



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**HB4571**

Introduced 02/04/04, by Angelo Saviano

**SYNOPSIS AS INTRODUCED:**

225 ILCS 454/5-20

Amends the Real Estate License Act of 2000. For the purpose of an exemption to the licensure requirements of the Act, defines "regular employee".

LRB093 19972 AMC 45716 b

1 AN ACT concerning professional regulation.

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

4 Section 5. The Real Estate License Act of 2000 is amended  
5 by changing Section 5-20 as follows:

6 (225 ILCS 454/5-20)

7 (Section scheduled to be repealed on January 1, 2010)

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

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

23 For the purposes of this paragraph (1), "regular employee"  
24 means a person who works an average of 35 hours per week for  
25 his or her employer, receives compensation or remuneration from  
26 that employer on an hourly or salary basis, and receives no  
27 more than 10% of their total compensation or remuneration from  
28 that employer on a commission or bonus basis.

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

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

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

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

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

16           (7) Any multiple listing service or other information  
17 exchange that is engaged in the collection and dissemination of  
18 information concerning real estate available for sale,  
19 purchase, lease, or exchange along with which no other licensed  
20 activities are provided.

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

27           (9) Any medium of advertising in the routine course of  
28 selling or publishing advertising along with which no other  
29 licensed activities are provided.

30           (10) Any resident lessee of a residential dwelling unit who  
31 refers for compensation to the owner of the dwelling unit, or  
32 to the owner's agent, prospective lessees of dwelling units in  
33 the same building or complex as the resident lessee's unit, but  
34 only if the resident lessee (i) refers no more than 3  
35 prospective lessees in any 12-month period, (ii) receives  
36 compensation of no more than \$1,000 or the equivalent of one

1 month's rent, whichever is less, in any 12-month period, and  
2 (iii) limits his or her activities to referring prospective  
3 lessees to the owner, or the owner's agent, and does not show a  
4 residential dwelling unit to a prospective lessee, discuss  
5 terms or conditions of leasing a dwelling unit with a  
6 prospective lessee, or otherwise participate in the  
7 negotiation of the leasing of a dwelling unit.

8 (11) An exchange company registered under the Real Estate  
9 Timeshare Act of 1999 and the regular employees of that  
10 registered exchange company but only when conducting an  
11 exchange program as defined in that Act.

12 (12) An existing timeshare owner who, for compensation,  
13 refers prospective purchasers, but only if the existing  
14 timeshare owner (i) refers no more than 20 prospective  
15 purchasers in any calendar year, (ii) receives no more than  
16 \$1,000, or its equivalent, for referrals in any calendar year  
17 and (iii) limits his or her activities to referring prospective  
18 purchasers of timeshare interests to the developer or the  
19 developer's employees or agents, and does not show, discuss  
20 terms or conditions of purchase or otherwise participate in  
21 negotiations with regard to timeshare interests.

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

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

29 (B) that person verifies to OBRE that he or she has  
30 sold real estate at auction for a period of 5 years  
31 prior to licensure as an auctioneer;

32 (C) the person has had no lapse in his or her  
33 license as an auctioneer; and

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

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

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

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