licensee is more than 30 days delinquent in the payment of child support and has subsequently certified the delinquency to the Department may refuse to issue or renew or may revoke or suspend that person's license or may take other disciplinary action against that person based solely upon the certification of delinquency made by the Department of Healthcare and Family Services in accordance with item (5) of subsection (a) of Section 2105-15 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois.

(e) In enforcing this Section, the Department or Board upon a showing of a possible violation may compel an individual licensed to practice under this Act, or who has applied for licensure under this Act, to submit to a mental or physical examination, or both, as required by and at the expense of the Department. The Department or Board may order the examining

physician to present testimony concerning the mental or physical examination of the licensee or applicant. No information shall be excluded by reason of any common law or statutory privilege relating to communications between the licensee or applicant and the examining physician. The examining physicians shall be specifically designated by the Board or Department. The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of this examination. Failure of an individual to submit to a mental or physical examination, when directed, shall be grounds for suspension of his or her license until the individual submits to the examination if the Department finds, after notice and hearing, that the refusal to submit to the examination was without reasonable cause.

If the Department or Board finds an individual unable to practice because of the reasons set forth in this Section, the Department or Board may require that individual to submit to care, counseling, or treatment by physicians approved or designated by the Department or Board, as a condition, term, or restriction for continued, reinstated, or renewed licensure to practice; or, in lieu of care, counseling, or treatment, the Department may file, or the Board may recommend to the Department to file, a complaint to immediately suspend, revoke, or otherwise discipline the license of the individual. An individual whose license was granted, continued, reinstated, renewed, disciplined or supervised subject to such terms,

conditions, or restrictions, and who fails to comply with such terms, conditions, or restrictions, shall be referred to the Secretary for a determination as to whether the individual shall have his or her license suspended immediately, pending a hearing by the Department.

In instances in which the Secretary immediately suspends a person's license under this Section, a hearing on that person's license must be convened by the Department within 30 days after the suspension and completed without appreciable delay. The Department and Board shall have the authority to review the subject individual's record of treatment and counseling regarding the impairment to the extent permitted by applicable federal statutes and regulations safeguarding the 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 compliance with acceptable and prevailing standards under the provisions of his or her license.

(Source: P.A. 99-227, eff. 8-3-15; 100-22, eff. 1-1-18; 100-188, eff. 1-1-18; 100-534, eff. 9-22-17; 100-831, eff. 1-1-19; 100-863, eff. 8-14-18; 100-872, eff. 8-14-18; revised 10-22-18.)

(225 ILCS 454/20-20.1 new)

Sec. 20-20.1. Citations.

(a) The Department may adopt rules to permit the issuance of citations to any licensee for failure to comply with the continuing education requirements set forth in this Act or as adopted by rule. The citation shall be issued to the licensee, and a copy shall be sent to his or her designated managing broker and sponsoring broker. The citation shall contain the licensee's name and address, the licensee's license number, the number of required hours of continuing education that have not been successfully completed by the licensee within the renewal period, and the penalty imposed, which shall not exceed \$2,000. The issuance of any such citation shall not excuse the licensee from completing all continuing education required for that renewal period.

(b) Service of a citation shall be made by in person, electronically, or by mail to the licensee at the licensee's address of record or email address of record, and must clearly state that if the cited licensee wishes to dispute the citation, he or she may make a written request, within 30 days after the citation is served, for a hearing before the Department. If the cited licensee does not request a hearing within 30 days after the citation is served, then the citation shall become a final, non-disciplinary order, and any fine imposed is due and payable within 60 days after that final order. If the cited licensee requests a hearing within 30 days after the citation is served, the Department shall afford the cited licensee a hearing conducted in the same manner as a

hearing provided for in this Act for any violation of this Act and shall determine whether the cited licensee committed the violation as charged and whether the fine as levied is warranted. If the violation is found, any fine shall constitute non-public discipline and be due and payable within 30 days after the order of the Secretary, which shall constitute a final order of the Department. No change in license status may be made by the Department until such time as a final order of the Department has been issued.

(c) Payment of a fine that has been assessed pursuant to this Section shall not constitute disciplinary action reportable on the Department's website or elsewhere unless a licensee has previously received 2 or more citations and paid 2 or more fines.

(d) Nothing in this Section shall prohibit or limit the Department from taking further action pursuant to this Act and rules for additional, repeated, or continuing violations.

(225 ILCS 454/20-21)

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

Sec. 20-21. Injunctions; cease and desist order.

(a) If any person violates the provisions of this Act, the Secretary may, in the name of the People of the State of Illinois, through the Attorney General of the State of Illinois or the State's Attorney for any county in which the action is brought, petition for an order enjoining the violation or for

an order enforcing compliance with this Act. Upon the filing of a verified petition in court, the court may issue a temporary restraining order, without notice or condition, and may preliminarily and permanently enjoin the violation. If it is established that the person has violated or is violating the injunction, the Court may punish the offender for contempt of court. Proceedings under this Section shall be in addition to, and not in lieu of, all other remedies and penalties provided by this Act.

(b) If, ~~Whenever~~ in the opinion of the Department, a person violates a provision of this Act, the Department may issue a ruling to show cause why an order to cease and desist should not be entered against that person. The rule shall clearly set forth the grounds relied upon by the Department and shall allow at least 7 days from the date of the rule to file an answer to the satisfaction of the Department. Failure to answer to the satisfaction of the Department shall cause an order to cease and desist to be issued immediately.

(c) Other than as provided in Section 5-20 of this Act, if any person practices as a managing broker, broker, or residential leasing agent or holds himself or herself out as a licensed sponsoring broker, managing broker, broker, or residential leasing agent under this Act without being issued a valid active ~~existing~~ license by the Department, then any licensed sponsoring broker, managing broker, broker, residential leasing agent, any interested party, or any person



injured thereby may, in addition to the Secretary, petition for relief as provided in subsection (a) of this Section.

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

(225 ILCS 454/20-22)

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

Sec. 20-22. Violations. Any person who is found working or acting as a managing broker, broker, or residential leasing agent or holding himself or herself out as a licensed sponsoring broker, managing broker, broker, or residential leasing agent without being issued a valid active ~~existing~~ license is guilty of a Class A misdemeanor and, l on conviction of a second or subsequent offense, l the violator shall be guilty of a Class 4 felony.

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

(225 ILCS 454/20-25)

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

Sec. 20-25. Returned checks and dishonored credit card charges; fees. Any person who (1) delivers a check or other payment to the Department that is returned to the Department unpaid by the financial institution upon which it is drawn shall pay to the Department; or (2) presents a credit or debit card for payment that is invalid or expired or against which charges by the Department are declined or dishonored, in addition to the amount already owed to the Department, a fee of

\$50. The Department shall notify the person that payment of fees and fines shall be paid to the Department by certified check or money order within 30 calendar days of the notification. If, after the expiration of 30 days from the date of the notification, the person has failed to submit the necessary remittance, the Department shall automatically revoke ~~terminate~~ the license or deny the application, without hearing. If, after revocation ~~termination~~ or denial, the person seeks a license, he or she shall apply to the Department for restoration or issuance of the license and pay all fees and fines due to the Department. The Department may establish a fee for the processing of an application for restoration of a license to pay all expenses of processing this application. The Secretary may waive the fees due under this Section in individual cases where the Secretary finds that the fees would be unreasonable or unnecessarily burdensome.

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

(225 ILCS 454/20-60)

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

Sec. 20-60. Investigations notice and hearing. The Department may investigate the actions of any applicant or of any person or persons rendering or offering to render services for which a license is required by this Act or any person holding or claiming to hold a license under this Act and may notify his or her designated managing broker and sponsoring

broker of the pending investigation. The Department shall, before revoking, suspending, placing on probation, reprimanding, or taking any other disciplinary action under Article 20 of this Act, at least 30 days before the date set for the hearing, (i) notify the accused and his or her designated managing broker and sponsoring broker in writing of the charges made and the time and place for the hearing on the charges and whether the licensee's license has been temporarily suspended pursuant to Section 20-65, (ii) direct the accused to file a written answer to the charges with the Board under oath within 20 days after the service on him or her of the notice, and (iii) inform the accused that if he or she fails to answer, default will be taken against him or her or that his or her license may be suspended, revoked, placed on probationary status, or other disciplinary action taken with regard to the license, including limiting the scope, nature, or extent of his or her practice, as the Department may consider proper. At the time and place fixed in the notice, the Board shall proceed to hear the charges and the parties or their counsel shall be accorded ample opportunity to present any pertinent statements, testimony, evidence, and arguments. The Board may continue the hearing from time to time. In case the person, after receiving the notice, fails to file an answer, his or her license may, in the discretion of the Department, be suspended, revoked, placed on probationary status, or the Department may take whatever disciplinary action considered proper, including

limiting the scope, nature, or extent of the person's practice or the imposition of a fine, without a hearing, if the act or acts charged constitute sufficient grounds for that action under this Act. The ~~written~~ notice may be served by personal delivery, ~~or by certified mail,~~ or, at the discretion of the Department, by electronic means as adopted by rule to the address or email address specified by the accused in his or her last notification with the Department and shall include notice to the designated managing broker and sponsoring broker. A copy of the Department's final order shall be delivered to the designated managing broker and sponsoring broker.

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

(225 ILCS 454/20-64)

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

Sec. 20-64. Board; rehearing. At the conclusion of a hearing and following deliberation by the Board, a copy of the Board's report shall be served upon the applicant, ~~or licensee,~~ or unlicensed person by the Department, either personally or as provided in this Act for the service of a notice of hearing. Within 20 days after service, the applicant or licensee may present to the Department a motion in writing for a rehearing, which shall specify the particular grounds for rehearing. The Department may respond to the motion, or if a motion for rehearing is denied, then upon denial, and except as provided in Section 20-72 of this Act, the Secretary may enter an order

in accordance with the recommendations of the Board. If the applicant or licensee orders from the reporting service and pays for a transcript of the record within the time for filing a motion for rehearing, then the 20-day period within which a motion may be filed shall commence upon the delivery of the transcript to the applicant or licensee.

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

(225 ILCS 454/20-65)

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

Sec. 20-65. Temporary suspension. The Secretary may temporarily suspend the license of a licensee without a hearing, simultaneously with the institution of proceedings for a hearing provided for in Section 20-60 ~~20-61~~ of this Act, if the Secretary finds that the evidence indicates that the public interest, safety, or welfare imperatively requires emergency action. In the event that the Secretary temporarily suspends the license without a hearing before the Board, a hearing shall be commenced within 30 days after the suspension has occurred. The suspended licensee may seek a continuance of the hearing during which the suspension shall remain in effect. The proceeding shall be concluded without appreciable delay.

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

(225 ILCS 454/20-66)

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

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

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

(225 ILCS 454/20-72)

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

Sec. 20-72. Secretary; rehearing. If the Secretary believes that substantial justice has not been done in the revocation or suspension of a license, with respect to ~~or~~ refusal to issue, restore, or renew a license, or any other discipline of an applicant, ~~or~~ licensee, or unlicensed person, then he or she may order a rehearing by the same or other examiners.

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

(225 ILCS 454/20-75)

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

Sec. 20-75. Administrative Review venue.

(a) All final administrative decisions of the Department are subject to judicial review under the Administrative Review Law and its rules. The term "administrative decision" is defined in Section 3-101 of the Code of Civil Procedure.

(b) Proceedings for judicial review shall be commenced in the circuit court of the court in which the party applying for review resides, but if the party is not a resident of Illinois, the venue shall be in Cook ~~Sangamon~~ County.

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

(225 ILCS 454/20-85)

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

Sec. 20-85. Recovery from Real Estate Recovery Fund. The Department shall maintain a Real Estate Recovery Fund from which any person aggrieved by an act, representation, transaction, or conduct of a licensee or unlicensed employee of a licensee that is in violation of this Act or the rules promulgated pursuant thereto, constitutes embezzlement of money or property, or results in money or property being unlawfully obtained from any person by false pretenses, artifice, trickery, or forgery or by reason of any fraud,

misrepresentation, discrimination, or deceit by or on the part of any such licensee or the unlicensed employee of a licensee and that results in a loss of actual cash money, as opposed to losses in market value, may recover. The aggrieved person may recover, by a post-judgment order of the circuit court of the county where the violation occurred in a proceeding described in Section 20-90 of this Act, an amount of not more than the amount adopted by rule ~~\$25,000~~ from the Fund for damages sustained by the act, representation, transaction, or conduct, together with costs of suit and attorney's fees incurred in connection therewith ~~of not to exceed 15% of the amount of the recovery ordered paid from the Fund. However, no person may recover from the Fund unless the court finds that the person suffered a loss resulting from intentional misconduct.~~ The post-judgment order shall not include interest on the judgment. The maximum liability against the Fund arising out of any one act shall be as adopted by rule ~~provided in this Section~~, and the post-judgment order shall spread the award equitably among all co-owners or otherwise aggrieved persons, if any. The maximum liability against the Fund arising out of the activities of any one licensee or one unlicensed employee of a licensee in any one transaction or set of facts that formed the basis of a post-judgment order, ~~since January 1, 1974~~, shall be as adopted by rule ~~\$100,000~~. Nothing in this Section shall be construed to authorize recovery from the Fund unless the loss of the aggrieved person results from an act or omission of a



licensee under this Act who was at the time of the act or omission acting in such capacity or was apparently acting in such capacity or their unlicensed employee and unless the aggrieved person has obtained a valid judgment and post-judgment order of the court as provided for in Section 20-90 of this Act.

(Source: P.A. 99-227, eff. 8-3-15; 100-534, eff. 9-22-17.)

(225 ILCS 454/20-90)

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

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

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

(b) When any aggrieved person commences action for a judgment that may result in collection from the Real Estate Recovery Fund, the aggrieved person must name as parties defendant to that action any and all licensees, their employees, or independent contractors who allegedly committed or are responsible for acts or omissions giving rise to a right of recovery from the Real Estate Recovery Fund. Failure to name

as parties defendant such licensees, their employees, or independent contractors shall preclude recovery from the Real Estate Recovery Fund of any portion of any judgment received in such an action. These parties defendant shall also include any corporations, limited liability companies, partnerships, registered limited liability partnership, or other business associations licensed under this Act that may be responsible for acts giving rise to a right of recovery from the Real Estate Recovery Fund.

(c) (Blank).

(d) When any aggrieved person commences action for a judgment that may result in collection from the Real Estate Recovery Fund, and the aggrieved person is unable to obtain legal and proper service upon the parties defendant licensed under this Act under the provisions of Illinois law concerning service of process in civil actions, the aggrieved person may petition the court where the action to obtain judgment was begun for an order to allow service of legal process on the Secretary. Service of process on the Secretary shall be taken and held in that court to be as valid and binding as if due service had been made upon the parties defendant licensed under this Act. In case any process mentioned in this Section is served upon the Secretary, the Secretary shall forward a copy of the process by certified mail to the licensee's last address on record with the Department. Any judgment obtained after service of process on the Secretary under this Act shall apply

to and be enforceable against the Real Estate Recovery Fund only. The Department may intervene in and defend any such action.

(e) (Blank).

(f) The aggrieved person shall give written notice to the Department within 30 days of the entry of any judgment that may result in collection from the Real Estate Recovery Fund. The aggrieved person shall provide the Department with 20 days prior written notice of all supplementary proceedings so as to allow the Department to intervene and participate in all efforts to collect on the judgment in the same manner as any party.

(g) When any aggrieved person recovers a valid judgment in any court of competent jurisdiction in an action in which the court has found the aggrieved person to be injured or otherwise damaged by ~~against~~ any licensee or an unlicensed employee of any licensee as a result, ~~upon the grounds~~ of fraud, misrepresentation, discrimination, or deceit or intentional violation of this Act by the licensee or the unlicensed employee of the licensee, the aggrieved person may, upon the termination of all proceedings, including review and appeals in connection with the judgment, file a verified claim in the court in which the judgment was entered and, upon 30 days' written notice to the Department, and to the person against whom the judgment was obtained, may apply to the court for a post-judgment order directing payment from ~~out of~~ the Real

Estate Recovery Fund of the amount unpaid upon the judgment, not including interest on the judgment, and subject to the limitations stated in Section 20-85 of this Act. The aggrieved person must set out in that verified claim and subsequently prove at an evidentiary hearing to be held by the court upon the application that the claim meets all requirements of Section 20-85 and this Section to be eligible for payment from the Real Estate Recovery Fund. The ~~and the~~ aggrieved party shall be required to show that the aggrieved person:

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

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

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

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

~~(5) By such search has discovered no personal or real property or other assets liable to be sold or applied, or has discovered certain of them, describing them as owned by the judgment debtor or debtors and liable to be so applied and has taken all necessary action and proceedings for the~~

~~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 judgment debtors and all other persons liable to the aggrieved person in the transaction for which recovery is sought from the Real Estate Recovery Fund, including the filing of an adversary action to have the debts declared non dischargeable in any bankruptcy petition matter filed by any judgment debtor or person liable to the aggrieved person.~~

(4) Has shown evidence of ~~The aggrieved person shall also be required to prove~~ the amount of attorney's fees sought to be recovered and the reasonableness of those fees up to the maximum allowed pursuant to Section 20-85 of this Act. An affidavit from the aggrieved party's attorney shall be sufficient evidence of the attorney's fees incurred.

(h) If, after ~~After~~ conducting the evidentiary hearing required under this Section, the court finds the aggrieved party has satisfied the requirements of Section 20-85 and this Section, the court shall, in a post-judgment order directed to the Department, order ~~shall indicate whether requiring~~ payment from the Real Estate Recovery Fund in the amount of the unpaid balance of the aggrieved party's judgment subject to ~~is~~ appropriate and, if so, the amount it finds to be payable upon

~~the claim, pursuant to and in accordance with the limitations contained in Section 20-85 of this Act, if the court is satisfied, based upon the hearing, of the truth of all matters required to be shown by the aggrieved person under subsection (g) of this Section and that the aggrieved person has fully pursued and exhausted all remedies available for recovering the amount awarded by the judgment of the court.~~

(i) ~~If~~ Should the Department pays ~~pay~~ from the Real Estate Recovery Fund any amount in settlement of a claim or toward satisfaction of a judgment against any licensee or an unlicensed employee of a licensee, the licensee's license shall be automatically revoked upon the issuance of a post-judgment order authorizing payment from the Real Estate Recovery Fund. No petition for restoration of a license shall be heard until repayment has been made in full, plus interest at the rate prescribed in Section 12-109 of the Code of Civil Procedure of the amount paid from the Real Estate Recovery Fund on their account, notwithstanding any provision to the contrary in Section 2105-15 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois. A discharge in bankruptcy shall not relieve a person from the penalties and disabilities provided in this subsection (i).

(j) If, at any time, the money deposited in the Real Estate Recovery Fund is insufficient to satisfy any duly authorized claim or portion thereof, the Department shall, when sufficient money has been deposited in the Real Estate Recovery Fund,

satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally filed, plus accumulated interest at the rate prescribed in Section 12-109 of the Code of Civil Procedure, provided that amount does not exceed the limits set forth in rules adopted by the Department.

(Source: P.A. 96-856, eff. 12-31-09; 97-1002, eff. 8-17-12.)

(225 ILCS 454/25-15)

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

Sec. 25-15. Real Estate Coordinator; duties. There shall be in the Department a Real Estate Coordinator, appointed by the Secretary, who shall hold a currently valid broker's license, which shall be transferred to inactive status ~~surrendered to the Department~~ during the appointment. The Real Estate Coordinator shall have the following duties and responsibilities:

(1) act as Chairperson of the Board, ex officio ~~ex officio~~, without vote;

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

(3) prepare and circulate to licensees any educational and informational material that the Department deems necessary for providing guidance or assistance to licensees;

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

(5) subject to the administrative approval of the Secretary, supervise all real estate activities.

In designating the Real Estate Coordinator, the Secretary shall give due consideration to recommendations by members and organizations of the profession.

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

(225 ILCS 454/25-21)

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

Sec. 25-21. Peer review advisors. The Department may contract with licensees meeting qualifications prescribed ~~established~~ by the Department to serve as peer review advisors for complaints and alleged violations of the Act. A peer review advisor is authorized to investigate and determine the facts of a complaint. The peer review advisor shall, at the direction of the Department, interview witnesses, the complainant and any licensees involved in the alleged matter and make a recommendation as to the findings of fact to the Department. The Department shall have 30 days from receipt of the recommendation to accept, reject or modify the recommended findings of fact. Peer review advisors shall be compensated from the Real Estate Audit Fund at a rate of not to exceed \$15,000.00 per advisor annually. A peer review advisor shall



not investigate a complaint from a marketplace in which the peer review advisor does business.

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

(225 ILCS 454/25-25)

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

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

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

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

(225 ILCS 454/30-5)

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

Sec. 30-5. Licensing of real estate education providers and instructors.

(a) No person shall operate an education provider entity without possessing a valid and active license issued by the

Department. Only education providers in possession of a valid education provider license may provide real estate pre-license, post-license, or continuing education courses that satisfy the requirements of this Act. Every person that desires to obtain an education provider license shall make application to the Department in a manner ~~writing on forms~~ prescribed by the Department and pay the fee prescribed by rule. In addition to any other information required to be contained in the application as prescribed by rule, every application for an original or renewed license shall include the applicant's Social Security number or tax identification number.

(b) (Blank).

(c) (Blank).

(d) (Blank).

(e) (Blank).

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

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

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

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

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

(5) the ability to provide each participant who successfully completes an approved program with a certificate of completion signed by the administrator of a licensed education provider in a manner prescribed ~~on forms provided~~ by the Department; the certificate of completion shall include the program that was completed, the completion date, the course number, and the student's and education provider's license numbers;

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

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

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

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

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

Unless otherwise provided for in this Section, the education provider shall provide a proctor or an electronic

means of proctoring for each examination; the education provider shall be responsible for the conduct of the proctor; the duties and responsibilities of a proctor shall be established by rule.

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

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

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

(i) All education providers shall maintain these minimum criteria and pay the required fee in order to retain their

education provider license.

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

(Source: P.A. 100-188, eff. 1-1-18; 100-831, eff. 1-1-19.)

(225 ILCS 454/30-15)

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

Sec. 30-15. Licensing of education providers; approval of courses.

(a) (Blank).

(b) (Blank).

(c) (Blank).

(d) (Blank).

(e) (Blank).

(f) All education providers shall submit, at the time of initial application and with each license renewal, a list of courses with course materials that comply with the course requirements in this Act to be offered by the education provider. The Department may establish an online mechanism by which education providers may submit for approval by the Department upon the recommendation of the Board or its designee pre-license, post-license, or continuing education courses that are submitted after the time of the education provider's initial license application or renewal. The Department shall

provide to each education provider a certificate for each approved pre-license, post-license, or continuing education course. All pre-license, post-license, or continuing education courses shall be valid for the period coinciding with the term of license of the education provider. However, in no case shall a course continue to be valid if it does not, at all times, meet all of the requirements of the core curriculum established by this Act and the Board, as modified from time to time in accordance with this Act. All education providers shall provide a copy of the certificate of the pre-license, post-license, or continuing education course within the course materials given to each student or shall display a copy of the certificate of the pre-license, post-license, or continuing education course in a conspicuous place at the location of the class.

(g) Each education provider shall provide to the Department a report in a frequency and format determined by the Department, with information concerning students who successfully completed all approved pre-license, post-license, or continuing education courses offered by the education provider.

(h) The Department, upon the recommendation of the Board, may temporarily suspend a licensed education provider's approved courses without hearing and refuse to accept successful completion of or participation in any of these pre-license, post-license, or continuing education courses for education credit from that education provider upon the failure

of that education provider to comply with the provisions of this Act or the rules for the administration of this Act, until such time as the Department receives satisfactory assurance of compliance. The Department shall notify the education provider of the noncompliance and may initiate disciplinary proceedings pursuant to this Act. The Department may refuse to issue, suspend, revoke, or otherwise discipline the license of an education provider or may withdraw approval of a pre-license, post-license, or continuing education course for good cause. Failure to comply with the requirements of this Section or any other requirements established by rule shall be deemed to be good cause. Disciplinary proceedings shall be conducted by the Board in the same manner as other disciplinary proceedings under this Act.

(i) Pre-license, post-license, and continuing education courses, whether submitted for approval at the time of an education provider's initial application for licensure or otherwise, must meet the following minimum course requirements:

(1) No continuing education course shall be required to be taught in increments longer than 2 hours in duration; however, for each one hour ~~2 hours~~ of course time in each course, there shall be a minimum of 50 ~~100~~ minutes of instruction.

(2) All core curriculum courses shall be provided only in the classroom or through a live, interactive webinar or



online distance education format.

(3) Courses provided through a live, interactive webinar shall require all participants to demonstrate their attendance in and attention to the course by answering or responding to at least one polling question per 50 ~~30~~ minutes of course instruction. ~~In no event shall the interval between polling questions exceed 30 minutes.~~

(4) All participants in courses provided in an online distance education format shall demonstrate proficiency with the subject matter of the course through verifiable responses to questions included in the course content.

(5) Credit for courses completed in a classroom or through a live, interactive webinar or online distance education format shall not require an examination.

(6) Credit for courses provided through correspondence, or by home study, shall require the passage of an in-person, proctored examination.

(j) The Department is authorized to engage a third party as the Board's designee to perform the functions specifically provided for in subsection (f) of this Section, namely that of administering the online system for receipt, review, and approval or denial of new courses.

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

(Source: P.A. 99-227, eff. 8-3-15; 100-188, eff. 1-1-18.)

(225 ILCS 454/30-25)

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

Sec. 30-25. Licensing of education provider instructors.

(a) No person shall act as either a pre-license or continuing education instructor without possessing a valid pre-license or continuing education instructor license and satisfying any other qualification criteria adopted ~~established~~ by the Department by rule.

(a-5) Each person with a valid pre-license instructor license may teach pre-license, continuing education core curriculum, continuing education elective curriculum, or broker management education courses if they meet specific criteria adopted by the Department by rule. Those persons who have not met the criteria or who only possess a valid continuing education instructor license shall only teach continuing education elective curriculum courses. Any person with a valid continuing education instructor license who wishes to teach continuing education core curriculum or broker management continuing education courses must obtain a valid pre-license instructor license. ~~Each person that is an instructor for pre-license, continuing education core curriculum, or broker management education courses shall meet specific criteria established by the Department by rule. Those persons who have not met the criteria shall only teach~~

~~continuing education elective curriculum courses.~~

(b) Every person who desires to obtain an education provider instructor's license shall attend and successfully complete a one-day instructor development workshop, as approved by the Department. However, pre-license instructors who have complied with subsection (b) of this Section 30-25 shall not be required to complete the instructor workshop in order to teach continuing education elective curriculum courses.

(b-5) The term of licensure for a pre-license or continuing education instructor shall be 2 years, with renewal dates adopted ~~and as established~~ by rule. Every person who desires to obtain a pre-license or continuing education instructor license shall make application to the Department in a manner ~~writing on forms~~ prescribed by the Department, accompanied by the fee adopted ~~prescribed~~ by rule. In addition to any other information required to be contained in the application, every application for an original license shall include the applicant's Social Security number, which shall be retained in the agency's records pertaining to the license. As soon as practical, the Department shall assign a customer's identification number to each applicant for a license.

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

The Department shall issue a pre-license or continuing education instructor license to applicants who meet

qualification criteria established by this Act or rule.

(c) The Department may refuse to issue, suspend, revoke, or otherwise discipline a pre-license or continuing education instructor for good cause. Disciplinary proceedings shall be conducted by the Board in the same manner as other disciplinary proceedings under this Act. All pre-license instructors must teach at least one pre-license or continuing education core curriculum course within the period of licensure as a requirement for renewal of the instructor's license. All continuing education instructors must teach at least one course within the period of licensure or take an instructor training program approved by the Department in lieu thereof as a requirement for renewal of the instructor's license.

(d) Each course transcript submitted by an education provider to the Department shall include the name and license number of the pre-license or continuing education instructor for the course.

(e) Licensed education provider instructors may teach for more than one licensed education provider.

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

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

Public Act 101-0357

SB1872 Enrolled

LRB101 07705 RJF 52753 b

(225 ILCS 454/25-14 rep.)

(225 ILCS 454/25-37 rep.)

Section 15. The Real Estate License Act of 2000 is amended by repealing Sections 20-68, 25-14, and 25-37.

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