



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3740

Introduced 2/9/2024, by Sen. Javier L. Cervantes

SYNOPSIS AS INTRODUCED:

See Index

Amends the Real Estate License Act of 2000. Provides that for licensure as a managing broker, the person must personally take and pass a written examination on Illinois specific real estate brokerage laws authorized by the Department of Financial and Professional Regulation. Provides that approved pre-license education for licensure as a managing broker, broker, or residential leasing agent shall be valid for 2 years after the date of satisfactory completion of all required pre-license education. Provides that a nonresident broker who meets certain requirements may also operate a virtual office in the State. On January 1, 2026, repeals a provision concerning reciprocity for managing brokers and brokers licensed in another state. Provides that on and after January 1, 2026, applications for licensure based upon reciprocal agreements shall not be accepted. Provides that licenses granted under reciprocal agreements prior to January 1, 2026 shall remain in force and may be renewed in the same manner as provided for a broker or managing broker license under the Act. Requires fair housing training as part of the continuing education requirements. Sets forth provisions concerning licensure of managing brokers and brokers licensed under the laws of another state or jurisdiction of the United States and authorizing virtual offices. Makes changes in provisions concerning definitions; exemptions from licensure; continuing education; disclosure of compensation; employment agreements; agency relationship disclosure; grounds for discipline; citations; illegal discrimination; fines and penalties; a scholarship program; funds; and licensing of education provider instructors. Makes a conforming change in the State Finance Act. Effective January 1, 2025, except that certain provisions are effective immediately.

LRB103 36856 RTM 66968 b

1 AN ACT concerning regulation.

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

4 Section 5. The State Finance Act is amended by adding
5 Section 5.1015 as follows:

6 (30 ILCS 105/5.1015 new)

7 Sec. 5.1015. The Real Estate Recovery Fund.

8 Section 10. The Real Estate License Act of 2000 is amended
9 by changing Sections 1-10, 5-20, 5-25, 5-28, 5-35, 5-45, 5-60,
10 5-70, 10-10, 10-20, 15-35, 15-50, 20-20, 20-20.1, 20-50,
11 20-82, 25-25, 25-30, 25-35, 30-5, 30-15, and 30-25 and by
12 adding Sections 5-60.1 and 5-60.5 as follows:

13 (225 ILCS 454/1-10)

14 (Section scheduled to be repealed on January 1, 2030)

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

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

18 "Address of record" means the designated address recorded
19 by the Department in the applicant's or licensee's application
20 file or license file as maintained by the Department.

21 "Agency" means a relationship in which a broker or

1 licensee, whether directly or through an affiliated licensee,
2 represents a consumer by the consumer's consent, whether
3 express or implied, in a real property transaction.

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

7 "Blind advertisement" means any real estate advertisement
8 that is used by a licensee regarding the sale or lease of real
9 estate, licensed activities, or the hiring of any licensee
10 under this Act that does not include the sponsoring broker's
11 complete business name or, in the case of electronic
12 advertisements, does not provide a direct link to a display
13 with all the required disclosures. The broker's business name
14 in the case of a franchise shall include the franchise
15 affiliation as well as the name of the individual firm.

16 "Board" means the Real Estate Administration and
17 Disciplinary Board of the Department as created by Section
18 25-10 of this Act.

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

26 (1) Sells, exchanges, purchases, rents, or leases real

1 estate.

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

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

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

9 (5) Whether for another or themselves, engages in a
10 pattern of business of buying, selling, offering to buy or
11 sell, marketing for sale, exchanging, or otherwise dealing
12 in contracts, including assignable contracts for the
13 purchase or sale of, or options on real estate or
14 improvements thereon. For purposes of this definition, an
15 individual or entity will be found to have engaged in a
16 pattern of business if the individual or entity by itself
17 or with any combination of other individuals or entities,
18 whether as partners or common owners in another entity,
19 has engaged in one or more of these practices on 2 or more
20 occasions in any 12-month period.

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

23 (7) Advertises or represents oneself as being engaged
24 in the business of buying, selling, exchanging, renting,
25 or leasing real estate.

26 (8) Assists or directs in procuring or referring of

1 leads or prospects, intended to result in the sale,
2 exchange, lease, or rental of real estate.

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

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

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

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

14 "Brokerage agreement" means an ~~a written or oral~~ agreement
15 between a sponsoring broker and a consumer for licensed
16 activities, or the performance of future licensed activities,
17 to be provided to a consumer in return for compensation or the
18 right to receive compensation from another. Brokerage
19 agreements may constitute either a bilateral or a unilateral
20 agreement between the broker and the broker's client depending
21 upon the content of the brokerage agreement. All ~~exclusive~~
22 brokerage agreements shall be in writing and may be exclusive
23 or non-exclusive.

24 "Broker price opinion" means an estimate or analysis of
25 the probable selling price of a particular interest in real
26 estate, which may provide a varying level of detail about the

1 property's condition, market, and neighborhood and information
2 on comparable sales. The activities of a real estate broker or
3 managing broker engaging in the ordinary course of business as
4 a broker, as defined in this Section, shall not be considered a
5 broker price opinion if no compensation is paid to the broker
6 or managing broker, other than compensation based upon the
7 sale or rental of real estate. A broker price opinion shall not
8 be considered an appraisal within the meaning of the Real
9 Estate Appraiser Licensing Act of 2002, any amendment to that
10 Act, or any successor Act.

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

13 "Comparative market analysis" means an analysis or opinion
14 regarding pricing, marketing, or financial aspects relating to
15 a specified interest or interests in real estate that may be
16 based upon an analysis of comparative market data, the
17 expertise of the real estate broker or managing broker, and
18 such other factors as the broker or managing broker may deem
19 appropriate in developing or preparing such analysis or
20 opinion. The activities of a real estate broker or managing
21 broker engaging in the ordinary course of business as a
22 broker, as defined in this Section, shall not be considered a
23 comparative market analysis if no compensation is paid to the
24 broker or managing broker, other than compensation based upon
25 the sale or rental of real estate. A comparative market
26 analysis shall not be considered an appraisal within the

1 meaning of the Real Estate Appraiser Licensing Act of 2002,
2 any amendment to that Act, or any successor Act.

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

8 (1) commissions;

9 (2) referral fees;

10 (3) bonuses;

11 (4) prizes;

12 (5) merchandise;

13 (6) finder fees;

14 (7) performance of services;

15 (8) coupons or gift certificates;

16 (9) discounts;

17 (10) rebates;

18 (11) a chance to win a raffle, drawing, lottery, or
19 similar game of chance not prohibited by any other law or
20 statute;

21 (12) retainer fee; or

22 (13) salary.

23 "Confidential information" means information obtained by a
24 licensee from a client during the term of a brokerage
25 agreement that (i) was made confidential by the written
26 request or written instruction of the client, (ii) deals with

1 the negotiating position of the client, or (iii) is
2 information the disclosure of which could materially harm the
3 negotiating position of the client, unless at any time:

4 (1) the client permits the disclosure of information
5 given by that client by word or conduct;

6 (2) the disclosure is required by law; or

7 (3) the information becomes public from a source other
8 than the licensee.

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

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

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

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

19 "Customer" means a consumer who is not being represented
20 by the licensee.

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

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

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

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

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

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

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

21 "Employee" or other derivative of the word "employee",
22 when used to refer to, describe, or delineate the relationship
23 between a sponsoring broker and a managing broker, broker, or
24 a residential leasing agent, shall be construed to include an
25 independent contractor relationship, provided that a written
26 agreement exists that clearly establishes and states the

1 relationship.

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

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

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

23 "Inactive" means a status of licensure where the licensee
24 holds a current license under this Act, but the licensee is
25 prohibited from engaging in licensed activities because the
26 licensee is unsponsored or the license of the sponsoring

1 broker with whom the licensee is associated or by whom the
2 licensee is employed is currently expired, revoked, suspended,
3 or otherwise rendered invalid under this Act. The license of
4 any business entity that is not in good standing with the
5 Illinois Secretary of State, or is not authorized to conduct
6 business in Illinois, shall immediately become inactive and
7 that entity shall be prohibited from engaging in any licensed
8 activities.

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

11 "License" means the privilege conferred by the Department
12 to a person that has fulfilled all requirements prerequisite
13 to any type of licensure under this Act.

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

16 "Licensee" means any person licensed under this Act.

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

22 "Managing broker" means a licensee who may be authorized
23 to assume responsibilities as a designated managing broker for
24 licensees in one or, in the case of a multi-office company,
25 more than one office, upon appointment by the sponsoring
26 broker and registration with the Department. A managing broker

1 may act as one's own sponsor.

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

7 "Non-exclusive brokerage agreement" means a written
8 brokerage agreement that provides that the sponsoring broker
9 has the non-exclusive right, through one or more sponsored
10 licensees, to act as an agent or representative of the client
11 for the performance of licensed activities and meets the
12 requirements of Section 15-50 of this Act.

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

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

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

1 "Real estate" means and includes leaseholds as well as any
2 other interest or estate in land, whether corporeal,
3 incorporeal, freehold, or non-freehold and whether the real
4 estate is situated in this State or elsewhere. "Real estate"
5 does not include property sold, exchanged, or leased as a
6 timeshare or similar vacation item or interest, vacation club
7 membership, or other activity formerly regulated under the
8 Real Estate Timeshare Act of 1999 (repealed).

9 "Regular employee" means a person working an average of 20
10 hours per week for a person or entity who would be considered
11 as an employee under the Internal Revenue Service rules for
12 classifying workers.

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

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

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

22 "Sponsoring broker" means the broker who certifies to the
23 Department the broker's sponsorship of a licensed managing
24 broker, broker, or a residential leasing agent.

25 "Sponsorship" means that a sponsoring broker has certified
26 to the Department that a managing broker, broker, or

1 residential leasing agent is employed by or associated by
2 written agreement with the sponsoring broker and the
3 Department has registered the sponsorship, as provided for in
4 Section 5-40 of this Act.

5 "Team" means any 2 or more licensees who work together to
6 provide real estate brokerage services, represent themselves
7 to the public as being part of a team or group, are identified
8 by a team name that is different than their sponsoring
9 broker's name, and together are supervised by the same
10 managing broker and sponsored by the same sponsoring broker.

11 "Team" does not mean a separately organized, incorporated, or
12 legal entity.

13 (Source: P.A. 102-970, eff. 5-27-22; 103-236, eff. 1-1-24.)

14 (225 ILCS 454/5-20)

15 (Section scheduled to be repealed on January 1, 2030)

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

21 (1) Any person, as defined in Section 1-10, who: (A)
22 is the ~~that~~ as owner or lessor of real property who
23 performs any of the acts described in the definition of
24 "broker" under Section 1-10 of this Act only as it relates
25 to the owned or leased property; or (B) is ~~with reference~~

1 ~~to property owned or leased by it, or to~~ the regular
2 employee who, in the course of the employee's duties and
3 incidental to ~~employees thereof with respect to the~~
4 ~~property so owned or leased, where such acts are performed~~
5 ~~in the regular course of or as an incident to~~ the
6 management, sale, or other disposition of such property
7 and the investment of the owned or leased property
8 performs ~~therein, if such regular employees do not perform~~
9 any of the acts described in the definition of "broker"
10 under Section 1-10 of this Act ~~in connection with a~~
11 ~~vocation of selling or leasing any real estate or the~~
12 ~~improvements thereon not so owned or leased.~~ The exemption
13 in this item (1) does not apply to the person, the person's
14 employees, or the person's agents performing licensed
15 activity for property not owned or leased by that person.

16 (2) An attorney in fact acting under a duly executed
17 and recorded power of attorney to convey real estate from
18 the owner or lessor or the services rendered by an
19 attorney at law in the performance of the attorney's duty
20 as an attorney at law.

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

25 (4) Any person acting as a resident manager for the
26 owner or any employee acting as the resident manager for a

1 broker managing an apartment building, duplex, or
2 apartment complex, when the resident manager resides on
3 the premises, the premises is the primary residence of the
4 resident manager, and the resident manager is engaged in
5 the leasing of that property.

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

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

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

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

26 (9) Any medium of advertising in the routine course of

1 selling or publishing advertising along with which no
2 other licensed activities, as defined in Section 1-10 of
3 this Act, are provided.

4 (10) Any resident lessee of a residential dwelling
5 unit who refers for compensation to the owner of the
6 dwelling unit, or to the owner's agent, prospective
7 lessees of dwelling units in the same building or complex
8 as the resident lessee's unit, but only if the resident
9 lessee (i) refers no more than 3 prospective lessees in
10 any 12-month period, (ii) receives compensation of no more
11 than \$5,000 or the equivalent of 2 months' rent, whichever
12 is less, in any 12-month period, and (iii) limits
13 activities to referring prospective lessees to the owner,
14 or the owner's agent, and does not show a residential
15 dwelling unit to a prospective lessee, discuss terms or
16 conditions of leasing a dwelling unit with a prospective
17 lessee, or otherwise participate in the negotiation of the
18 leasing of a dwelling unit.

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

23 (12) (Blank).

24 (13) Any person who is licensed without examination
25 under Section 10-25 (now repealed) of the Auction License
26 Act is exempt from holding a managing broker's or broker's

1 license under this Act for the limited purpose of selling
2 or leasing real estate at auction, so long as:

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

5 (B) that person verifies to the Department that
6 the person has sold real estate at auction for a period
7 of 5 years prior to licensure as an auctioneer;

8 (C) the person has had no lapse in the licensure as
9 an auctioneer; and

10 (D) the license issued under the Auction License
11 Act has not been disciplined for violation of those
12 provisions of Article 20 of the Auction License Act
13 dealing with or related to the sale or lease of real
14 estate at auction.

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

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

1 owned residence.

2 (16) Notwithstanding any provisions to the contrary,
3 the Department and its employees shall be exempt from
4 education, course provider, instructor, and course license
5 requirements and fees while acting in an official capacity
6 on behalf of the Department. Courses offered by the
7 Department shall be eligible for continuing education
8 credit.

9 (Source: P.A. 103-236, eff. 1-1-24.)

10 (225 ILCS 454/5-25)

11 (Section scheduled to be repealed on January 1, 2030)

12 Sec. 5-25. Good moral character.

13 (a) When an applicant has had a license revoked on a prior
14 occasion or when an applicant is found to have committed any of
15 the practices enumerated in Section 20-20 of this Act or when
16 an applicant has been convicted of or enters a plea of guilty
17 or nolo contendere to forgery, embezzlement, obtaining money
18 under false pretenses, larceny, extortion, conspiracy to
19 defraud, or any other similar offense or offenses or has been
20 convicted of a felony involving moral turpitude in any court
21 of competent jurisdiction in this or any other state,
22 district, or territory of the United States or of a foreign
23 country, the Department ~~Board~~ may consider the prior
24 revocation, conduct, or conviction in its determination of the
25 applicant's moral character and whether to grant the applicant

1 a license.

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

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

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

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

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

24 (5) if, due to the applicant's criminal conviction
25 history, the applicant would be explicitly prohibited by
26 federal rules or regulations from working in the position

1 for which a license is sought;

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

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

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

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

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

23 (1) juvenile adjudications of delinquent minors as
24 defined in Section 5-105 of the Juvenile Court Act of 1987
25 subject to the restrictions set forth in Section 5-130 of
26 that Act;

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

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

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

14 (5) convictions overturned by a higher court; or

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

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

20 (e) A licensee shall report to the Department, in a manner
21 prescribed by the Department and within 30 days after the
22 occurrence of: (1) any conviction of or plea of guilty, or nolo
23 contendere to forgery, embezzlement, obtaining money under
24 false pretenses, larceny, extortion, conspiracy to defraud, or
25 any similar offense or offenses or any conviction of a felony
26 involving moral turpitude; (2) the entry of an administrative

1 sanction by a government agency in this State or any other
2 jurisdiction that has as an essential element of dishonesty or
3 fraud or involves larceny, embezzlement, or obtaining money,
4 property, or credit by false pretenses; or (3) any conviction
5 of or plea of guilty or nolo contendere to a crime that
6 subjects the licensee to compliance with the requirements of
7 the Sex Offender Registration Act.

8 (Source: P.A. 101-357, eff. 8-9-19; 102-970, eff. 5-27-22.)

9 (225 ILCS 454/5-28)

10 (Section scheduled to be repealed on January 1, 2030)

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

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

15 (1) be at least 20 years of age;

16 (2) be of good moral character;

17 (3) have been licensed at least 2 consecutive years
18 out of the preceding 3 years as a broker;

19 (4) successfully complete a 4-year course of study in
20 high school or secondary school approved by the state in
21 which the school is located, or a State of Illinois High
22 School Diploma, which shall be verified under oath by the
23 applicant;

24 (5) provide satisfactory evidence of having completed
25 at least 165 hours, 120 of which shall be those hours

1 required pre-licensure and post-licensure to obtain a
2 broker's license, and 45 additional hours completed within
3 the year immediately preceding the filing of an
4 application for a managing broker's license, which hours
5 shall focus on brokerage administration and management and
6 residential leasing agent management and include at least
7 15 hours in the classroom or by live, interactive webinar
8 or online distance education courses;

9 (6) personally take and pass a written examination on
10 Illinois specific real estate brokerage laws authorized by
11 the Department; and

12 (7) submit a valid application for issuance of a
13 license accompanied by the fees specified by rule.

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

18 (Source: P.A. 101-357, eff. 8-9-19; 102-1100, eff. 1-1-23.)

19 (225 ILCS 454/5-35)

20 (Section scheduled to be repealed on January 1, 2030)

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

23 (a) The Department shall authorize examinations at such
24 times and places as it may designate. The examination shall be
25 of a character to give a fair test of the qualifications of the

1 applicant to practice as a managing broker, broker, or
2 residential leasing agent. Applicants for examination as a
3 managing broker, broker, or residential leasing agent shall be
4 required to pay, either to the Department or the designated
5 testing service, a fee covering the cost of providing the
6 examination. Failure to appear for the examination on the
7 scheduled date, at the time and place specified, after the
8 applicant's application for examination has been received and
9 acknowledged by the Department or its designated testing
10 service, shall result in the forfeiture of the examination
11 fee. An applicant shall be eligible to take the examination
12 only after successfully completing the education requirements
13 and attaining the minimum age provided for in Article 5 of this
14 Act. Approved pre-license education, as prescribed by this Act
15 for licensure as a managing broker, broker, or residential
16 leasing agent, shall be valid for 2 years after the date of
17 satisfactory completion of all required pre-license education.
18 ~~Each applicant shall be required to establish compliance with~~
19 ~~the eligibility requirements in the manner provided by the~~
20 ~~rules promulgated for the administration of this Act.~~

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

1 (c) If an applicant has failed an examination 4
2 consecutive times, the applicant must repeat the pre-license
3 education required to sit for that examination. For the
4 purposes of this Section, the fifth attempt shall be the same
5 as the first, and the applicant must complete a new
6 application for examination. ~~Approved education, as prescribed~~
7 ~~by this Act for licensure as a managing broker, broker, or~~
8 ~~residential leasing agent, shall be valid for 2 years after~~
9 ~~the date of satisfactory completion of the education.~~

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

12 (e) Each applicant shall establish the applicant's
13 compliance with the eligibility requirements in the manner
14 provided by the rules adopted for the administration of this
15 Act.

16 (Source: P.A. 101-357, eff. 8-9-19.)

17 (225 ILCS 454/5-45)

18 (Section scheduled to be repealed on January 1, 2030)

19 Sec. 5-45. Offices.

20 (a) If a sponsoring broker maintains more than one office
21 within the State, the sponsoring broker shall notify the
22 Department in a manner prescribed by the Department for each
23 office other than the sponsoring broker's principal place of
24 business. The brokerage license shall be displayed
25 conspicuously in each office. The name of each branch office

1 shall be the same as that of the sponsoring broker's principal
2 office or shall clearly delineate the office's relationship
3 with the principal office.

4 (b) The sponsoring broker shall name a designated managing
5 broker for each office and the sponsoring broker shall be
6 responsible for supervising all designated managing brokers.
7 The sponsoring broker shall notify the Department in a manner
8 prescribed by the Department of the name of all designated
9 managing brokers of the sponsoring broker and the office or
10 offices they manage. Any changes in designated managing
11 brokers shall be reported to the Department in a manner
12 prescribed by the Department within 15 days of the change.
13 Failure to do so shall subject the sponsoring broker to
14 discipline under Section 20-20 of this Act.

15 (c) The sponsoring broker shall, within 24 hours, notify
16 the Department in a manner prescribed by the Department of any
17 opening, closing, or change in location of any office.

18 (d) Except as provided in this Section, each sponsoring
19 broker shall maintain an office, or place of business within
20 this State for the transaction of real estate business, shall
21 conspicuously display an identification sign on the outside of
22 the physical office of adequate size and visibility. Any
23 record required by this Act to be created or maintained shall
24 be, in the case of a physical record, securely stored and
25 accessible for inspection by the Department at the sponsoring
26 broker's principal office and, in the case of an electronic

1 record, securely stored in the format in which it was
2 originally generated, sent, or received and accessible for
3 inspection by the Department by secure electronic access to
4 the record. Any record relating to a transaction of a special
5 account shall be maintained for a minimum of 5 years, and any
6 electronic record shall be backed up at least monthly. The
7 physical office or place of business shall not be located in
8 any retail or financial business establishment unless it is
9 clearly separated from the other business and is situated
10 within a distinct area within the establishment.

11 (e) A nonresident broker who is licensed in this State by
12 examination or pursuant to the provisions of Section 5-60 or
13 5-60.5 of this Act shall not be required to maintain a definite
14 office or place of business in this State so long as the broker
15 ~~provided all of the following conditions are met:~~

16 (1) ~~the broker~~ maintains an active broker's license in
17 the broker's other state of licensure domicile;

18 (2) ~~the broker~~ maintains an office in the broker's
19 other state of licensure domicile; and

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

1 the Department.

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

6 (f) The Department may adopt rules to regulate the
7 operation of virtual offices that do not have a fixed
8 location. A broker who qualifies under subsection (e) of this
9 Section may also operate a virtual office in the State subject
10 to all requirements of this Act and the rules adopted under
11 this Act.

12 (Source: P.A. 101-357, eff. 8-9-19; 102-970, eff. 5-27-22.)

13 (225 ILCS 454/5-60)

14 (Section scheduled to be repealed on January 1, 2030)

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

18 (a) A managing broker's license may be issued by the
19 Department to a managing broker or its equivalent licensed
20 under the laws of another state of the United States, under the
21 following conditions:

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

25 (2) the standards for that state for licensing as a

1 managing broker are substantially equal to or greater than
2 the minimum standards in the State of Illinois;

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

7 (4) the managing broker furnishes the Department with
8 a statement under seal of the proper licensing authority
9 of the state in which the managing broker is licensed
10 showing that the managing broker has an active managing
11 broker's license, that the managing broker is in good
12 standing, and any disciplinary action taken against the
13 managing broker in that state;

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

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

19 (b) A broker's license may be issued by the Department to a
20 broker or its equivalent licensed under the laws of another
21 state of the United States, under the following conditions:

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

25 (2) the standards for that state for licensing as a
26 broker are substantially equivalent to or greater than the

1 minimum standards in the State of Illinois;

2 (3) (blank);

3 (4) the broker furnishes the Department with a
4 statement under seal of the proper licensing authority of
5 the state in which the broker is licensed showing that the
6 broker has an active broker's license, that the broker is
7 in good standing, and any disciplinary action taken
8 against the broker in that state;

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

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

14 (c) (Blank).

15 (d) As a condition precedent to the issuance of a license
16 to a managing broker or broker pursuant to this Section, the
17 managing broker or broker shall agree in writing to abide by
18 all the provisions of this Act with respect to real estate
19 activities within the State of Illinois and submit to the
20 jurisdiction of the Department as provided in this Act. The
21 agreement shall be filed with the Department and shall remain
22 in force for so long as the managing broker or broker is
23 licensed by this State and thereafter with respect to acts or
24 omissions committed while licensed as a managing broker or
25 broker in this State.

26 (e) ~~The Prior to the issuance of any license to any~~

1 ~~managing broker or broker pursuant to this Section,~~
2 ~~verification of active licensure issued for the conduct of~~
3 ~~such business in any other state must be filed with the~~
4 ~~Department by the managing broker or broker, and the same fees~~
5 must be paid as provided in this Act for the obtaining of a
6 managing broker's or broker's license in this State.

7 (f) Licenses previously granted under reciprocal
8 agreements with other states shall remain in force so long as
9 the Department has a reciprocal agreement with the state that
10 includes the requirements of this Section, unless that license
11 is suspended, revoked, or terminated by the Department for any
12 reason provided for suspension, revocation, or termination of
13 a resident licensee's license. Licenses granted under
14 reciprocal agreements may be renewed in the same manner as a
15 resident's license.

16 (g) Prior to the issuance of a license to a nonresident
17 managing broker or broker, the managing broker or broker shall
18 file with the Department, in a manner prescribed by the
19 Department, a designation in writing that appoints the
20 Secretary to act as agent upon whom all judicial and other
21 process or legal notices directed to the managing broker or
22 broker may be served. Service upon the agent so designated
23 shall be equivalent to personal service upon the licensee.
24 Copies of the appointment, certified by the Secretary, shall
25 be deemed sufficient evidence thereof and shall be admitted in
26 evidence with the same force and effect as the original

1 thereof might be admitted. In the written designation, the
2 managing broker or broker shall agree that any lawful process
3 against the licensee that is served upon the agent shall be of
4 the same legal force and validity as if served upon the
5 licensee and that the authority shall continue in force so
6 long as any liability remains outstanding in this State. Upon
7 the receipt of any process or notice, the Secretary shall
8 forthwith deliver a copy of the same by regular mail or email
9 to the last known business address or email address of the
10 licensee.

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

17 (i) This Section is repealed on January 1, 2026.

18 (Source: P.A. 103-236, eff. 1-1-24.)

19 (225 ILCS 454/5-60.1 new)

20 Sec. 5-60.1. Applications for licensure based upon
21 reciprocal agreements. On and after January 1, 2026 (the
22 repeal date of Section 5-60), applications for licensure based
23 upon reciprocal agreements shall not be accepted. Licenses
24 granted under reciprocal agreements prior to January 1, 2026
25 shall remain in force and may be renewed in the same manner as

1 provided for a broker or managing broker license under Section
2 5-50 of this Act and by rule.

3 (225 ILCS 454/5-60.5 new)

4 Sec. 5-60.5. Managing broker licensed in another state;
5 broker licensed in another state; endorsement requirements;
6 agent for service of process.

7 (a) A managing broker's license may be issued by the
8 Department to a managing broker or its equivalent licensed
9 under the laws of another state or jurisdiction of the United
10 States under the following conditions:

11 (1) the managing broker holds an active managing
12 broker's license or its equivalent in another state or
13 jurisdiction;

14 (2) the managing broker has been actively practicing
15 as a managing broker or its license equivalent in the
16 managing broker's state or jurisdiction of licensure for a
17 period of not less than 2 years immediately prior to the
18 date of application;

19 (3) the managing broker furnishes the Department with
20 an official statement from the proper licensing authority
21 of each state or jurisdiction in which the managing broker
22 is licensed certifying (i) that the managing broker has an
23 active license, (ii) that the managing broker is in good
24 standing, and (iii) any history of discipline against the
25 managing broker in that state or jurisdiction of

1 licensure;

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

4 (5) the managing broker provides proof of successful
5 completion of a pre-license endorsement course approved by
6 the Department.

7 (b) A broker's license may be issued by the Department to a
8 broker or its equivalent licensed under the laws of another
9 state or jurisdiction of the United States under the following
10 conditions:

11 (1) the broker holds an active broker's license or its
12 equivalent in another state or jurisdiction;

13 (2) the broker furnishes the Department with an
14 official statement from the proper licensing authority of
15 each state or jurisdiction in which the broker is licensed
16 certifying (i) whether the broker has an active license,
17 (ii) that the broker is in good standing, and (iii) any
18 history of discipline against the broker in that state or
19 jurisdiction of licensure;

20 (3) the broker passes a test on Illinois specific real
21 estate brokerage laws;

22 (4) the broker provides proof of successful completion
23 of a pre-license endorsement course approved by the
24 Department; and

25 (5) if the broker has been actively practicing as a
26 broker or its license equivalent in any other state or

1 jurisdiction for less than 2 years immediately prior to
2 the date of application, the broker must complete the 45
3 hours of post-license broker education prescribed in this
4 Act and by rule.

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

15 (d) Prior to the issuance of a license to a nonresident
16 managing broker or broker, the managing broker or broker shall
17 file with the Department a designation in writing that
18 appoints the Secretary to act as the managing broker's or
19 broker's agent upon whom all judicial and other process or
20 legal notices directed to the managing broker or broker may be
21 served. Service upon the Secretary shall be equivalent to
22 personal service upon the licensee. Copies of the appointment,
23 certified by the Secretary, shall be deemed sufficient
24 evidence and shall be admitted into evidence with the same
25 force and effect as if the original is admitted.

26 (e) The same fees must be paid as provided in this Act for

1 obtaining a managing broker's or broker's license in this
2 State.

3 (f) In the written designation, the managing broker or
4 broker shall agree that any lawful process against the
5 licensee that is served upon the agent shall be of the same
6 legal force and validity as if served upon the licensee and
7 that the authority shall continue in force so long as any
8 liability remains outstanding in this State. Upon the receipt
9 of any process or notice, the Secretary shall deliver a copy of
10 the same by regular mail or email to the mailing address or
11 email address of record of the licensee.

12 (225 ILCS 454/5-70)

13 (Section scheduled to be repealed on January 1, 2030)

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

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

18 (b) Except as otherwise provided in this Section, each
19 person who applies for renewal of a license as a managing
20 broker or broker must successfully complete 12 hours of real
21 estate continuing education courses recommended by the Board
22 and approved by the Department during the current term of the
23 license. In addition, those licensees renewing or obtaining a
24 managing broker's license must successfully complete a 12-hour
25 broker management continuing education course approved by the

1 Department during the current term of the license. The broker
2 management continuing education course must be completed in
3 the classroom, ~~or~~ through a live, interactive webinar, or in
4 an online distance education format. No license may be renewed
5 except upon the successful completion of the required courses
6 or their equivalent or upon a waiver of those requirements for
7 good cause shown as determined by the Secretary upon the
8 recommendation of the Board. The requirements of this Article
9 are applicable to all managing brokers and brokers except
10 those managing brokers and brokers who, during the current
11 term of licensure:

12 (1) serve in the armed services of the United States;

13 (2) serve as an elected State or federal official;

14 (3) serve as a full-time employee of the Department;

15 or

16 (4) are admitted to practice law pursuant to Illinois
17 Supreme Court rule.

18 (c) (Blank).

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

23 (e) The continuing education requirement for brokers and
24 managing brokers shall consist of a single core curriculum,
25 which must include at least 2 credit hours of fair housing
26 training, and an elective curriculum, to be recommended by the

1 Board and approved by the Department in accordance with this
2 subsection. With the exception of the fair housing training,
3 the ~~The~~ core curriculum shall not be further divided into
4 subcategories or divisions of instruction. The core curriculum
5 shall consist of 6 total ~~4~~ hours during the current term of the
6 license on subjects that may include, but are not limited to,
7 advertising, agency, disclosures, escrow, fair housing,
8 residential leasing agent management, and license law, and
9 must include at least 2 credit hours of fair housing training.

10 The amount of time allotted to each of the remaining ~~these~~
11 subjects shall be recommended by the Board and determined by
12 the Department.

13 The Department, upon the recommendation of the Board,
14 shall review the core curriculum every 4 years, at a minimum,
15 and shall revise the curriculum if necessary. However, the
16 core curriculum's total hourly requirement shall only be
17 subject to change by amendment of this subsection, and any
18 change to the core curriculum shall not be effective for a
19 period of 6 months after such change is made by the Department.
20 The Department shall provide notice to all approved education
21 providers of any changes to the core curriculum. When
22 determining whether revisions of the core curriculum's
23 subjects or specific time requirements are necessary, the
24 Board shall consider recent changes in applicable laws, new
25 laws, and areas of the license law and the Department policy
26 that the Board deems appropriate, and any other subject areas

1 the Board deems timely and applicable in order to prevent
2 violations of this Act and to protect the public. In
3 establishing a recommendation to the Department regarding the
4 elective curriculum, the Board shall consider subjects that
5 cover the various aspects of the practice of real estate that
6 are covered under the scope of this Act.

7 (f) The subject areas of continuing education courses
8 recommended by the Board and approved by the Department shall
9 be meant to protect the professionalism of the industry, the
10 consumer, and the public and prevent violations of this Act
11 and may include, without limitation, the following:

- 12 (1) license law and escrow;
- 13 (2) antitrust;
- 14 (3) fair housing;
- 15 (4) agency;
- 16 (5) appraisal;
- 17 (6) property management;
- 18 (7) residential brokerage;
- 19 (8) farm property management;
- 20 (9) transaction management rights and duties of
21 parties in a transaction;
- 22 (10) commercial brokerage and leasing;
- 23 (11) real estate financing;
- 24 (12) disclosures;
- 25 (13) residential leasing agent management;
- 26 (14) advertising;

1 (15) broker supervision and designated managing broker
2 responsibility;

3 (16) professional conduct; ~~and~~

4 (17) use of technology; ~~and~~

5 (18) diversity, equity, and inclusion.

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

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

15 (i) A managing broker or broker may earn credit for a
16 specific continuing education course only once during the
17 current term of the license.

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

20 (k) To promote the offering of a uniform and consistent
21 course content, the Department may provide for the development
22 of a single broker management course to be offered by all
23 education providers who choose to offer the broker management
24 continuing education course. The Department may contract for
25 the development of the 12-hour broker management continuing
26 education course with an outside vendor or consultant and, if

1 the course is developed in this manner, the Department or the
2 outside consultant shall license the use of that course to all
3 approved education providers who wish to provide the course.

4 (1) Except as specifically provided in this Act,
5 continuing education credit hours may not be earned for
6 completion of pre-license or post-license courses. The courses
7 comprising the approved 45-hour post-license curriculum for
8 broker licensees shall satisfy the continuing education
9 requirement for the initial broker license term. The approved
10 45-hour managing broker pre-license brokerage administration
11 and management course shall satisfy the 12-hour broker
12 management continuing education requirement for the initial
13 managing broker license term.

14 (Source: P.A. 101-357, eff. 8-9-19; 102-970, eff. 5-27-22.)

15 (225 ILCS 454/10-10)

16 (Section scheduled to be repealed on January 1, 2030)

17 Sec. 10-10. Disclosure of compensation.

18 (a) A licensee must disclose to a client the sponsoring
19 broker's compensation ~~and~~ policy, including the terms of
20 compensation and any amounts offered ~~with regard~~ to
21 cooperating ~~with~~ brokers who represent other parties in a
22 transaction.

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

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

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

14 (e) Nothing in the Act shall prohibit the cooperation with
15 or a payment of compensation to an individual domiciled in any
16 other state or country who is licensed as a broker in that
17 individual's ~~his or her~~ state or country of domicile or to a
18 resident of a country that does not require a person to be
19 licensed to act as a broker if the person complies with the
20 laws of the country in which that person resides and practices
21 there as a broker.

22 (Source: P.A. 101-357, eff. 8-9-19.)

23 (225 ILCS 454/10-20)

24 (Section scheduled to be repealed on January 1, 2030)

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

1 (a) A licensee may perform activities as a licensee only
2 for the licensee's ~~his or her~~ sponsoring broker. A licensee
3 must have only one sponsoring broker at any one time.

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

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

16 (d) (Blank).

17 (d-5) If a written agreement provides for an independent
18 contractor relationship that clearly states and establishes
19 that relationship, the specific provisions of this Act shall
20 control for licensee's conduct of brokerage activities.

21 (e) Notwithstanding the fact that a sponsoring broker has
22 an employment or independent contractor agreement with a
23 licensee, a sponsoring broker may pay compensation directly to
24 a business entity solely owned by that licensee that has been
25 formed for the purpose of receiving compensation earned by the
26 licensee. A business entity that receives compensation from a

1 sponsoring broker as provided for in this subsection (e) shall
2 not be required to be licensed under this Act and must either
3 be owned solely by the licensee or by the licensee together
4 with the licensee's spouse, but only if the spouse and
5 licensee are both licensed and sponsored by the same
6 sponsoring broker or the spouse is not also licensed.

7 (Source: P.A. 100-831, eff. 1-1-19; 101-357, eff. 8-9-19.)

8 (225 ILCS 454/15-35)

9 (Section scheduled to be repealed on January 1, 2030)

10 Sec. 15-35. Agency relationship disclosure.

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

14 (1) That a designated agency relationship exists,
15 unless there is written agreement between the sponsoring
16 broker and the consumer providing for a different agency
17 relationship; and

18 (2) The name or names of the designated agent or
19 agents on the written disclosure, which must ~~can~~ be
20 included as part of ~~in~~ a brokerage agreement or be a
21 separate document, a copy of which is retained by the
22 sponsoring broker for the licensee and company records,
23 and a copy of which must be provided to the consumer or
24 client.

25 (b) The licensee representing the consumer shall discuss

1 with the consumer the sponsoring broker's compensation ~~and~~
2 policy, including the terms of compensation and any amounts
3 offered ~~with regard~~ to cooperating ~~with~~ brokers who represent
4 other parties in a transaction.

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

11 (Source: P.A. 101-357, eff. 8-9-19; 102-970, eff. 5-27-22.)

12 (225 ILCS 454/15-50)

13 (Section scheduled to be repealed on January 1, 2030)

14 Sec. 15-50. Brokerage agreements; designated ~~Designated~~
15 agency.

16 (a) A sponsoring broker entering into a brokerage
17 relationship ~~an agreement~~ with any person for the listing of
18 property or for the purpose of representing any person in the
19 buying, selling, exchanging, renting, or leasing of real
20 estate shall set forth the terms of that relationship in a
21 written brokerage agreement. The brokerage agreement shall
22 specifically designate those licensees employed by or
23 affiliated with the sponsoring broker who will be acting as
24 legal agents of that person to the exclusion of all other
25 licensees employed by or affiliated with the sponsoring

1 broker. A sponsoring broker entering into an agreement under
2 the provisions of this Section shall not be considered to be
3 acting for more than one party in a transaction if the
4 licensees are specifically designated as legal agents of a
5 person and are not representing more than one party in a
6 transaction.

7 (a-5) Nothing in this Section prevents a client from
8 seeking to enforce an oral agreement. The absence of a written
9 agreement does not create an affirmative defense (i) to the
10 existence, or lack thereof, of an agreement between the
11 parties; or (ii) as to whether licensed activity was performed
12 under this Act. This Section does not prevent a court from
13 imposing legal or equitable remedies.

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

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

1 information.

2 (Source: P.A. 101-357, eff. 8-9-19.)

3 (225 ILCS 454/20-20)

4 (Section scheduled to be repealed on January 1, 2030)

5 Sec. 20-20. Nature of and grounds for discipline.

6 (a) The Department may refuse to issue or renew a license,
7 may place on probation, suspend, or revoke any license,
8 reprimand, or take any other disciplinary or non-disciplinary
9 action as the Department may deem proper and impose a fine not
10 to exceed \$25,000 for each violation upon any licensee or
11 applicant under this Act or any person who holds oneself out as
12 an applicant or licensee or against a licensee in handling
13 one's own property, whether held by deed, option, or
14 otherwise, for any one or any combination of the following
15 causes:

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

19 (2) The licensee's conviction of or plea of guilty or
20 plea of nolo contendere, as set forth in subsection (e) of
21 Section 5-25, to: (A) a felony or misdemeanor in this
22 State or any other jurisdiction; (B) the entry of an
23 administrative sanction by a government agency in this
24 State or any other jurisdiction; or (C) any conviction of
25 or plea of guilty or plea of nolo contendere to a ~~any~~ crime

1 that subjects the licensee to compliance with the
2 requirements of the Sex Offender Registration Act.

3 (3) Inability to practice the profession with
4 reasonable judgment, skill, or safety as a result of a
5 physical illness, mental illness, or disability.

6 (4) Practice under this Act as a licensee in a retail
7 sales establishment from an office, desk, or space that is
8 not separated from the main retail business and located
9 within a separate and distinct area within the
10 establishment.

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

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

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

26 (8) Aiding or abetting an applicant to subvert or

1 cheat on the Real Estate License Exam or continuing
2 education exam administered pursuant to this Act.

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

5 (10) Making any substantial misrepresentation or
6 untruthful advertising.

7 (11) Making any false promises of a character likely
8 to influence, persuade, or induce.

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

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

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

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

21 (16) Failure to account for or to remit any moneys or
22 documents coming into the licensee's possession that
23 belong to others.

24 (17) Failure to maintain and deposit in a special
25 account, separate and apart from personal and other
26 business accounts, all escrow moneys belonging to others

1 entrusted to a licensee while acting as a broker, escrow
2 agent, or temporary custodian of the funds of others or
3 failure to maintain all escrow moneys on deposit in the
4 account until the transactions are consummated or
5 terminated, except to the extent that the moneys, or any
6 part thereof, shall be:

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

16 (B) deemed abandoned and transferred to the Office
17 of the State Treasurer to be handled as unclaimed
18 property pursuant to the Revised Uniform Unclaimed
19 Property Act. Escrow moneys may be deemed abandoned
20 under this subparagraph (B) only: (i) in the absence
21 of disbursement under subparagraph (A); (ii) in the
22 absence of notice of the filing of any claim in a court
23 of competent jurisdiction; and (iii) if 6 months have
24 elapsed after the receipt of a written demand for the
25 escrow moneys from one of the principals to the
26 transaction or the principal's duly authorized agent.

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

7 (18) Failure to make available to the Department all
8 escrow records and related documents maintained in
9 connection with the practice of real estate within 24
10 hours of a request for those documents by Department
11 personnel.

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

15 (20) Failure of a sponsoring broker or licensee to
16 timely provide sponsorship or termination of sponsorship
17 information to the Department.

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

22 (22) Commingling the money or property of others with
23 the licensee's own money or property.

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

1 transactions.

2 (24) Permitting the use of one's license as a broker
3 to enable a residential leasing agent or unlicensed person
4 to operate a real estate business without actual
5 participation therein and control thereof by the broker.

6 (25) Any other conduct, whether of the same or a
7 different character from that specified in this Section,
8 that constitutes dishonest dealing.

9 (25.5) Failing to have a written brokerage agreement
10 between the sponsoring broker and a client for whom the
11 designated agent is working.

12 (26) Displaying a "for rent" or "for sale" sign on any
13 property without the written consent of an owner or the
14 owner's duly authorized agent or advertising by any means
15 that any property is for sale or for rent without the
16 written consent of the owner or the owner's authorized
17 agent.

18 (27) Failing to provide information requested by the
19 Department, or otherwise respond to that request, within
20 30 days of the request.

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

24 (29) A licensee under this Act or an unlicensed
25 individual offering guaranteed sales plans, as defined in
26 Section 10-50, except to the extent set forth in Section

1 10-50.

2 (30) Influencing or attempting to influence, by any
3 words or acts, a prospective seller, purchaser, occupant,
4 landlord, or tenant of real estate, in connection with
5 viewing, buying, or leasing real estate, so as to promote
6 or tend to promote the continuance or maintenance of
7 racially and religiously segregated housing or so as to
8 retard, obstruct, or discourage racially integrated
9 housing on or in any street, block, neighborhood, or
10 community.

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

15 (32) Inducing any party to a contract of sale or lease
16 or brokerage agreement to break the contract of sale or
17 lease or brokerage agreement for the purpose of
18 substituting, in lieu thereof, a new contract for sale or
19 lease or brokerage agreement with a third party.

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

25 (34) When a licensee is also an attorney, acting as
26 the attorney for either the buyer or the seller in the same

1 transaction in which the licensee is acting or has acted
2 as a managing broker or broker.

3 (35) Advertising or offering merchandise or services
4 as free if any conditions or obligations necessary for
5 receiving the merchandise or services are not disclosed in
6 the same advertisement or offer. These conditions or
7 obligations include without limitation the requirement
8 that the recipient attend a promotional activity or visit
9 a real estate site. As used in this subdivision (35),
10 "free" includes terms such as "award", "prize", "no
11 charge", "free of charge", "without charge", and similar
12 words or phrases that reasonably lead a person to believe
13 that one may receive or has been selected to receive
14 something of value, without any conditions or obligations
15 on the part of the recipient.

16 (36) (Blank).

17 (37) Violating the terms of any order issued by the
18 Department.

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

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

26 (40) Disregarding or violating any provision of this

1 Act or the published rules adopted by the Department to
2 enforce this Act or aiding or abetting any individual,
3 foreign or domestic partnership, registered limited
4 liability partnership, limited liability company,
5 corporation, or other business entity in disregarding any
6 provision of this Act or the published rules adopted by
7 the Department to enforce this Act.

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

11 (42) Habitual or excessive use of or addiction to
12 alcohol, narcotics, stimulants, or any other chemical
13 agent or drug that results in a licensee's ~~managing~~
14 ~~broker, broker, or residential leasing agent's~~ inability
15 to practice with reasonable skill or safety, which may
16 result in significant harm to the public.

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

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

25 (45) Failing to notify the Department, within 30 days
26 after the occurrence, of the information required in

1 subsection (e) of Section 5-25.

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

5 (47) Filing liens or recording written instruments in
6 any county in the State on noncommercial, residential real
7 property that relate to a broker's compensation for
8 licensed activity under the Act.

9 (b) The Department may refuse to issue or renew or may
10 suspend the license of any person who fails to file a return,
11 pay the tax, penalty or interest shown in a filed return, or
12 pay any final assessment of tax, penalty, or interest, as
13 required by any tax Act administered by the Department of
14 Revenue, until such time as the requirements of that tax Act
15 are satisfied in accordance with subsection (g) of Section
16 2105-15 of the Department of Professional Regulation Law of
17 the Civil Administrative Code of Illinois.

18 (c) (Blank).

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

1 by the Department of Healthcare and Family Services in
2 accordance with item (5) of subsection (a) of Section 2105-15
3 of the Department of Professional Regulation Law of the Civil
4 Administrative Code of Illinois.

5 (e) (Blank).

6 (Source: P.A. 102-970, eff. 5-27-22; 103-236, eff. 1-1-24.)

7 (225 ILCS 454/20-20.1)

8 (Section scheduled to be repealed on January 1, 2030)

9 Sec. 20-20.1. Citations.

10 (a) The Department may adopt rules to permit the issuance
11 of citations to any licensee for failure to comply with the
12 continuing education and post-license education requirements
13 set forth in this Act or as adopted by rule. The citation shall
14 be issued to the licensee, ~~and a copy shall be sent to the~~
15 ~~licensee's designated managing broker and sponsoring broker.~~
16 The citation shall contain the licensee's name and address,
17 the licensee's license number, the number of required hours of
18 continuing education or post-license education that have not
19 been successfully completed by the licensee's renewal
20 deadline, and the penalty imposed, which shall not exceed
21 \$2,000. The issuance of any such citation shall not excuse the
22 licensee from completing all continuing education or
23 post-license education required for that term of licensure.

24 (b) Service of a citation shall be made by in person,
25 electronically, or by mail to the licensee at the licensee's

1 address of record or email address of record, and must clearly
2 state that if the cited licensee wishes to dispute the
3 citation, the cited licensee may make a written request,
4 within 30 days after the citation is served, for a hearing
5 before the Department. If the cited licensee does not request
6 a hearing within 30 days after the citation is served, then ~~the~~
7 ~~citation shall become~~ a final, non-disciplinary order shall be
8 entered, and any fine imposed is due and payable within 30 ~~60~~
9 days after the entry of that final order. If the cited licensee
10 requests a hearing within 30 days after the citation is
11 served, the Department shall afford the cited licensee a
12 hearing conducted in the same manner as a hearing provided for
13 in this Act for any violation of this Act and shall determine
14 whether the cited licensee committed the violation as charged
15 and whether the fine as levied is warranted. If the violation
16 is found, any fine shall constitute non-public discipline and
17 be due and payable within 30 days after the order of the
18 Secretary, which shall constitute a final order of the
19 Department. No change in license status may be made by the
20 Department until such time as a final order of the Department
21 has been issued.

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

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

4 (Source: P.A. 102-970, eff. 5-27-22; 103-236, eff. 1-1-24.)

5 (225 ILCS 454/20-50)

6 (Section scheduled to be repealed on January 1, 2030)

7 Sec. 20-50. Illegal discrimination. When there has been
8 an adjudication in a civil or criminal proceeding that a
9 licensee has illegally discriminated while engaged in any
10 activity for which a license is required under this Act, the
11 Department, following notice to the licensee and a hearing in
12 accordance with the provisions of Section 20-60, and upon the
13 recommendation of the Board as to the nature and extent of the
14 suspension or revocation, shall, in accordance with the
15 provisions of Section 20-64, suspend or revoke the license of
16 that licensee in a timely manner, unless the adjudication is
17 in the appeal process. The finding or judgment of the civil or
18 criminal proceeding is a matter of record; the merits of which
19 shall not be challenged in a request for a hearing by the
20 licensee. When there has been an order in an administrative
21 proceeding finding that a licensee has illegally discriminated
22 while engaged in any activity for which a license is required
23 under this Act, the Department, following notice to the
24 licensee and a hearing in accordance with the provisions of
25 Section 20-60, and upon the recommendation of the Board as to

1 the nature and extent of the discipline, shall, in accordance
2 with the provisions of Section 20-64, take one or more of the
3 disciplinary actions provided for in ~~Section 20-20~~ of this Act
4 in a timely manner, unless the administrative order is in the
5 appeal process. The finding of the administrative order is a
6 matter of record; the merits of which shall not be challenged
7 in a request for a hearing by the licensee.

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

9 (225 ILCS 454/20-82)

10 (Section scheduled to be repealed on January 1, 2030)

11 Sec. 20-82. Fines and penalties; Real Estate License
12 Administration Recovery Fund; Real Estate Recovery Fund. All
13 fines and penalties collected under Section 20-20, Section
14 20-20.1, and otherwise under this Act by the Department shall
15 be deposited in the Real Estate License Administration
16 Recovery Fund and may be transferred to the Real Estate
17 Recovery Fund in accordance with the authority set forth in
18 Section 25-35 of this Act.

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

20 (225 ILCS 454/25-25)

21 (Section scheduled to be repealed on January 1, 2030)

22 Sec. 25-25. Real Estate Research and Education Fund. A
23 special fund to be known as the Real Estate Research and
24 Education Fund is created and shall be held in trust in the

1 State treasury. Annually, on September 15th, the State
2 Treasurer shall cause a transfer of \$125,000 to the Real
3 Estate Research and Education Fund from the Real Estate
4 License Administration Fund. The Real Estate Research and
5 Education Fund shall be administered by the Department. Money
6 deposited in the Real Estate Research and Education Fund may
7 be used for research and for education at state institutions
8 of higher education or other organizations for research and
9 for education to further the advancement of education in the
10 real estate industry or can be used by the Department for
11 expenses related to the education of licensees. Of the
12 \$125,000 annually transferred into the Real Estate Research
13 and Education Fund, \$15,000 shall be used to fund a
14 scholarship program for persons of historically marginalized
15 classes and ~~minority racial origin~~ who wish to pursue a course
16 of study in the field of real estate. For the purposes of this
17 Section:⁷

18 "Course ~~course~~ of study" means a course or courses that
19 are part of a program of courses in the field of real estate
20 designed to further an individual's knowledge or expertise in
21 the field of real estate. These courses shall include, without
22 limitation, courses that a broker licensed under this Act must
23 complete to qualify for a managing broker's license, courses
24 required to obtain the Graduate Realtors Institute
25 designation, and any other courses or programs offered by
26 accredited colleges, universities, or other institutions of

1 higher education in Illinois.

2 "Historically marginalized classes" means a person of a
3 race or national origin that is Native American or Alaska
4 Native, Asian, Black or African American, Hispanic or Latino,
5 or Native Hawaiian or Pacific Islander, or is a member of a
6 protected class under the Illinois Human Rights Act within the
7 context of affirmative action.

8 The scholarship program shall be administered by the
9 Department or its designee. Moneys in the Real Estate Research
10 and Education Fund may be invested and reinvested in the same
11 manner as funds in the Real Estate Recovery Fund and all
12 earnings, interest, and dividends received from such
13 investments shall be deposited in the Real Estate Research and
14 Education Fund and may be used for the same purposes as moneys
15 transferred to the Real Estate Research and Education Fund.
16 Moneys in the Real Estate Research and Education Fund may be
17 transferred to the Professions Indirect Cost Fund as
18 authorized under Section 2105-300 of the Department of
19 Professional Regulation Law of the Civil Administrative Code
20 of Illinois.

21 (Source: P.A. 103-236, eff. 1-1-24.)

22 (225 ILCS 454/25-30)

23 (Section scheduled to be repealed on January 1, 2030)

24 Sec. 25-30. Real Estate License Administration Fund;
25 audit. A special fund to be known as the Real Estate License

1 Administration Fund is created in the State Treasury. All
2 finances, penalties, and fees received by the Department under
3 this Act shall be deposited in the Real Estate License
4 Administration Fund. The moneys deposited in the Real Estate
5 License Administration Fund shall be appropriated to the
6 Department for expenses of the Department and the Board in the
7 administration of this Act, including, but not limited to, the
8 maintenance and operation of the Real Estate Recovery Fund,
9 and for the administration of any Act administered by the
10 Department providing revenue to this Fund. Moneys in the Real
11 Estate License Administration Fund may be invested and
12 reinvested in the same manner as funds in the Real Estate
13 Recovery Fund. All earnings received from such investment
14 shall be deposited in the Real Estate License Administration
15 Fund and may be used for the same purposes as finances, penalties,
16 and fees deposited in the Real Estate License Administration
17 Fund. Moneys in the Real Estate License Administration Fund
18 may be transferred to the Professions Indirect Cost Fund as
19 authorized under Section 2105-300 of the Department of
20 Professional Regulation Law of the Civil Administrative Code
21 of Illinois and to the Real Estate Recovery Fund as authorized
22 by Section 25-35 of this Act. Upon the completion of any audit
23 of the Department, as prescribed by the Illinois State
24 Auditing Act, which includes an audit of the Real Estate
25 License Administration Fund, the Department shall make the
26 audit open to inspection by any interested person.

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

2 (225 ILCS 454/25-35)

3 (Section scheduled to be repealed on January 1, 2030)

4 Sec. 25-35. Real Estate Recovery Fund. A special fund to
5 be known as the Real Estate Recovery Fund is created in the
6 State Treasury. ~~All fines and penalties received by the~~
7 ~~Department pursuant to Article 20 of this Act shall be~~
8 ~~deposited into the State Treasury and held in the Real Estate~~
9 ~~Recovery Fund.~~ The money in the Real Estate Recovery Fund
10 shall be used by the Department exclusively for carrying out
11 the purposes established by this Act. If, at any time, the
12 balance remaining in the Real Estate Recovery Fund is less
13 than \$900,000 ~~\$750,000~~, the State Treasurer shall cause a
14 transfer of moneys to the Real Estate Recovery Fund from the
15 Real Estate License Administration Fund in an amount necessary
16 to establish a balance of \$1,000,000 ~~\$800,000~~ in the Real
17 Estate Recovery Fund. If the balance in the Real Estate
18 Recovery Fund exceeds \$1,000,000, any excess funds over
19 \$1,000,000 shall be transferred to the Real Estate License
20 Administration Fund. These funds may be invested and
21 reinvested in the same manner as authorized for pension funds
22 in Article 1 of the Illinois Pension Code. All earnings,
23 interest, and dividends received from investment of funds in
24 the Real Estate Recovery Fund shall be deposited into the Real
25 Estate License Administration Fund and shall be used for the

1 same purposes as other moneys deposited in the Real Estate
2 License Administration Fund.

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

4 (225 ILCS 454/30-5)

5 (Section scheduled to be repealed on January 1, 2030)

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

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

21 (b) (Blank).

22 (c) (Blank).

23 (d) (Blank).

24 (e) (Blank).

25 (f) To qualify for an education provider license, an

1 applicant must demonstrate the following:

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

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

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

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

12 (5) the ability to provide each participant who
13 successfully completes an approved program with a
14 certificate of completion signed by the administrator of a
15 licensed education provider in a manner prescribed by the
16 Department; the certificate of completion shall include
17 the program that was completed, the completion date, the
18 course number, and the student's and education provider's
19 license numbers;

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

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

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

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

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

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

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

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

26 (h) (Blank). ~~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 and to regulate the establishment and operation of virtual offices that do not have a fixed location.

(Source: P.A. 100-188, eff. 1-1-18; 100-831, eff. 1-1-19; 101-357, eff. 8-9-19.)

(225 ILCS 454/30-15)

(Section scheduled to be repealed on January 1, 2030)

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

(a) (Blank).

(b) (Blank).

(c) (Blank).

(d) (Blank).

1 (e) (Blank).

2 (f) All education providers shall submit, at the time of
3 initial application and with each license renewal, a list of
4 courses with course materials that comply with the course
5 requirements in this Act to be offered by the education
6 provider. The Department may establish an online mechanism by
7 which education providers may submit for approval by the
8 Department upon the recommendation of the Board or its
9 designee pre-license, post-license, or continuing education
10 courses that are submitted after the time of the education
11 provider's initial license application or renewal. The
12 Department shall provide to each education provider a
13 certificate for each approved pre-license, post-license, or
14 continuing education course. All pre-license, post-license, or
15 continuing education courses shall be valid for the period
16 coinciding with the term of license of the education provider.
17 However, in no case shall a course continue to be valid if it
18 does not, at all times, meet all of the requirements of the
19 core curriculum established by this Act and the Board, as
20 modified from time to time in accordance with this Act. All
21 education providers shall provide a copy of the certificate of
22 the pre-license, post-license, or continuing education course
23 within the course materials given to each student or shall
24 display a copy of the certificate of the pre-license,
25 post-license, or continuing education course in a conspicuous
26 place at the location of the class.

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

7 (h) The Department, upon the recommendation of the Board,
8 may temporarily suspend a licensed education provider's
9 approved courses without hearing and refuse to accept
10 successful completion of or participation in any of these
11 pre-license, post-license, or continuing education courses for
12 education credit from that education provider upon the failure
13 of that education provider to comply with the provisions of
14 this Act or the rules for the administration of this Act, until
15 such time as the Department receives satisfactory assurance of
16 compliance. The Department shall notify the education provider
17 of the noncompliance and may initiate disciplinary proceedings
18 pursuant to this Act. The Department may refuse to issue,
19 suspend, revoke, or otherwise discipline the license of an
20 education provider or may withdraw approval of a pre-license,
21 post-license, or continuing education course for good cause.
22 Failure to comply with the requirements of this Section or any
23 other requirements established by rule shall be deemed to be
24 good cause. Disciplinary proceedings shall be conducted by the
25 Department ~~Board~~ in the same manner as other disciplinary
26 proceedings under this Act.

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

6 (1) Continuing education courses shall be required to
7 be at least one hour in duration. For each one hour of
8 course time, there shall be a minimum of 50 minutes of
9 instruction.

10 (2) All core curriculum courses shall be provided only
11 in the classroom or through a live, interactive webinar,
12 or in an online distance education format.

13 (3) Courses provided through a live, interactive
14 webinar shall require all participants to demonstrate
15 their attendance in and attention to the course by
16 answering or responding to at least one polling question
17 per 50 minutes of course instruction.

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

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

26 (6) Credit for courses provided through

1 correspondence, or by home study, shall require the
2 passage of an in-person, proctored examination.

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

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

12 (Source: P.A. 101-357, eff. 8-9-19; 102-970, eff. 5-27-22.)

13 (225 ILCS 454/30-25)

14 (Section scheduled to be repealed on January 1, 2030)

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

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

21 (a-5) Each person with a valid pre-license instructor
22 license may teach pre-license, post-license, continuing
23 education core curriculum, continuing education elective
24 curriculum, or broker management education courses if they
25 meet specific criteria adopted by the Department by rule.

1 Those persons who have not met the criteria or who only possess
2 a valid continuing education instructor license shall only
3 teach continuing education elective curriculum courses. Any
4 person with a valid continuing education instructor license
5 who wishes to teach continuing education core curriculum or
6 broker management continuing education courses must obtain a
7 valid pre-license instructor license.

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

16 (b-5) The term of licensure for a pre-license or
17 continuing education instructor shall be 2 years, with renewal
18 dates adopted by rule. Every person who desires to obtain a
19 pre-license or continuing education instructor license shall
20 make application to the Department in a manner prescribed by
21 the Department, accompanied by the fee adopted by rule. In
22 addition to any other information required to be contained in
23 the application, every application for an original license
24 shall include the applicant's Social Security number or
25 federal individual taxpayer identification number, which shall
26 be retained in the agency's records pertaining to the license.

1 As soon as practical, the Department shall assign a customer's
2 identification number to each applicant for a license.

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

5 The Department shall issue a pre-license or continuing
6 education instructor license to applicants who meet
7 qualification criteria established by this Act or rule.

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

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

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

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

5 (Source: P.A. 101-357, eff. 8-9-19; 102-970, eff. 5-27-22.)

6 Section 99. Effective date. This Act takes effect January
7 1, 2025, except that this Section, Section 5, and the changes
8 to Sections 20-82, 25-30, and 25-35 of the Real Estate License
9 Act of 2000 take effect upon becoming law.

1 INDEX

2 Statutes amended in order of appearance

- 3 30 ILCS 105/5.1015 new
- 4 225 ILCS 454/1-10
- 5 225 ILCS 454/5-20
- 6 225 ILCS 454/5-25
- 7 225 ILCS 454/5-28
- 8 225 ILCS 454/5-35
- 9 225 ILCS 454/5-45
- 10 225 ILCS 454/5-60
- 11 225 ILCS 454/5-60.1 new
- 12 225 ILCS 454/5-60.5 new
- 13 225 ILCS 454/5-70
- 14 225 ILCS 454/10-10
- 15 225 ILCS 454/10-20
- 16 225 ILCS 454/15-35
- 17 225 ILCS 454/15-50
- 18 225 ILCS 454/20-20
- 19 225 ILCS 454/20-20.1
- 20 225 ILCS 454/20-50
- 21 225 ILCS 454/20-82
- 22 225 ILCS 454/25-25
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1 225 ILCS 454/30-15

2 225 ILCS 454/30-25