



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB4812

Introduced 01/18/06, by Rep. Angelo Saviano

#### SYNOPSIS AS INTRODUCED:

225 ILCS 454/1-10  
225 ILCS 454/5-20  
225 ILCS 454/5-25  
225 ILCS 454/5-30  
225 ILCS 454/5-40  
225 ILCS 454/5-50  
225 ILCS 454/5-70  
225 ILCS 454/25-20  
225 ILCS 454/30-15  
225 ILCS 454/30-25

Amends the Real Estate License Act of 2000. Makes changes to the definition of "broker" and defines "proctor". Provides that every applicant for a broker's license must provide satisfactory proof to the Department of Financial and Professional Regulation of having been licensed and engaged in licensed real estate brokerage activities for at least 2 years out the 3 years immediately preceding the date of application. Provides that all licenses of sponsored licensees shall be issued to the sponsoring broker at the sponsoring broker's address of record and that the renewal for each sponsored licensee shall be mailed to that licensee's sponsoring broker's address of record not less than 60 days before the expiration date of the license of the sponsored licensee. Makes changes in provisions concerning continuing education for brokers and salespersons, the licensing of continuing education schools and approval of courses, and the licensing of continuing education instructors. Requires the Secretary of Financial and Professional Regulation to employ at least one full-time investigator for every 10,000 licensees under the Act for the investigation of complaints alleging violations of the Act and 2 full-time investigators for the investigation of unlicensed persons or entities engaged in activities for which licensure is required. Makes other changes. Effective immediately.

LRB094 17850 RAS 53151 b

FISCAL NOTE ACT  
MAY APPLY

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 Real Estate License Act of 2000 is amended  
5 by changing Sections 1-10, 5-20, 5-25, 5-30, 5-40, 5-50, 5-70,  
6 25-20, 30-15, and 30-25 as follows:

7 (225 ILCS 454/1-10)

8 (Section scheduled to be repealed on January 1, 2010)

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

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

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

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

18 "Applicant" means any person, as defined in this Section,  
19 who applies to OBRE for a valid license as a real estate  
20 broker, real estate salesperson, or leasing agent.

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

29 "Board" means the Real Estate Administration and  
30 Disciplinary Board of OBRE.

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

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

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

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

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

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

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

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

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

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

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

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

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

34 "Brokerage agreement" means a written or oral agreement  
35 between a sponsoring broker and a consumer for licensed  
36 activities to be provided to a consumer in return for

1 compensation or the right to receive compensation from another.  
2 Brokerage agreements may constitute either a bilateral or a  
3 unilateral agreement between the broker and the broker's client  
4 depending upon the content of the brokerage agreement. All  
5 exclusive brokerage agreements shall be in writing.

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

8 "Commissioner" means the Commissioner of Banks and Real  
9 Estate or a person authorized by the Commissioner, the Office  
10 of Banks and Real Estate Act, or this Act to act in the  
11 Commissioner's stead.

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

- 17 (1) commissions;
- 18 (2) referral fees;
- 19 (3) bonuses;
- 20 (4) prizes;
- 21 (5) merchandise;
- 22 (6) finder fees;
- 23 (7) performance of services;
- 24 (8) coupons or gift certificates;
- 25 (9) discounts;
- 26 (10) rebates;
- 27 (11) a chance to win a raffle, drawing, lottery, or  
28 similar game of chance not prohibited by any other law or  
29 statute;
- 30 (12) retainer fee; or
- 31 (13) salary.

32 "Confidential information" means information obtained by a  
33 licensee from a client during the term of a brokerage agreement  
34 that (i) was made confidential by the written request or  
35 written instruction of the client, (ii) deals with the  
36 negotiating position of the client, or (iii) is information the

1 disclosure of which could materially harm the negotiating  
2 position of the client, unless at any time:

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

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

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

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

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

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

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

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

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

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

29 "Director" means the Director of the Real Estate Division,  
30 OBRE.

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

1 the sponsoring broker.

2 "Employee" or other derivative of the word "employee", when  
3 used to refer to, describe, or delineate the relationship  
4 between a real estate broker and a real estate salesperson,  
5 another real estate broker, or a leasing agent, shall be  
6 construed to include an independent contractor relationship,  
7 provided that a written agreement exists that clearly  
8 establishes and states the relationship. All responsibilities  
9 of a broker shall remain.

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

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

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

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

36 "License" means the document issued by OBRE certifying that

1 the person named thereon has fulfilled all requirements  
2 prerequisite to licensure under this Act.

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

5 "Licensee" means any person, as defined in this Section,  
6 who holds a valid unexpired license as a real estate broker,  
7 real estate salesperson, or leasing agent.

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

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

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

20 "Ministerial acts" means those acts that a licensee may  
21 perform for a consumer that are informative or clerical in  
22 nature and do not rise to the level of active representation on  
23 behalf of a consumer. Examples of these acts include without  
24 limitation (i) responding to phone inquiries by consumers as to  
25 the availability and pricing of brokerage services, (ii)  
26 responding to phone inquiries from a consumer concerning the  
27 price or location of property, (iii) attending an open house  
28 and responding to questions about the property from a consumer,  
29 (iv) setting an appointment to view property, (v) responding to  
30 questions of consumers walking into a licensee's office  
31 concerning brokerage services offered or particular  
32 properties, (vi) accompanying an appraiser, inspector,  
33 contractor, or similar third party on a visit to a property,  
34 (vii) describing a property or the property's condition in  
35 response to a consumer's inquiry, (viii) completing business or  
36 factual information for a consumer on an offer or contract to

1 purchase on behalf of a client, (ix) showing a client through a  
2 property being sold by an owner on his or her own behalf, or  
3 (x) referral to another broker or service provider.

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

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

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

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

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

21 "Proctor" means any person, including, but not limited to,  
22 an instructor, who has a written agreement to administer  
23 examinations fairly and impartially with a continuing  
24 education school or a pre-license school with a continuing  
25 education school license.

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

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

33 "Real estate" means and includes leaseholds as well as any  
34 other interest or estate in land, whether corporeal,  
35 incorporeal, freehold, or non-freehold, including timeshare  
36 interests, and whether the real estate is situated in this



1 State or elsewhere.

2 "Real Estate Administration and Disciplinary Board" or  
3 "Board" means the Real Estate Administration and Disciplinary  
4 Board created by Section 25-10 of this Act.

5 "Salesperson" means any individual, other than a real  
6 estate broker or leasing agent, who is employed by a real  
7 estate broker or is associated by written agreement with a real  
8 estate broker as an independent contractor and participates in  
9 any activity described in the definition of "broker" under this  
10 Section.

11 "Sponsoring broker" means the broker who has issued a  
12 sponsor card to a licensed salesperson, another licensed  
13 broker, or a leasing agent.

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

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

21 (225 ILCS 454/5-20)

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

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

26 (1) Any person, partnership, or corporation that as owner  
27 or lessor performs any of the acts described in the definition  
28 of "broker" under Section 1-10 of this Act with reference to  
29 property owned or leased by it, or to the regular employees  
30 thereof with respect to the property so owned or leased, where  
31 such acts are performed in the regular course of or as an  
32 incident to the management, sale, or other disposition of such  
33 property and the investment therein, provided that such regular  
34 employees do not perform any of the acts described in the  
35 definition of "broker" under Section 1-10 of this Act in

1 connection with a vocation of selling or leasing any real  
2 estate or the improvements thereon not so owned or leased.

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

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

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

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

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

22 (7) Any multiple listing service or other similar  
23 information exchange that is engaged in the collection and  
24 dissemination of information concerning real estate available  
25 for sale, purchase, lease, or exchange for the purpose of  
26 providing licensees with a system by which licensees may  
27 cooperatively share information, along with which no other  
28 brokerage licensed activities, as described in the definition  
29 of "broker" under Section 1-10 of this Act, are provided.

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

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

1 selling or publishing advertising, along with which no other  
2 brokerage licensed activities, as described in the definition  
3 of "broker" under Section 1-10 of this Act, are provided.

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

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

22 (12) An existing timeshare owner who, for compensation,  
23 refers prospective purchasers, but only if the existing  
24 timeshare owner (i) refers no more than 20 prospective  
25 purchasers in any calendar year, (ii) receives no more than  
26 \$1,000, or its equivalent, for referrals in any calendar year  
27 and (iii) limits his or her activities to referring prospective  
28 purchasers of timeshare interests to the developer or the  
29 developer's employees or agents, and does not show, discuss  
30 terms or conditions of purchase or otherwise participate in  
31 negotiations with regard to timeshare interests.

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

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

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

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

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

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

19 (Source: P.A. 91-245, eff. 12-31-99; 91-585, eff. 1-1-00;  
20 91-603, eff. 1-1-00; 92-16, eff. 6-28-01; 92-217, eff. 8-2-01.)

21 (225 ILCS 454/5-25)

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

23 Sec. 5-25. Application for and issuance of broker or  
24 salesperson license.

25 (a) Every person who desires to obtain a license shall make  
26 application to OBRE in writing upon forms prepared and  
27 furnished by OBRE. In addition to any other information  
28 required to be contained in the application, every application  
29 for an original or renewed license shall include the  
30 applicant's Social Security number. Each applicant shall be at  
31 least 21 years of age, be of good moral character, and have  
32 successfully completed a 4-year course of study in a high  
33 school or secondary school approved by the Illinois State Board  
34 of Education or an equivalent course of study as determined by  
35 an examination conducted by the Illinois State Board of

1 Education and shall be verified under oath by the applicant.  
2 The minimum age of 21 years shall be waived for any person  
3 seeking a license as a real estate salesperson who has attained  
4 the age of 18 and can provide evidence of the successful  
5 completion of at least 4 semesters of post-secondary school  
6 study as a full-time student or the equivalent, with major  
7 emphasis on real estate courses, in a school approved by OBRE.  
8 Every applicant for a broker's license must provide  
9 satisfactory proof to the Department of having been licensed  
10 and engaged in licensed real estate brokerage activities in the  
11 applicant's state of domicile for at least 2 years out the 3  
12 years immediately preceding the date of application.

13 (b) When an applicant has had his or her license revoked on  
14 a prior occasion or when an applicant is found to have  
15 committed any of the practices enumerated in Section 20-20 of  
16 this Act or when an applicant has been convicted of forgery,  
17 embezzlement, obtaining money under false pretenses, larceny,  
18 extortion, conspiracy to defraud, or any other similar offense  
19 or offenses or has been convicted of a felony involving moral  
20 turpitude in any court of competent jurisdiction in this or any  
21 other state, district, or territory of the United States or of  
22 a foreign country, the Board may consider the prior revocation,  
23 conduct, or conviction in its determination of the applicant's  
24 moral character and whether to grant the applicant a license.  
25 In its consideration of the prior revocation, conduct, or  
26 conviction, the Board shall take into account the nature of the  
27 conduct, any aggravating or extenuating circumstances, the  
28 time elapsed since the revocation, conduct, or conviction, the  
29 rehabilitation or restitution performed by the applicant, and  
30 any other factors that the Board deems relevant. When an  
31 applicant has made a false statement of material fact on his or  
32 her application, the false statement may in itself be  
33 sufficient grounds to revoke or refuse to issue a license.

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

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

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

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

17 (225 ILCS 454/5-30)

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

19 Sec. 5-30. Education requirements to obtain an original  
20 broker or salesperson license.

21 (a) All applicants for a broker's license, except  
22 applicants who meet the criteria set forth in subsection (c) of  
23 this Section shall ~~(i) give satisfactory evidence of having~~  
24 ~~completed at least 120 classroom hours, 45 of which shall be~~  
25 ~~those hours required to obtain a salesperson's license plus 15~~  
26 ~~hours in brokerage administration courses, in real estate~~  
27 ~~courses approved by the Advisory Council or (ii) for applicants~~  
28 ~~who currently hold a valid real estate salesperson's license,~~  
29 give satisfactory evidence of having completed at least 75  
30 hours in real estate courses, not including the courses that  
31 are required to obtain a salesperson's license, approved by the  
32 Advisory Council.

33 (b) All applicants for a salesperson's license, except  
34 applicants who meet the criteria set forth in subsection (c) of  
35 this Section shall give satisfactory evidence that they have

1 completed at least 45 hours of instruction in real estate  
2 courses approved by the Advisory Council.

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

7 (d) A minimum of 15 of the required hours of pre-license  
8 education shall be in the areas of Article 15 of this Act,  
9 disclosure and environmental issues, or any other currently  
10 topical areas that are determined by the Advisory Council.

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

12 (225 ILCS 454/5-40)

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

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

16 (a) The sponsoring broker shall prepare upon forms provided  
17 by OBRE and deliver to each licensee employed by or associated  
18 with the sponsoring broker a sponsor card certifying that the  
19 person whose name appears thereon is in fact employed by or  
20 associated with the sponsoring broker. The sponsoring broker  
21 shall send, by certified mail, return receipt requested, or  
22 other delivery service requiring a signature upon delivery, a  
23 duplicate of each sponsor card, along with a valid license or  
24 other authorization as provided by rule and the appropriate  
25 fee, to OBRE within 24 hours of issuance of the sponsor card.  
26 It is a violation of this Act for any broker to issue a sponsor  
27 card to any licensee or applicant unless the licensee or  
28 applicant presents in hand a valid license or other  
29 authorization as provided by rule. All licenses of sponsored  
30 licensees shall be issued to the sponsoring broker at the  
31 sponsoring broker's address of record.

32 (b) When a licensee terminates his or her employment or  
33 association with a sponsoring broker or the employment is  
34 terminated by the sponsoring broker, the licensee shall obtain  
35 from the sponsoring broker his or her license endorsed by the

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

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

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

23 (225 ILCS 454/5-50)

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

25 Sec. 5-50. Expiration date and renewal period of broker,  
26 salesperson, or leasing agent license; sponsoring broker;  
27 register of licensees; pocket card.

28 (a) The expiration date and renewal period for each license  
29 issued under this Act shall be set by rule. The renewal for  
30 each sponsored licensee shall be mailed to that licensee's  
31 sponsoring broker's address of record not less than 60 days  
32 before the expiration date of the license of the sponsored  
33 licensee. Except as otherwise provided in Section 5-55 of this  
34 Act, the holder of a license may renew the license within 90  
35 days preceding the expiration date thereof by paying the fees



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

11 (b) OBRE shall establish and maintain a register of all  
12 persons currently licensed by the State and shall issue and  
13 prescribe a form of pocket card. Upon payment by a licensee of  
14 the appropriate fee as prescribed by rule for engagement in the  
15 activity for which the licensee is qualified and holds a  
16 license for the current period, OBRE shall issue a pocket card  
17 to the licensee. The pocket card shall be verification that the  
18 required fee for the current period has been paid and shall  
19 indicate that the person named thereon is licensed for the  
20 current renewal period as a broker, salesperson, or leasing  
21 agent as the case may be. The pocket card shall further  
22 indicate that the person named thereon is authorized by OBRE to  
23 engage in the licensed activity appropriate for his or her  
24 status (broker, salesperson, or leasing agent). Each licensee  
25 shall carry on his or her person his or her pocket card or, if  
26 such pocket card has not yet been issued, a properly issued  
27 sponsor card when engaging in any licensed activity and shall  
28 display the same on demand.

29 (c) Any person licensed as a broker shall be entitled at  
30 any renewal date to change his or her license status from  
31 broker to salesperson.

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

33 (225 ILCS 454/5-70)

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

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

1 salesperson.

2 (a) The requirements of this Section apply to all  
3 licensees.

4 (b) Except as otherwise provided in this Section, each  
5 person who applies for renewal of his or her license as a real  
6 estate broker or real estate salesperson must successfully  
7 complete real estate continuing education courses approved by  
8 the Advisory Council at the rate of 6 hours per year or its  
9 equivalent. In addition, beginning with the pre-renewal period  
10 for broker licensees that begins after the effective date of  
11 this amendatory Act of the 93rd General Assembly, to renew a  
12 real estate broker's license, the licensee must successfully  
13 complete a 6-hour broker management continuing education  
14 course approved by OBRE. Successful completion of the course  
15 shall include achieving a passing score as provided by rule on  
16 a test developed and administered in accordance with rules  
17 adopted by the OBRE. Beginning on the first day of the  
18 pre-renewal period for broker licensees that begins after the  
19 effective date of this amendatory Act of the 93rd General  
20 Assembly, the 6-hour broker management continuing education  
21 course must be completed by all persons receiving their initial  
22 broker's license within 180 days after the date of initial  
23 licensure as a broker. No license may be renewed except upon  
24 the successful completion of the required courses or their  
25 equivalent or upon a waiver of those requirements for good  
26 cause shown as determined by the Commissioner with the  
27 recommendation of the Advisory Council. The requirements of  
28 this Article are applicable to all brokers and salespersons  
29 except those brokers and salespersons who, during the  
30 pre-renewal period:

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

36 (c) A person who is issued an initial license as a real

1 estate salesperson less than 90 days ~~one year~~ prior to the  
2 expiration date of that license shall not be required to  
3 complete continuing education as a condition of license  
4 renewal. A person who is issued an initial license as a real  
5 estate broker less than 90 days ~~one year~~ prior to the  
6 expiration date of that license ~~and who has not been licensed~~  
7 ~~as a real estate salesperson during the pre renewal period~~  
8 shall ~~not~~ be required to complete continuing education as a  
9 condition of license renewal. A person receiving an initial  
10 license as a real estate broker during the 90 days before the  
11 broker renewal date shall not be required to complete the  
12 broker management continuing education course provided for in  
13 subsection (b) of this Section as a condition of initial  
14 license renewal.

15 (d) The continuing education requirement for salespersons  
16 and brokers shall consist of a core curriculum and an elective  
17 curriculum, to be established by the Advisory Council. In  
18 meeting the continuing education requirements of this Act, at  
19 least 3 hours per year or their equivalent shall be required to  
20 be completed in the core curriculum. In establishing the core  
21 curriculum, the Advisory Council shall consider subjects that  
22 will educate licensees on recent changes in applicable laws and  
23 new laws and refresh the licensee on areas of the license law  
24 and OBRE policy that the Advisory Council deems appropriate,  
25 and any other areas that the Advisory Council deems timely and  
26 applicable in order to prevent violations of this Act and to  
27 protect the public. In establishing the elective curriculum,  
28 the Advisory Council shall consider subjects that cover the  
29 various aspects of the practice of real estate that are covered  
30 under the scope of this Act. However, the elective curriculum  
31 shall not include any offerings referred to in Section 5-85 of  
32 this Act.

33 (e) The subject areas of continuing education courses  
34 approved by the Advisory Council may include without limitation  
35 the following:

- 36 (1) license law and escrow;

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

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

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

19 (h) A broker or salesperson may earn credit for a specific  
20 continuing education course only once during the prerenewal  
21 period.

22 (i) No more than 6 hours of continuing education credit may  
23 be earned in one calendar day.

24 (j) To promote the offering of a uniform and consistent  
25 course content, the OBRE may provide for the development of a  
26 single broker management course to be offered by all continuing  
27 education providers who choose to offer the broker management  
28 continuing education course. The OBRE may contract for the  
29 development of the 6-hour broker management continuing  
30 education course with an outside vendor and, if the course is  
31 developed in this manner, the OBRE shall license the use of  
32 that course to all approved continuing education providers who  
33 wish to provide the course.

34 (k) Continuing education credit hours may not be earned for  
35 completion of pre-license courses.

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

1 (225 ILCS 454/25-20)

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

3 Sec. 25-20. Staff. OBRE shall employ sufficient staff to  
4 carry out the provisions of this Act. The Secretary shall  
5 employ, in conformity with the Personnel Code, not less than  
6 one full-time investigator for every 10,000 licensees under  
7 this Act for the investigation of complaints alleging  
8 violations of this Act and shall employ, in conformity with the  
9 Personnel Code or contractually, 2 full-time investigators for  
10 the investigation of unlicensed persons or entities engaged in  
11 activities for which this Act requires a license. The authority  
12 to enforce the provisions of this Act through judicial  
13 proceedings is as set forth in Sections 20-80 and 20-120 of  
14 this Act.

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

16 (225 ILCS 454/30-15)

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

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

20 (a) Only continuing education schools in possession of a  
21 valid continuing education school license may provide real  
22 estate continuing education courses that will satisfy the  
23 requirements of this Act. Pre-license schools licensed to offer  
24 pre-license education courses for salespersons and brokers  
25 shall qualify for a continuing education school license upon  
26 completion of an application and the submission of the required  
27 fee. Every entity that desires to obtain a continuing education  
28 school license shall make application to OBRE in writing in  
29 forms prescribed by OBRE and pay the fee prescribed by rule. In  
30 addition to any other information required to be contained in  
31 the application, every application for an original or renewed  
32 license shall include the applicant's Social Security number.

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

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

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

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

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

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

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

19 (7) The continuing education school shall maintain  
20 lesson plans and examinations for each course.

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

24 (9) The continuing education school shall identify and  
25 use instructors who will teach in a planned program.  
26 Suggested criteria for instructor selections include:

27 (A) appropriate credentials;

28 (B) competence as a teacher;

29 (C) knowledge of content area; and

30 (D) qualification by experience.

31 (10) The continuing education school must provide for  
32 closed book examinations for each course.

33 (11) The continuing education school shall provide a  
34 proctor for each examination. The continuing education  
35 school shall be responsible for the conduct of the proctor.  
36 The duties and responsibilities of a proctor shall be

1           established by rule.

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

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

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

20           (f) All continuing education schools shall submit, at the  
21 time of initial application and with each license renewal, a  
22 list of courses with course materials to be offered by the  
23 continuing education school. OBRE, however, shall establish a  
24 mechanism whereby continuing education schools may apply for  
25 and obtain approval for continuing education courses that are  
26 submitted after the time of initial application or renewal.  
27 OBRE shall provide to each continuing education school a  
28 certificate for each approved continuing education course. All  
29 continuing education courses shall be valid for the period  
30 coinciding with the term of license of the continuing education  
31 school. All continuing education schools shall provide a copy  
32 of the certificate of the continuing education course within  
33 the course materials given to each student or shall display a  
34 copy of the certificate of the continuing education course in a  
35 conspicuous place at the location of the class.

36           (g) Each continuing education school shall provide to OBRE

1 a monthly report in a format determined by OBRE, with  
2 information concerning students who successfully completed all  
3 approved continuing education courses offered by the  
4 continuing education school for the prior month.

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

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

25 (225 ILCS 454/30-25)

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

27 Sec. 30-25. Licensing of continuing education instructors.

28 (a) No person shall act as a core curriculum continuing  
29 education instructor at a continuing education school or branch  
30 without possessing a valid continuing education instructor  
31 license and satisfying any other qualification criteria  
32 established by the Department by rule. ~~Only persons approved by~~  
33 ~~the Advisory Council and in possession of a valid continuing~~  
34 ~~education instructor license issued by OBRE may instruct~~  
35 ~~continuing education courses.~~



1 (b) Every person who desires to obtain a continuing  
2 education instructor license shall make application to OBRE in  
3 writing on forms prescribed by the Office, accompanied by the  
4 fee prescribed by rule. In addition to any other information  
5 required to be contained in the application, every application  
6 for an original or renewed license shall include the  
7 applicant's Social Security number. Every person who desires to  
8 obtain or renew a continuing education instructor's license  
9 shall attend and successfully complete a one-day instructor  
10 development workshop, as approved by the Department. All  
11 continuing education instructors must teach at least one course  
12 within the period of licensure. The term of licensure for a  
13 continuing education instructor shall be 2 years and as  
14 established by rule. OBRE shall issue a continuing education  
15 instructor license to applicants who meet qualification  
16 criteria established by this Act or rule.

17 (c) OBRE may refuse to issue, suspend, revoke, or otherwise  
18 discipline a continuing education instructor for good cause.  
19 Disciplinary proceedings shall be conducted by the Board in the  
20 same manner as other disciplinary proceedings under this Act.  
21 ~~The term of a license for a continuing education instructor~~  
22 ~~shall be 2 years and as established by rule. All Continuing~~  
23 ~~Education Instructors must teach at least one course within the~~  
24 ~~period of licensure or take an instructor training program~~  
25 ~~approved by OBRE in lieu thereof.~~

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

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