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INTRODUCTION

The Illinois Register is the official state document for publishing public notice of rulemaking activity initiated by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category.

Rulemaking activity consists of proposed or adopted new rules; amendments to or repealers of existing rules; and rules promulgated by emergency or preemptory action. Executive Orders and Proclamations issued by the Governor; notices of public information required by State Statute; and activities (meeting agendas; Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State Agencies; is also published in the Register.

The Register is a weekly update of the Illinois Administrative Code (a compilation of the rules adopted by State agencies). The most recent edition of the Code, along with the Register, comprise the most current accounting of State agencies' rulemakings.

The Illinois Register is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act [5 ILCS 100/1-1, et seq.].

ILLINOIS REGISTER PUBLICATION SCHEDULE FOR 2016

Issue#	Rules Due Date	Date of Issue
1	December 21, 2015	January 4, 2016
2	December 28, 2015	January 8, 2016
3	January 4, 2016	January 15, 2016
4	January 11, 2016	January 22, 2016
5	January 19, 2016	January 29, 2016
6	January 25, 2016	February 5, 2016
7	February 1, 2016	February 16, 2016
8	February 8, 2016	February 19, 2016
9	February 16, 2016	February 26, 2016
10	February 22, 2016	March 4, 2016
11	February 29, 2016	March 11, 2016
12	March 7, 2016	March 18, 2016
13	March 14, 2016	March 25, 2016
14	March 21, 2016	April 1, 2016
15	March 28, 2016	April 8, 2016
16	April 4, 2016	April 15, 2016
17	April 11, 2016	April 22, 2016
18	April 18, 2016	April 29, 2016
19	April 25, 2016	May 6, 2016
20	May 2, 2016	May 13, 2016
21	May 9, 2016	May 20, 2016
22	May 16, 2016	May 27, 2016

23	May 23, 2016	June 3, 2016
24	May 31, 2016	June 10, 2016
25	June 6, 2016	June 17, 2016
26	June 13, 2016	June 24, 2016
27	June 20, 2016	July 1, 2016
28	June 27, 2016	July 8, 2016
29	July 5, 2016	July 15, 2016
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31	July 18, 2016	July 29, 2016
32	July 25, 2016	August 5, 2016
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34	August 8, 2016	August 19, 2016
35	August 15, 2016	August 26, 2016
36	August 22, 2016	September 2, 2016
37	August 29, 2016	September 9, 2016
38	September 6, 2016	September 16, 2016
39	September 12, 2016	September 23, 2016
40	September 19, 2016	September 30, 2016
41	September 26, 2016	October 7, 2016
42	October 3, 2016	October 14, 2016
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45	October 24, 2016	November 4, 2016
46	October 31, 2016	November 14, 2016
47	November 7, 2016	November 18, 2016
48	November 14, 2016	November 28, 2016
49	November 21, 2016	December 2, 2016
50	November 28, 2016	December 9, 2016
51	December 5, 2016	December 16, 2016
52	December 12, 2016	December 27, 2016
53	December 19, 2016	December 30, 2016

ILLINOIS EMERGENCY MANAGEMENT AGENCY

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Safe Operation of Nuclear Facility Boilers and Pressure Vessels
- 2) Code Citation: 32 Ill. Adm. Code 505
- 3)

<u>Section Numbers</u> :	<u>Proposed Actions</u> :
505.30	Amendment
505.40	Amendment
505.80	Amendment
505.82	Amendment
505.84	Amendment
505.86	Amendment
505.90	Amendment
505.180	Amendment
505.190	Amendment
505.1200	Amendment
505.1800	Amendment
505.2000	Amendment
505.2200	Amendment
505.2500	Amendment
505.2800	Amendment
- 4) Statutory Authority: Implementing and authorized by Section 25 of the Nuclear Safety Law of 2004 [20 ILCS 3310/25], Sections 2a and 2b of the Boiler and Pressure Vessel Safety Act [430 ILCS 75/2a and 2b] and Section 8(a)(8) of the Illinois Nuclear Safety Preparedness Act [420 ILCS 5/8(a)(8)]
- 5) A Complete Description of the Subjects and Issues Involved: The Agency is proposing amendments to Part 505 to revise definitions and terms and to update references to various codes and standards to align with industry; update Code of Federal Regulation citations; update procedures to the current practice; update contact information; clarify authorized inspectors for boilers and pressure vessels at nuclear facilities; clarify and update commission and endorsement requirements for authorized inspectors; add the use of the R-2 form to document alterations to boilers and pressure vessels; add language to address nameplates and stamping for repair and alteration of boilers and pressure vessels; and add reference to the National Board Inspection Code to the subsection on repair of pressure relief valves to be consistent with industry practice.

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- 6) Any published studies or reports, along with the sources of underlying data, that were used when composing this rulemaking, in accordance with 1 Ill Adm. Code 100.355:
None
- 7) Will this rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? Yes
- 10) Are there any other rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objective: The proposed amendments are not expected to require local governments to establish, expand or modify their activities in such a way as to necessitate additional expenditures from local revenues.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments on this proposed rulemaking may be submitted in writing for a period of 45 days following publication of this Notice. The Agency will consider fully all written comments on this proposed rulemaking submitted during the 45 day comment period. Comments should be submitted to:
- Traci Burton
Paralegal Assistant
Illinois Emergency Management Agency
1035 Outer Park Drive
Springfield IL 62704
- 217/785-9860
fax: 217/524-3698
- 13) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities or not-for-profit corporations affected: The Agency does not believe this rulemaking will have an impact on any small businesses, small municipalities or not-for-profit corporations.

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- B) Reporting, bookkeeping or other procedures required for compliance: Form R-2 will now be required to report alterations to non-ISI boilers and pressure vessels. Affected entities already use Form R-2 to report these activities.
- C) Types of professional skills necessary for compliance: All Authorized Inspectors shall possess commissions and endorsements from the National Board or the Illinois State Fire Marshal as applicable under Sections 505.180, 505.1800 and 505.2800.
- 14) Regulatory Agenda on which this rulemaking was summarized: July 2016

The full text of the Proposed Amendments begin on the next page:

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TITLE 32: ENERGY

CHAPTER II: ILLINOIS EMERGENCY MANAGEMENT AGENCY

SUBCHAPTER c: NUCLEAR FACILITY SAFETY

PART 505

SAFE OPERATION OF NUCLEAR FACILITY BOILERS AND PRESSURE VESSELS

SUBPART A: GENERAL

Section	
505.10	Scope
505.20	Policy
505.30	Definitions
505.40	Standards Incorporated by Reference
505.50	Exemptions
505.60	Access to Facilities and Documents
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505.80	Administrative Review and Hearings – Inspection Certificates
505.82	Administrative Review and Hearings – Authorized Inspection Agency
505.84	Administrative Review and Hearings – Special Permits
505.86	Actions Pending Before the United States Nuclear Regulatory Commission
505.90	Address and Telephone Number for Notifications and Inquiries
505.100	Standards for Design, Construction, Operation and Inspection (general)
505.110	Registration Requirements (general)
505.120	Inspection Certificates (general)
505.130	Operation Requirements (general)
505.140	Inspection Requirements (general)
505.150	Repairs and Alterations (general)
505.160	Code Case Applications (general)
505.170	Use of Alternative Standards for Construction, Inspection and Repair (general)
505.180	Authorized Inspectors (general)
505.190	Authorized Inspection Agencies (general)

SUBPART B: ISI BOILERS AND PRESSURE VESSELS

Section	
505.1000	Standards for Design, Construction, Operation and Inspection
505.1100	Registration Requirements
505.1200	Inspection Certificates

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505.1300	Operation Requirements
505.1400	Inspection Requirements
505.1500	Repairs
505.1600	Code Case Applications
505.1700	Use of Alternative Standards for Construction, Inspection and Repair
505.1800	Authorized Inspectors
505.1900	Authorized Inspection Agencies

SUBPART C: NON-ISI BOILERS AND PRESSURE VESSELS

Section	
505.2000	Standards for Design, Construction, Operation and Inspection
505.2100	Registration Requirements
505.2200	Inspection Certificates
505.2300	Operation Requirements
505.2400	Inspection Requirements
505.2500	Repairs and Alterations
505.2600	Code Case Applications
505.2700	Use of Alternative Standards for Construction, Inspection and Repair
505.2800	Authorized Inspectors
505.2900	Authorized Inspection Agencies

AUTHORITY: Implementing and authorized by the Nuclear Safety Law of 2004 [20 ILCS 3310/25], Sections 2a and 2b of the Boiler and Pressure Vessel Safety Act [430 ILCS 75/2a and 2b] and Section 8(a)(8) of the Illinois Nuclear Safety Preparedness Act [420 ILCS 5/8(a)(8)].

SOURCE: Emergency Rule adopted at 17 Ill. Reg. 15667, effective September 10, 1993, for a maximum of 150 days; adopted at 18 Ill. Reg. 2317, effective February 7, 1994; amended at 20 Ill. Reg. 6455, effective April 26, 1996; amended at 23 Ill. Reg. 13089, effective October 6, 1999; recodified from the Department of Nuclear Safety to the Illinois Emergency Management Agency at 27 Ill. Reg. 13641; amended at 27 Ill. Reg. 15339, effective September 16, 2003; amended at 33 Ill. Reg. 4345, effective March 9, 2009; amended at 40 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL

Section 505.30 Definitions

The following definitions shall apply to this Part:

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"Act" means the Boiler and Pressure Vessel Safety Act [430 ILCS 75].

"Agency" means the Illinois Emergency Management Agency.

"Alteration" means a change to a boiler or pressure vessel made necessary by, or resulting in, a change in design requirements. Non-physical changes such as rerating of a boiler or pressure vessel shall be considered an alteration. The addition of nozzles smaller than a reinforced opening size shall not be considered an alteration.

"ANSI" means the American National Standards Institute, 1430 Broadway, New York NY 10018.

"Appurtenance" means an item attached to a stamped component that has work performed on it requiring verification by an Authorized Inspector.

"ASME" means the American Society of Mechanical Engineers, 345 E. 47th Street, New York NY 10017.

"ASME Code" means the American Society of Mechanical Engineers Boiler and Pressure Vessel Code with addenda thereof made, approved and adopted by the Council of the Society and adopted and incorporated by the Agency in Section 505.40. Copies of the ASME Code may be obtained from the American Society of Mechanical Engineers.

"ASME Code Case" or "Code Case" means a document published by ASME to clarify the intent of the ASME Code or to provide alternative requirements to those specifically indicated in the ASME Code due to special circumstances or for the use of new technology.

"Authorized Inspection Agency" means [an organization that meets](#) one of the following:

A department or division established by a jurisdiction that has adopted one or more Sections of the ASME Code and whose inspectors hold valid commissions issued by the National Board of Boiler and Pressure Vessel Inspectors. In Illinois, the Division of Boiler and Pressure Vessel Safety of the Office of the State Fire Marshal (OSFM) is the jurisdiction, except

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for the City of Chicago; or

An insurance company that has been licensed or registered by the appropriate authority in the State of Illinois to write boiler and pressure vessel insurance in the State of Illinois.~~An inspection agency of an insurance company that is authorized (licensed) to insure and is insuring boilers and pressure vessels at nuclear facilities in this State and employs inspectors who meet the requirements of Section 505.180 and Section 505.1800 or 505.2800, as applicable; or~~

A company in the business of providing third party inspection services that has recognition from the State of Illinois to perform inspection and design reviews for boilers and pressure vessels; or

An owner of boilers or pressure vessels who maintains a regularly established inspection department, whose organization and inspection procedures meet the requirements established by OSFM.

"Authorized Inspector" means an individual who is employed by an authorized inspection agency, ~~holds a current Illinois Certificate of Competency issued by OSFM pursuant to 41 Ill. Adm. Code 120.20~~ and meets the requirements of Section 505.180 ~~and Section 505.1800 or 505.2800, as applicable.~~

"Boiler" means a closed vessel used to heat water or other liquids or to generate steam or other vapors under pressure or vacuum by the application of heat resulting from the combustion of fuels, electricity, atomic energy or waste gases.

"Power boiler" means a boiler in which steam or other vapor is generated at a pressure of more than 15 psig and includes water boilers operating at pressures exceeding 160 psig or temperatures exceeding 250° F at or near the boiler outlet.

"High pressure, high-temperature water boiler" means a water boiler operating at pressures exceeding 160 psig or temperatures exceeding 250° F at or near the boiler outlet.

"Heating boiler" means a steam heating boiler operated at pressures not exceeding 15 psig, or a hot water heating boiler operated at pressures not exceeding 160 psig or temperatures not exceeding 250° F at or near the

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boiler outlet.

"Hot water supply boiler" means a boiler (including fired storage water heater) furnishing hot water to be used externally to itself at pressures not exceeding 160 psig or temperatures not exceeding 250° F at or near the boiler outlet.

"Certificate inspection" means an inspection, the report of which is used by the Agency as justification for issuing, withholding or revoking the Inspection Certificate.

"Condemned boiler or pressure vessel" means any boiler or pressure vessel, including related appurtenances, that has been inspected and declared unsafe, or disqualified by legal requirements, by the Agency.

"Design pressure" means the pressure used in the design of a boiler or pressure vessel for the purpose of determining the minimum permissible thickness or physical characteristics (e.g., material properties) of different parts of the vessel, in accordance with design standards of the ASME Code.

"Director" means the Director of the Illinois Emergency Management Agency.

"External inspection" means as complete an examination as can reasonably be made of the external surfaces of a boiler or pressure vessel. This examination shall be made while it is in operation, if possible.

"Inoperative" means a boiler, pressure vessel or attached appurtenance that is no longer capable of functioning within its design requirements. The inability of support equipment to operate does not cause a boiler or pressure vessel to be considered inoperative.

"Inservice inspection interval" means the period of time during which inservice examinations and system pressure tests are performed, as defined by the owner in accordance with ASME Code Section XI.

"Inservice inspection period" means a subdivision of the inservice inspection interval, as defined by the owner in accordance with ASME Code Section XI.

"Inservice Inspection Plan" means the documents prepared by the owner in

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accordance with paragraph IWA-2420 of the edition and addenda of Section XI approved by the NRC for use by the plant (10 year plan).

"Inspection" means examination and evaluation of documents and hardware by an Authorized Inspector to determine conformance of an item or an activity to the requirements of this Part.

"Inspection Certificate" means a certification issued by the Agency for the operation of a non-ISI boiler or pressure vessel or nuclear power system.

"Internal inspection" means as complete an examination as can reasonably be made of the internal surfaces of a boiler or pressure vessel while it is shut down and manhole plates, handhole plates or other inspection opening closures are removed as required by the Authorized Inspector.

"ISI boiler or pressure vessel" means any boiler or pressure vessel, including related appurtenances, that is in the owner's Inservice Inspection Plan.

"Maintenance" means routine activities conducted on an item that are performed and controlled in accordance with the owner's procedures, including minor restorative actions, that are not otherwise classified as a repair, replacement or alteration.

"Maximum Allowable Working Pressure" or "MAWP" means the maximum gauge pressure permissible (in accordance with the design requirements) at the top of a vessel in its operating position at the design temperature. This pressure is the least of those calculated for every element of the vessel using nominal thickness exclusive of allowances for corrosion and thickness required for loadings other than pressure. It is the basis for the pressure setting of the pressure relieving devices (e.g., pressure relief valves) protecting the vessel. The design pressure may be used in place of the maximum allowable working pressure in all cases for which calculations are not made to determine the value of the maximum allowable working pressure.

"National Board" means the National Board of Boiler and Pressure Vessel Inspectors, 1055 Crupper Avenue, Columbus OH 43229.

"National Board Inspection Code" means the National Board Inspection Code published by the National Board and adopted and incorporated by the Agency in

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Section 505.40. Copies may be obtained from the National Board.

"NFPA" means the National Fire Protection Association, 1 Batterymarch Park, Quincy MA 02269.

"Non-ISI boiler or pressure vessel" means any boiler or pressure vessel, including related appurtenances, that is not in the owner's Inservice Inspection Plan.

"Non-standard boiler or pressure vessel" means any boiler or pressure vessel, including related appurtenances, that does not bear the ASME Code Symbol Stamp.

"NRC" means the United States Nuclear Regulatory Commission or any agency that succeeds to its function in the licensing of nuclear power reactors or facilities, or facilities for spent nuclear fuel.

"Nuclear facility" means a nuclear power station. There may be one or more nuclear power systems at a nuclear power station.

"Nuclear power system" means all ISI boilers and pressure vessels in a unit, including their appurtenances, at a nuclear facility that are inspected in accordance with an Inservice Inspection Plan. Such components are generally associated with systems that serve the purpose of producing and controlling the output of thermal energy from nuclear fuel and associated systems essential to the function and overall safety of the nuclear power system.

"OSFM" means the Illinois Office of the State Fire Marshal.

"Outage" means temporary suspension of operation of a component or system to conduct actions such as maintenance, forced repairs or testing of equipment.

"Owner" means any organization, person, firm or corporation legally responsible for the safe operation of any boiler or pressure vessel at a nuclear facility within the State.

"PSIG" means pounds per square inch gauge and is a measure of pressure.

"Pressure relief valve" means a safety valve, relief valve or safety relief valve.

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"Pressure vessel" means an enclosed vessel in which pressure is obtained from an external source, or by applying heat from an indirect source or from a direct source other than boilers as defined in this Section. Reactor containments are not considered pressure vessels.

"Quality Assurance Program" means a controlled system of planned and systematic actions required to provide adequate confidence that the items designed and constructed are in accordance with the rules of the ASME Code Section III; or all the planned and systematic actions necessary to provide adequate confidence that a structure, system or component will perform satisfactorily in service in accordance with Appendix B of 10 CFR 50 (~~2007~~2008), as applicable.

"Refueling outage" means temporary suspension of power production of the nuclear power system to conduct actions, including refueling the reactor. Refueling outages normally occur approximately every 2 years.

"Reinstalled boiler or pressure vessel" means any boiler or pressure vessel, including related appurtenances, removed from its original setting and reinstalled at the same location or at a new location within the State of Illinois without change of ownership.

"Relief valve" means an automatic pressure relieving device, actuated by the static pressure upstream of the valve, that opens further with the increase in pressure over the opening pressure. It is used primarily for liquid service.

"Repair" means the process of restoring a nonconforming item by welding or brazing so that existing design requirements are met.

"Report of Inspection" means a report prepared by an Authorized Inspector that documents that a non-ISI boiler or pressure vessel meets the requirements of this Part for installation and periodic inspection.

"Reportable event" means any accident that either causes a boiler or pressure vessel to become inoperative due to damage from an explosion, catastrophic event or failure due to material condition, of either itself or an attached appurtenance, or results in death or bodily injury to a person.

"Rerated" or "Rerating" means ~~any change in the MAWP or temperature of a~~

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~~boiler or pressure vessel, regardless of whether physical work is performed on the boiler or pressure vessel. Rerating shall be considered an alteration.~~

"Safety relief valve" means an automatic pressure actuated relieving device suitable for use as a safety or relief valve, depending on application.

"Safety valve" means an automatic pressure relieving device actuated by the static pressure upstream of the valve and characterized by full opening pop action. It is primarily used for gas or vapor service.

"State Special" means a boiler or pressure vessel, including related appurtenances, of special construction that may not be constructed in accordance with the ASME Code. See Sections 505.170, 505.1700 and 505.2700 for the procedures for granting a State Special.

~~"Special Inspector" means an Inspector holding an Illinois Certificate of Competency and a commission issued by OSFM and who is regularly employed by an insurance company that is authorized (licensed) to insure and is insuring boilers and pressure vessels at nuclear facilities in this State.~~

"Technical specifications" means part of the Updated or Final Safety Analysis Report and Operating License issued by the NRC that designates safety limits, limiting safety system settings, limiting conditions for operation and surveillance requirements for the safe operation of the nuclear facility.

"Underwriters Laboratories" or "U.L." means the non-profit independent organization testing for public safety. It maintains and operates laboratories for the examination and testing of devices, systems and materials to determine their relationship to life, fire and casualty hazards.

"Updated or Final Safety Analysis Report" means a report required by the NRC in accordance with 10 CFR 50.34 ([20152008](#)).

"Welding" means a group of processes in which coalescence is produced by heating with an arc or arcs, with or without the application of pressure and with or without the use of filler metal.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

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Section 505.40 Standards Incorporated by Reference

The Agency hereby adopts and incorporates by reference the following codes and standards.

- a) In accordance with the authority granted under Section 2a of the Act, the Agency adopts the Boiler and Pressure Vessel Code of the American Society of Mechanical Engineers with addenda thereto made. Those ~~sections~~Sections of the ASME Code listed in this Section are incorporated into and constitute a part of the whole rules and regulations of the Agency.

- 1) ASME Boiler and Pressure Vessel Code, 1952 Edition including all addenda editions through the ASME Boiler and Pressure Vessel Code, ~~2015~~2007 Edition, for the following:

AGENCY NOTE: The edition and addenda of the ASME Boiler and Pressure Vessel Code applicable to a particular component can be traced using the date of construction of the component in light of Sections 505.170, 505.1000 and 505.2000. For more information see Sections 505.170, 505.1000 and 505.2000.

A) Section I, Rules for Construction of Power Boilers;

B) Section II, ~~Materials~~Material Specifications

Part A – Ferrous Material Specifications

Part B – Nonferrous Material Specifications

Part C – Specifications for Welding Rods, Electrodes and Filler Metals

Part D – Properties (Customary and Metric);

C) Section III, Rules for Construction of Nuclear ~~Facility~~Power Plant Components;

Subsection NCA – General Requirements for Division 1 and Division 2

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Appendices

Division 2 – Code for Concrete Containments~~Concrete Reactor Vessels and Containments;~~

Division 3 – Containments for Transportation and Storage of Spent Nuclear Fuel and High Level Radioactive Material and Waste

Division 5 – High Temperature Reactors;

- D) Section IV, Rules for Construction of Heating Boilers;
- E) Section V, Nondestructive Examination;
- F) Section VI, Recommended Rules for the Care and Operation of Heating Boilers;
- G) Section VII, Recommended Guidelines for the Care of Power Boilers;
- H) Section VIII, Rules for Construction of Pressure Vessels

Division 1;

Division 2 – Alternative Rules;

Division 3 – Alternative Rules for Construction of High Pressure Vessels;

- I) Section IX, Welding, ~~and~~ Brazing, and Fusing Qualifications; ~~and~~
- J) Section X, Fiber-Reinforced Plastic Pressure Vessels;

K) Section XII, Rules for Construction and Continued Service of Transport Tanks.

- 2) ASME Boiler and Pressure Vessel Code, editions and addenda referenced in ~~Title 10 of the Code of Federal Regulations (CFR) Part 50, Section 50.55a~~ (10 CFR 50.55a), revised as of August 3, 2015~~January 31, 2008,~~

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including all limitations and modifications contained therein, for the following:

- A) Section III, Rules for Construction of Nuclear ~~Facility~~Power Plant Components, Division 1—~~Nuclear Power Plant Components~~; and
- B) Section XI, Rules for Inservice Inspection of Nuclear Power Plant Components, Division 1 – Rules for Inspection and Testing of Components of Light-Water-Cooled Plants.

AGENCY NOTE: The Agency will review programs at specific plants on the basis of the edition and addenda of Sections III and XI approved by the NRC for the specific plant.

- b) The Agency adopts the National Board Inspection Code, ~~2015~~2007 edition, published by the National Board, except that "jurisdiction" shall be read as "Agency".
- c) The Agency adopts the following nationally recognized standards and their addenda:
 - 1) ASME CSD, ~~2012~~2002 edition, Controls and Safety Devices for Automatically Fired Boilers; and
 - 2) NFPA 85, ~~2015~~2004 edition, Boiler and Combustion Systems Hazards Code.
- d) The Agency adopts ANSI/ASME N626, Qualification and Duties of Authorized Nuclear Inspection Agencies and Personnel, 1974 Edition including all addenda and editions through the N626b-1992 addendum. The Agency also adopts the successor standard to this standard, ASME QAI-1, Qualification for Authorized Inspection, 1995 edition, including all addenda and editions through the 2010 edition.

AGENCY NOTE: The edition and addenda of ANSI/ASME N626 or QAI-1 applicable to the qualifications of the authorized nuclear inspection agency and its personnel can be traced using the edition and addenda of the ASME Boiler and Pressure Vessel Code applicable to a particular component.

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- e) For documents included in subsections (a) through (d), the Agency is incorporating only those editions and addenda indicated. The Agency is not incorporating any subsequent edition or addendum to these documents. All documents are available for public review at the Agency offices, 1035 Outer Park Drive, Springfield, Illinois.

AGENCY NOTE: This Section is applicable to the following nuclear power plants: Braidwood Station, Units 1 & 2; Byron Station, Units 1 & 2; Clinton Station, Unit 1; Dresden Station, Units 1, 2 & 3; LaSalle County Station, Units 1 & 2; Quad Cities Station, Units 1 & 2; and Zion Station, Units 1 & 2.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.80 Administrative Review and Hearings – Inspection Certificates

This Section shall apply to all actions by the Agency for noncompliance with this Part that potentially could impact upon the issuance, suspension or revocation of an Inspection Certificate required by this Part.

- a) When in any instance ~~an Agency~~~~departmental~~ review reveals that an owner may not be in compliance with one or more requirements of this Part, the Agency will notify the owner in writing of those facts and circumstances known to the Agency that give rise to the inference that the owner is not in compliance. If the facts and circumstances giving rise to the inference involve only boilers and pressure vessels that the NRC has determined are not within NRC's jurisdictional authority, subsection (c) shall apply and subsection (b) shall not apply. If the facts and circumstances giving rise to the inference involve any other boiler, pressure vessel or nuclear power system, subsection (b) shall apply and subsection (c) shall not apply.
- b) Simultaneously with the notification provided for in subsection (a), the Agency will notify the NRC in writing of those facts and circumstances known to the Agency that give rise to the inference that the owner is not in compliance. If the owner fails to demonstrate to the Agency that the owner is in compliance within 10 days after the notification, the Agency shall provide to the NRC a written request, pursuant to 10 CFR 2.200~~-et seq.~~ (1997~~2008~~), that the NRC take appropriate action, e.g., pursuant to 10 CFR 2.206 (2015~~2008~~). The request will specify the NRC action or actions that the Agency is requesting.

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- c) If the owner fails to demonstrate to the Agency that the owner is in compliance within 10 days after the notification provided for in subsection (a), the Agency shall issue a Preliminary Order and Notice of Opportunity for Hearing in accordance with 32 Ill. Adm. Code 200. ~~The owner aggrieved by such order may within 15 days submit a written request for a hearing to the Agency, which shall thereafter hold an adjudicatory hearing in accordance with Section 16 of the Boiler and Pressure Vessel Safety Act, the Illinois Administrative Procedure Act and 32 Ill. Adm. Code 200.~~
- 1) If, after the hearing, the Director finds that the owner or organization was in compliance with the requirements of this Part, the Director shall issue to the owner an Order of Compliance or issue such other order as appropriate.
 - 2) If, after the hearing or default, the Director finds that the owner is not in compliance with the requirements of this Part, the Director will render a final decision which may include denying an application for, or suspending or revoking, an affected Inspection Certificate.
- d) All final administrative decisions of the Director under this Part shall be subject to ~~the Administrative Review Law [735 ILCS 5/Art. III]judicial review pursuant to Section 16 of the Boiler and Pressure Vessel Safety Act.~~

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.82 Administrative Review and Hearings – Authorized Inspection Agency

This Section shall apply to any action by the Agency to deny an application for, or to suspend or revoke, ~~Agency departmental~~ recognition of an Authorized Inspection Agency.

- a) An owner or organization aggrieved by the Agency's action pursuant to Section 505.190(b) or (d) may within 15 days submit a written request for a hearing to the Agency, which shall thereafter hold an adjudicatory hearing in accordance with ~~Section 16 of the Boiler and Pressure Vessel Safety Act, the Illinois Administrative Procedure Act and~~ 32 Ill. Adm. Code 200.
- 1) If, after the hearing, the Director finds that the owner or organization was in compliance with the requirements of this Part, the Director shall issue an order directing that recognition be extended to the organization.

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- 2) If, after the hearing or default, the Director finds that the owner or organization is not in compliance with the requirements of this Part, the Director will render a final decision which may include denying the application for recognition.
- b) All final administrative decisions of the Director under this Part shall be subject to ~~the Administrative Review Law~~ judicial review pursuant to Section 16 of the Boiler and Pressure Vessel Safety Act.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.84 Administrative Review and Hearings – Special Permits

This Section shall apply to any action by the Agency to deny an application for, or to suspend or revoke, a special permit for construction of a non-ASME Code boiler or pressure vessel pursuant to Section 505.2700.

- a) An owner aggrieved by an Agency denial pursuant to Section 505.2700(c)(5), (d)(5) and (e)(5) or Agency action pursuant to Section 505.2700(c)(4), (d)(5) and (e)(5) may within 15 days submit a written request for a hearing to the Agency, which shall thereafter hold an adjudicatory hearing in accordance with ~~Section 16 of the Boiler and Pressure Vessel Safety Act, the Illinois Administrative Procedure Act and~~ 32 Ill. Adm. Code 200.
 - 1) If, after the hearing, the Director finds that the owner was in compliance with the requirements of this Part or that the affected non-ASME boiler or pressure vessel meets the criteria of Section 505.2700(c), the Director shall issue an order directing that the Special Permit be issued to the owner or organization.
 - 2) If, after the hearing or default, the Director finds that the owner is not in compliance with the requirements of this Part, the Director will render a final decision which may include denying the application for, or suspending or revoking, a Special Permit.
- b) All final administrative decisions of the Director under this Part shall be subject to ~~the Administrative Review Law~~ judicial review pursuant to Section 16 of the Boiler and Pressure Vessel Safety Act.

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(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.86 Actions Pending Before the United States Nuclear Regulatory Commission

Whenever any person brings an action before the NRC pursuant to 10 CFR 2.200 ~~et seq.~~ (19972008) alleging that a departmental application of a requirement of this Part could affect the safety or the operation of a nuclear facility, the Agency shall not apply or enforce the requirement until such time as the NRC concurs in the application or enforcement or until the NRC otherwise finds and notifies the Agency that the application of the requirement could not affect the safety or the operation of the nuclear facility.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.90 Address and Telephone Number for Notifications and Inquiries

Written reports or communications concerning or required by this Part shall be addressed to: Nuclear Facility Inspection Section, Bureau of Nuclear Facility Safety, Illinois Emergency Management Agency, 1035 Outer Park Drive, Springfield, Illinois 62704. The Agency may be reached by telephone at ~~(217)782-2700 or for 24-hour response at (800)782-7860(217)-782-7860.~~

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.180 Authorized Inspectors (general)

- a) ~~ISI and non-ISI boilers and pressure vessels at nuclear facilities within the State shall be inspected by Authorized Inspectors. To inspect ISI or non-ISI boilers or pressure vessels at nuclear facilities within the State an individual shall hold a Commission as a Special Inspector and an identifying commission card issued by the Office of the State Fire Marshal as provided in Section 8 of the Act.~~
- b) If an Authorized Inspector finds that the boiler or pressure vessel or any of its appurtenances are in an unsafe condition, the Authorized Inspector shall immediately notify the Agency and submit a report of the defects.
- c) The requirements of this Section are subject to the limitations of Section 505.20(c).

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- d) Authorized Inspectors shall perform all duties required of them under the ASME Code or the National Board Inspection Code, as applicable. Authorized Inspectors shall notify the Agency within 7 days if they have knowledge of a nuclear power system or an ISI or non-ISI boiler or pressure vessel that:
- 1) is being operated without a valid Inspection Certificate;
 - 2) is being operated at a pressure that exceeds indicated pressure on the Inspection Certificate; or
 - 3) otherwise deviates from the requirements of this Part.
- e) Authorized Inspectors inspecting ISI boilers or pressure vessels or nuclear power systems shall meet the requirements of Section 505.1800.
- f) Authorized Inspectors inspecting non-ISI boilers and pressure vessels shall meet the requirements of Section 505.2800.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.190 Authorized Inspection Agencies (general)

- a) An organization that wishes to provide ASME Code or National Board Inspection Code inspection services at a nuclear facility shall be recognized as an Authorized Inspection Agency by the Agency in accordance with subsection (b) prior to providing ASME Code or National Board Inspection Code inspection services at a nuclear facility. Such an organization shall submit the following to the Agency:
- 1) A written request for recognition as an Authorized Inspection Agency;
 - 2) A list of the names of Authorized Inspectors employed; and
 - 3) A written description of the types of inspections that the organization will perform and the ASME Code Sections/National Board Inspection Code for which it will conduct inspection activities.

AGENCY NOTE: An Authorized Inspection Agency already recognized by the Agency does not need to resubmit the documents specified in this subsection (a).

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- b) The Agency shall, within 90 days after receipt of an organization's request submitted pursuant to this Section, recognize the organization as an Authorized Inspection Agency upon determining that it has demonstrated in the request that it meets all qualification, duty and other requirements in those ASME Code Sections/National Board Inspection Code for which it wishes to provide inspection services. If it is determined that an organization's request submitted pursuant to this Section does not meet the requirements of this Section, the Agency shall take action under Section 505.82.

AGENCY NOTE: Qualification, duty and other requirements for organizations in subsections (a) and (b) shall be in accordance with the latest edition and addenda of the ASME Code/National Board Inspection Code referenced in Section 505.40.

- c) OSFM is exempt from all the requirements of this Section.
- d) If the Agency determines that an Authorized Inspection Agency is not qualified, the Agency shall act to suspend or revoke its recognition of the Authorized Inspection Agency under Section 505.82.

AGENCY NOTE: Applicable ASME Code Sections/National Board Inspection Code as used in this Section means those under which the Authorized Inspection Agency is performing inspection activities. Agency reviews will determine whether the organization meets all requirements for Authorized Inspection Agencies as found in the most recent edition and addenda of the ASME Code or National Board Inspection Code, as applicable, referenced in Section 505.40.

- e) ~~Authorized Inspection Agencies shall notify the Agency within 30 days of all new boiler or pressure vessel risks written.~~
- ef) Within 30 days following each inspection required by this Part, the Authorized Inspection Agency shall submit an accurate report of the results of the inspection to the Agency in accordance with this Part.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

SUBPART B: ISI BOILERS AND PRESSURE VESSELS

Section 505.1200 Inspection Certificates

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This Section is not intended to be, in any way, inconsistent with the applicable regulations, rules and requirements of the NRC. If a requirement of this Section as applied in any situation is or would be inconsistent with the regulations, rules and requirements of the NRC, the requirements of this Section shall not be applied. The Agency will take action in regard to an Inspection Certificate only in accordance with Section 505.80. The Agency shall issue Inspection Certificates for nuclear power systems in accordance with this Section if the reports, programs and plans required to be submitted by this Section, Sections 505.110 and 505.1100 are submitted in accordance with the frequencies and standards specified in those Sections and are in compliance with this Part.

- a) Owners of nuclear power systems shall not operate those nuclear power systems without a valid Inspection Certificate issued by the Agency. The Agency shall issue one Inspection Certificate for each nuclear power system at a nuclear facility. Unless suspended by the Agency, the Inspection Certificate shall remain valid through the 6-month period following the end of the inservice inspection period for which the certificate was issued, or as otherwise permitted by this Part.
- b) Owners of nuclear power systems not yet in operation shall, prior to operation of the nuclear power systems, have a valid Inspection Certificate issued by the Agency for the nuclear power systems. The Agency shall issue the initial Inspection Certificates for the first inservice inspection period based on an Agency determination that the submittal requirements of Section 505.1100 are met.
- c) An Inspection Certificate shall be issued for each nuclear power system at the nuclear facility for the succeeding inservice inspection period when the Agency determines that:
 - 1) The examinations and tests required by the Inservice Inspection Plan during the preceding inservice inspection period were completed; and
 - 2) All related submittal requirements of this Part are met.

AGENCY NOTE: In order to determine whether the examinations and tests required by the Inservice Inspection Plan during the preceding inspection period were performed and completed, the Agency will review the submittals required by this Section against the Inservice Inspection Plan and the applicable edition and addenda of the ASME Code Section XI. The review and determination will be made separately for each nuclear power system. During this review the Agency

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shall accept requests for relief from ASME Code Section XI requirements that have been approved by the NRC.

- d) The inservice inspection interval for the nuclear power system may be extended or reduced as permitted by the applicable Code edition and addenda or that has been approved by the NRC. The owner shall notify the Agency in writing of any such change in the inservice inspection interval. The Agency may issue a new Inspection Certificate, or may adjust the term of the Inspection Certificate in effect for the applicable inservice inspection period.
- e) When the owner discovers that an ISI boiler or pressure vessel is not in compliance with this Part, the owner shall take measures to bring the ISI boiler or pressure vessel into compliance. Those measures may include, but are not limited to, repair or replacement of the ISI boiler or pressure vessel in accordance with Section 505.1500. In such cases, the owner shall notify the Agency in accordance with Section 505.140. The owner shall submit information concerning the details of the noncompliance and the measures taken to bring the noncomplying ISI boiler or pressure vessel into compliance to the Agency within 90 days following the completion of the corrective measures. Any replacement ISI boiler or pressure vessel shall meet the requirements of this Part for new boilers and pressure vessels and shall be registered by the owner with the Agency in accordance with Section 505.1100. The Agency shall review the information submitted regarding the noncompliance and the corrective measures taken and may issue a revised Inspection Certificate to reflect any change in nuclear power system composition.
- f) The owner shall submit the following:
 - 1) In addition to the information submitted under Section 505.1100, the owner shall submit to the Agency within 90 days after completing [refueling outage](#)~~an inservice inspection~~:
 - A) The inservice inspection summary report required by ASME Code Section XI;
 - B) The Owner's Data Report, form NIS-1, required by ASME Code Section XI;
 - C) The Owner's Report for Repairs or Replacements, form NIS-2 of

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Section XI, if required by the applicable Code Edition and Addenda or Code Case used, for all repairs and replacements performed since the last inservice inspection; and

- D) Deviations from the Inservice Inspection Plan implemented during inservice inspections that impact upon compliance with this Part.
- 2) The owner shall submit the Inservice Inspection Plan for the next inservice inspection interval to the Agency prior to the end of each inservice inspection interval.
- g) The Agency shall take action under Section 505.80 if the Agency finds that:
 - 1) The submittals in subsection (f) have not been made or are incomplete; or
 - 2) The examinations and tests required by the owner's Inservice Inspection Plan have not been performed or are incomplete; or
 - 3) The owner has not met the requirements of subsection (e); or
 - 4) The nuclear power system is not being inspected in accordance with this Part.
- h) In addition to the requirements of this Section, owners shall meet the requirements of Section 505.120.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.1800 Authorized Inspectors

In order to perform the duties of an Authorized Inspector for ISI boilers and pressure vessels or nuclear power systems at nuclear facilities within the State, the individual shall, in addition to the requirements of Section 505.180 ~~of this Part, possess~~ hold a current Inservice Commission (IS) and one of the following specialized qualifications, referred to as endorsements ~~endorsement with either a nuclear ("N" or "S") or an inservice ("I" or "IS") designation, as appropriate,~~ issued by the National Board: ~~Specific endorsement and corresponding titles are as follows:~~

- a) Authorized Nuclear Inspector ("N" Endorsement);

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- b) ~~Authorized Nuclear Inspector Supervisor ("S" Endorsement);~~
- ae) Authorized Nuclear Inservice Inspector ("I" Endorsement); or
- bd) Authorized Nuclear Inservice Inspector Supervisor ("NSiIS" Endorsement).

(Source: Amended at 40 Ill. Reg. _____, effective _____)

SUBPART C: NON-ISI BOILERS AND PRESSURE VESSELS

Section 505.2000 Standards for Design, Construction, Operation and Inspection

Non-ISI boilers and pressure vessels, including related appurtenances, except those exempt under Section 505.50(a), operated within or upon or in connection with a nuclear facility in Illinois, shall be designed, constructed, installed, examined, tested, repaired, altered and inspected as required by this Section, except in those cases in which NRC has jurisdiction, as determined by NRC. When NRC has jurisdiction, the codes and standards reflected in the facility's Operating License, Final Safety Analysis Report, technical specifications or other licensing documents as required or approved by the NRC shall apply. For non-ISI boilers and pressure vessels over which NRC has no jurisdiction, as determined by NRC, the standards required by this Part apply. If the NRC determines that NRC has jurisdiction, but has not established standards, the Agency may propose to NRC that these or other standards be applied to such boilers and pressure vessels in nuclear power plants in Illinois.

- a) All new, existing and reinstalled non-ISI boilers, including related appurtenances, shall be designed, constructed, installed, examined, tested, repaired and altered in accordance with the ASME Code or National Board Inspection Code, as applicable, and inspected in accordance with this Part. Where a non-ISI boiler is moved and reinstalled, the fittings and appliances of that boiler shall comply with this Part.
- b) All non-ISI pressure vessels installed and placed in operation after December 31, 1976 and all reinstalled non-ISI pressure vessels, including related appurtenances, shall be designed, constructed, installed, tested, examined, repaired and altered in accordance with the ASME Code or National Board Inspection Code, as applicable, and inspected in accordance with this Part. Where a non-ISI pressure vessel is moved and reinstalled, the fittings and appliances of that pressure vessel shall comply with this Part.

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c) Non-ISI pressure vessels and related appurtenances installed and placed in operation at nuclear facilities on or before December 31, 1976 shall be inspected in accordance with this Part and designed, constructed, installed, tested, repaired and altered, in accordance with the following requirements.

1) The MAWP for standard pressure vessels shall be determined in accordance with the applicable provisions of the ASME Code under which they were constructed and stamped.

2) MAWP for Non-standard Pressure Vessels

A) The MAWP of a non-standard pressure vessel subject to internal pressure shall be determined by the strength of the weakest course computed from the thickness of the plate, the tensile strength of the plate, the efficiency of the longitudinal joint, the inside diameter of the course and the factor of safety set by this Part, as ~~follow:permitted below.~~

(TS x t x E) / (R x FS) = MAWP, in psig

where:

TS = ultimate tensile strength of shell plate, in psi. When the tensile strength of steel plate is not known, it shall be taken as 55,000 psi for temperature not exceeding 650° F.

t = minimum thickness of shell plate of weakest course, in inches.

E = efficiency of longitudinal joint, depending upon construction. Use the following values (in percents):

For Fusion-Welded and Brazed Joints:

Table with 2 columns: Joint Type and Value. Rows include Single lap welded (40), Double lap welded (60), Single butt welded (60), Double butt welded (75), and Forge welded (70).

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Brazed steel..... 80

For riveted joints – calculate riveted joint efficiency in accordance with rules given in Section I, Part PR, of the 1971 ASME Code.

R = inside radius for weakest shell course, in inches, provided the thickness does not exceed 10 percent of the radius. If the thickness is over 10 percent of the radius, the outer radius shall be used.

FS = factor of safety permitted shall be a minimum of 5.0.

- B) The MAWP for cylindrical non-standard pressure vessels subject to external or collapsing pressure shall be determined by the rules in Par. UG-27 and UG-28 of the ASME Code Section VIII.
- C) The minimum factor of safety may be increased when deemed necessary by the [Authorized](#) Inspector to assure the operation of the vessel within safe limits. The condition of the vessel and the particular service to which it is subject will be determining factors.
- D) The MAWP permitted for formed heads under pressure shall be determined by using the appropriate formulas from UG-32 or UG-33 of the ASME Code Section VIII and the tensile strength and efficiencies given in this Section.
- d) All non-ISI boilers and pressure vessels, [including related appurtenances](#), shall be inspected in accordance with ~~Part RB of~~ the National Board Inspection Code and this subsection (d). The following general requirements shall apply to all non-ISI boilers and pressure vessels.
- 1) The owner shall prepare each boiler and pressure vessel for internal inspection in accordance with ~~Part RB of~~ the National Board Inspection Code. The Authorized Inspector should not enter any boiler or pressure vessel before he or she is satisfied that all necessary safety precautions ~~from Part RB of~~ the National Board Inspection Code have been taken, including testing the boiler or pressure vessel atmosphere for oxygen and toxic, flammable and inert gases.

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- 2) The owner shall prepare for and apply the hydrostatic test, whenever necessary, on a date agreeable to the owner and the Authorized Inspector.
- e) All cases not specifically covered by this Part shall be treated as new installations. Existing non-ISI boilers and pressure vessels shall be governed by current ASME Code and National Board Inspection Code requirements or the requirements of the ASME Code in effect at the time of construction.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.2200 Inspection Certificates

This Section is not intended to be, in any way, inconsistent with the applicable regulations, rules and requirements of the NRC. If a requirement of this Section as applied in any situation is or would be inconsistent with the regulations, rules and requirements of the NRC, the requirements of this Section shall not be applied. The Agency will take action in regard to an Inspection Certificate only in accordance with Section 505.80. The Agency shall issue Inspection Certificates for non-ISI boilers and pressure vessels in accordance with this Section if the reports, inspection criteria and plans required to be submitted by and identified in Sections 505.110 and 505.2100 and this Section are submitted in accordance with the frequencies specified in those Sections and are in compliance with this Part.

- a) The Agency shall issue one Inspection Certificate to each non-ISI boiler and pressure vessel for a term equal to the frequency of inspection of the non-ISI boiler or pressure vessel. The frequency and type of inspection for each non-ISI boiler and pressure vessel shall be as follows:
 - 1) Power boilers, high pressure water boilers and high temperature water boilers shall be inspected annually, which shall be an internal inspection where conditions permit. The boilers shall also be inspected externally annually while under representative operating conditions, if possible.
 - 2) Low pressure steam boilers, hot water heating boilers and hot water supply boilers shall be inspected every 2 years. The inspection shall be internal and external, where conditions permit. An external inspection shall be conducted under representative operating conditions at the request of the Authorized Inspector.
 - 3) Pressure vessels subject to internal corrosion shall be inspected in

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accordance with subsection (a)(3)(A), unless the Agency approves an alternative under subsection (a)(3)(B).

- A) Pressure vessels shall be inspected every 3 years. The inspection shall be internal and external where conditions permit.
 - B) Alternatively, for each pressure vessel that can be inspected only during refueling outages, the owner may develop an inspection plan for the remaining life of the pressure vessel. The plan shall provide that an inspection of each pressure vessel will occur prior to the completion of every 2 consecutive refueling outages, but in no case more than 5 years after the last inspection of the pressure vessel. The owner may include in the plan contingency options for conducting inspections during unplanned or extended refueling outages, provided the required frequency of inspection is met. The bases for the inspection plan may include, but is not necessarily limited to, alternative examinations and tests planned and performed, past performance of this and similar pressure vessels, status of the pressure vessel in the plant's maintenance program, the environment and contents of the pressure vessel, vessel use, service condition (operating or not) of the pressure vessel relative to operation of the plant, corrosive environment where the pressure vessel is installed, risks, methods of inspection, ALARA (as defined in 32 Ill. Adm. Code 310) considerations, trade-offs and relevant engineering data. This plan shall be submitted to the Agency for approval.
- 4) Pressure vessels not subject to internal corrosion shall be inspected in accordance with subsection (a)(4)(A) or (B) as applicable, unless the Agency approves an alternative under subsection (a)(4)(C):
- A) Vessels containing incompressible fluids (e.g., water) shall be inspected externally every 5 years.
 - B) Vessels containing compressible fluids (e.g., air steam), or a combination of compressible and incompressible fluids, shall be inspected externally every 3 years.
 - C) Alternatively, the owner may develop an inspection plan for the

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vessel for its remaining life based upon refueling outages. This plan shall be submitted to the Agency for approval. The basis for such an inspection plan may include alternative examinations and tests planned and performed, past performance of the pressure vessel and similar pressure vessels, status of the pressure vessel in the plant's maintenance program, the environment and contents of the pressure vessel and relevant engineering data.

AGENCY NOTE: External inspection may be waived by the Agency due to ~~inaccessibility~~~~inaccessability~~ of the equipment, based on the owner's detailed assessment of documentation and performance data verifying vessel integrity.

- 5) Inspection of flame safeguard equipment shall be to the standards of Section 505.40(c) and will be in conjunction with the regular inspection of boilers.
 - 6) A grace period of 2 months beyond the period specified in subsection (a)(1) or (2), may elapse between internal inspections of the boiler while it is not under pressure and the external inspection of the boiler while it is under pressure.
- b) The Agency shall issue an initial Inspection Certificate for a non-ISI boiler or pressure vessel in accordance with this subsection (b). Owners of a non-ISI boiler or pressure vessel not yet in operation after February 7, 1994 shall, prior to operation of the boiler or pressure vessel, have a valid Inspection Certificate issued by the Agency. Application for an Inspection Certificate shall be in accordance with subsection (f) except that the owner shall submit the documents listed in subsection (f)(2) at least 90 days prior to operating the boiler or pressure vessel.
 - c) For other than initial issuance of an Inspection Certificate in accordance with subsection (b), the Agency shall issue an Inspection Certificate for each non-ISI boiler or pressure vessel at the nuclear facility in accordance with this Section when the Agency determines that:
 - 1) The inspections required under subsection (a) were applied to the non-ISI boiler or pressure vessel, were completed and the condition of the non-ISI boiler or pressure vessel is such that an Inspection Certificate may be

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issued in accordance with subsection (d);

- 2) The Report of Inspection or similar report form was completed for the non-ISI boiler or pressure vessel and was submitted to the Agency in accordance with subsection (f)(2); and
 - 3) If applicable, all submittals in subsections (e) and (f)(2)(B) are met.
- d) The Agency shall issue the Inspection Certificate within 90 days following receipt of the Report of Inspection on the non-ISI boiler or pressure vessel, or shall observe the procedures of subsection (g). The latter shall occur either within 90 days following receipt of the Report of Inspection or within 10 days following the expiration date of the Inspection Certificate.
- e) The Inspection Certificate issued for the non-ISI boiler or pressure vessel as established by this Section may be extended for a maximum of 1 year.
- 1) For all pressure vessels and for boilers, other than power boilers, high pressure water boilers and high temperature water boilers, the owner shall request permission from the Agency to extend the term of the Inspection Certificate prior to implementing the extension. The Agency shall review a request for extension and permit the extension when the extension does not increase the risk to the health and safety of the public and personnel.
 - 2) For power boilers, high pressure water boilers and high temperature water boilers, the Agency may extend, for a time not exceeding 1 year, the time within which the power boiler is required to be internally inspected, subject to the following conditions and qualifications:
 - A) The analysis and treatment of feedwater for the power boilers shall be under the supervision of a person qualified in the field of water chemistry.
 - B) The analysis and treatment of the boiler feedwater shall be for the purpose of controlling and limiting serious deteriorating, crusting and sludge that affect the safety of the boiler.
 - C) The owner of the boilers shall maintain, for examination by the Authorized Inspector, accurate records of chemical and physical

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laboratory analyses of samples of the boiler water taken at regular intervals of not more than 24 hours operation and of the treatment applied. These records shall specify dates and times of analyses, by whom analyzed, and the treatment applied at that time, and shall be certified by the responsible authority. These records will adequately show the conditions of the water and any constituents or characteristics that are capable of producing corrosion or other deterioration of the boiler or its parts.

- D) Application for extension shall be in writing setting forth facts establishing compliance with the foregoing conditions and qualifications and shall be accompanied by the report of external inspection.
- f) For each non-ISI boiler or pressure vessel, the owner shall submit the following:
- 1) The information required by Section 505.2100;
 - 2) On or before the expiration date of the Inspection Certificate issued to the non-ISI boiler or pressure vessel:
 - A) The completed Report of Inspection or similar report form documenting that the inspections were performed in accordance with the inspection criteria and frequency requirements of subsection (a) and Section 505.2000.
 - B) All Code Data Reports and all other information related to the repair, replacement or alteration of the non-ISI boiler or pressure vessel or its appurtenances performed since the last Certificate Inspection.
- g) The Agency shall take action under Section 505.80 if the Agency finds that:
- 1) The submittals and notifications required by subsections (e) and (f) have not been made or are incomplete; or
 - 2) The inspections required by this Section have not been performed or are incomplete; or

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- 3) A change to the inspection frequency applied to the non-ISI boiler or pressure vessel is not in accordance with subsection (e); or
 - 4) The non-ISI boiler or pressure vessel was insured and the insurance has been canceled or has otherwise become ineffective.
- h) In addition to the requirements of this Section, owners shall meet the requirements of Section 505.120.
- i) Notwithstanding any other provision of this Section, an Inspection Certificate shall remain valid beyond the expiration date noted on the certificate until the boiler or pressure vessel is reinspected by the Authorized Inspector or until the certificate is suspended by the Agency, provided that the owner of the boiler or pressure vessel makes it available for inspection at reasonable times.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.2500 Repairs and Alterations

Repairs and alterations of non-ISI boilers and pressure vessels, and repairs of pressure relief valves associated with non-ISI boilers and pressure vessels, except boilers and pressure vessels and those pressure relief valves associated with boilers and pressure vessels that are exempt under Section 505.50(a), shall be made in accordance with this Section. ~~Non-ISI boilers and pressure vessels, and pressure relief valves associated with non-ISI boilers and pressure vessels, that are repaired or altered after February 7, 1994 shall be repaired or altered in accordance with this Section or other codes and standards as reflected in the facility's Operating License, Final Safety Analysis Report, technical specifications or other licensing documents as required or approved by the NRC.~~ The requirements of this Section are subject to the limitations of Section 505.20(c).

- a) Non-ISI boilers and pressure vessels that are repaired or altered after February 7, 1994 shall be repaired or altered in accordance with the National Board Inspection Code and this subsection (a). The requirements of this subsection (a) are limited to welded repairs and welded and non-welded alterations of non-ISI boilers and pressure vessels. When requirements for a repair or alteration are not given, it is intended that, subject to approval of the Authorized Inspector, details of design and construction, insofar as practical, will be consistent with the ASME Code for boilers and pressure vessels constructed to the ASME Code, or the code to which the item was originally constructed for boilers and pressure vessels not

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constructed to the ASME Code or the repair or alteration rules of the National Board Inspection Code.

- 1) All non-ISI boilers and pressure vessels covered by the Act that are repaired after February 7, 1994 shall be repaired by one of the following organizations:
 - A) An owner and those organizations under contract to the owner, provided that:
 - i) the repairs are made in accordance with a Quality Assurance Program that meets the requirements of 10 CFR 50 Appendix B (~~2007~~2008) and has been approved by the NRC;
 - ii) all portions of the owner's 10 CFR 50 Appendix B Quality Assurance Program, referenced in subsection (a)(1)(A)(i), that are applicable to a repair activity are applied to the repair; and
 - iii) the owner notifies the Agency of its intention to apply 10 CFR 50 Appendix B Quality Assurance Program, referenced in subsection (a)(1)(A)(i), to the repair of boilers and pressure vessels. This notification only needs to be given once for all repairs of boilers and pressure vessels performed under the owner's 10 CFR 50 Appendix B Quality Assurance Program at the nuclear facility.
 - AGENCY NOTE: The application of the owner's 10 CFR 50 Appendix B Quality Assurance Program, referenced in subsections (a)(1)(A)(i), (ii) and (iii), is subject to review by the Authorized Inspector.
 - B) An organization in possession of a valid "R" Certificate of Authorization issued by the National Board.
 - C) An organization authorized by the Division of Boiler and Pressure Vessel Safety, Office of the State Fire Marshal, to repair boilers and pressure vessels.

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- 2) Repairs shall be initiated only after they have been authorized by the Authorized Inspector who has reviewed and accepted the weld procedures, welders and welding operators' qualifications and repair methods. The Authorized Inspector may give prior approval for repairs of a routine nature. In every case the Authorized Inspector shall be advised of each repair under prior agreement.
- 3) All non-ISI boilers and pressure vessels covered by the Act that are altered after February 7, 1994 shall be altered by one of the following organizations:
 - A) An owner and those organizations under contract to the owner, provided that:
 - i) the alterations are made in accordance with a Quality Assurance Program that meets the requirements of 10 CFR 50 Appendix B (2008) and has been approved by the NRC;
 - ii) all portions of the owner's 10 CFR 50 Appendix B Quality Assurance Program, referenced in subsection (a)(3)(A)(i), that are applicable to an alteration activity are applied to the alteration; and
 - iii) the owner notifies the Agency of its intention to apply 10 CFR 50 Appendix B Quality Assurance Program, referenced in subsection (a)(3)(A)(i), to the alteration of boilers and pressure vessels. This notification only needs to be given once for all alterations of boilers and pressure vessels performed under the owner's 10 CFR 50 Appendix B Quality Assurance Program at the nuclear facility.

AGENCY NOTE: The application of the owner's 10 CFR 50 Appendix B Quality Assurance Program, referenced in subsections (a)(3)(A)(i), (ii) and (iii), is subject to review by the Authorized Inspector.

- B) An organization in possession of a valid "R" Certificate of Authorization issued by the National Board, provided the

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alterations are within the scope of that authorization.

- 4) Alterations shall be initiated only after they have been authorized by the Authorized Inspector who has reviewed and accepted the alteration methods and calculations. If considered necessary, the Authorized Inspector shall make an inspection of the object before granting authorization.
- 5) Reports documenting repairs and alterations shall be sent to the Agency in addition to the distribution required by the National Board Inspection Code.
- 6) Documentation of repairs and alterations shall be in accordance with the National Board Inspection Code, except that, in lieu of a form R-1 or R-2, an alternative form containing equivalent information may be used. All alternative forms shall be signed by the Authorized Inspector. All alternative forms shall be approved by the Agency prior to use. The Authorized Inspector shall determine whether the completion of the form R-1 or alternative form is required for routine repairs.
- 7) Repairs and alterations shall be accepted by either an Authorized Inspector employed by the Authorized Inspection Agency responsible for the boiler or pressure vessel or by an Authorized Inspector employed by the Authorized Inspection Agency of record for the organization making the repair or alteration. It shall be the responsibility of the organization making the repair or alteration to coordinate the acceptance inspection of the repair or alteration.
- 8) For pressure parts, the rules of Part 3, Section 3 of the National Board Inspection Code shall apply.
- 9) Pressure Testing
 - A) The Authorized Inspector may require a pressure test after completing a repair to a boiler or pressure vessel when in the Authorized Inspector's judgment one should be conducted.
 - B) A pressure test in accordance with the National Board Inspection Code shall be applied to the boiler or pressure vessel on the

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completion of an alteration.

- 10) For repair methods, the rules of Part 3 of the National Board Inspection Code shall apply.
- 11) Alteration methods shall comply with the general requirements of this subsection (a), and with the appropriate ASME Code Section or Part 3 of the National Board Inspection Code, as applicable, including any service restrictions.
- 12) Major replacement of pressure parts, including drums and shells, that are fabricated by welding and for which a Manufacturers Data Report is required by the applicable ASME Code Section shall be fabricated by a manufacturer having an ASME Certificate of Authorization and the appropriate ASME Code Symbol Stamp. The item shall be inspected, stamped with the applicable ASME Code Symbol and the word "PART", and reported on the appropriate Manufacturers Partial Data Report.
- 13) When a repair or alteration requires removal of that part of a non-ISI boiler or pressure vessel containing the Code stamping, the Authorized Inspector shall, subject to the approval of the Agency, witness the making of a facsimile of the stamping, the obliteration of the old stamping and the transfer of the stamping to the new part. When the stamping is on a nameplate, the Authorized Inspector is to witness the transfer of the nameplate to the new part. The ASME Code Symbol is not to be restamped.
- 14) For rerating, the rules of this subsection (a) and Part 3 of the National Board Inspection Code shall apply. Additionally, the following shall apply:
 - A) All requirements in Part 3 of the National Board Inspection Code and this subsection (a) shall be met to the satisfaction of the Authorized Inspection Agency at the location of the installation.
 - B) Revised calculations verifying the new service conditions shall be required from the original manufacturer or, when the calculations cannot be obtained from this source, they may be prepared by an engineer in accordance with Part 3 of the National Board

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Inspection Code.

- C) The boiler or pressure vessel shall be pressure tested for the rerated condition as required by subsection (a)(9)(B).

15) Nameplates and Stamping for Repair and Alteration

A) The rules of Part 3, Section 5 of the National Board Inspection Code shall apply. The exceptions and clarifications of this subsection (a)(15) shall also apply.

B) For owners that act as the repair organization under the provisions of subsection (a)(1)(A) for repairs or under subsection (a)(3)(A) for alterations who are not in possession of a valid "R" Certificate of Authorization issued by the National Board, the requirements for nameplates and stamping in Part 3, Section 5 of the National Board Inspection Code shall not apply. All other requirements shall be met.

- b) All ASME Code Section I "V" stamped, Section III "NV" stamped, and Section VIII "UV" stamped pressure relief valves associated with non-ISI boilers and pressure vessels shall be repaired in accordance with the National Board Inspection Code and with this subsection (b).

- 1) All pressure relief valves covered by this subsection (b) that are repaired after February 7, 1994 shall be repaired by one of the following organizations:

- A) An owner and those organizations under contract to the owner, provided that:

- i) the repairs are made in accordance with a Quality Assurance Program that meets the requirements of 10 CFR 50 Appendix B (2008) and has been approved by the NRC;
- ii) all portions of the owner's 10 CFR 50 Appendix B Quality Assurance Program, referenced in subsection (b)(1)(A)(i), that are applicable to a repair activity are applied to the repair; and

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- iii) the owner notifies the Agency of its intention to apply 10 CFR 50 Appendix B Quality Assurance Program, referenced in subsection (b)(1)(A)(i), to the repair of these pressure relief valves. This notification only needs to be given once for all repairs of pressure relief valves performed under the owner's 10 CFR 50 Appendix B Quality Assurance Program at the nuclear facility.

AGENCY NOTE: The application of the owner's 10 CFR 50 Appendix B Quality Assurance Program, referenced in subsections (b)(1)(A)(i), (ii) and (iii), is subject to review by the Authorized Inspector.

- B) The manufacturer of the valve who is in possession of a valid ASME "V", "NV" or "UV" Certificate of Authorization, provided repairs are within the scope of the organization's Certificate of Authorization and are performed under the organization's Quality Control System or Quality Assurance System, as applicable.
 - C) An organization in possession of a valid "VR" Certificate of Authorization issued by the National Board, provided repairs are within the scope of the organization's Certificate of Authorization and are performed under the organization's Quality Control System.
 - D) An organization in possession of a valid Certificate of Authorization issued by the Division of Boiler and Pressure Vessel Safety, Office of the State Fire Marshal, to repair pressure relief valves provided repairs are within the scope of the organization's Certificate of Authorization and performed under the organization's accepted Quality Control System.
- 2) Repair of a pressure relief valve is considered to be the replacement or machining of any critical part, lapping of seat and disc or any other operation that may affect the flow passage, capacity, function or pressure retaining integrity. Disassembly and reassembly or adjustments that affect the pressure relief valve function are not considered a repair, but a test confirming the valve's set pressure shall be performed. The initial

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installation, testing and adjustments of a new pressure relief valve on a non-ISI boiler or pressure vessel are not considered a repair.

- 3) Nameplates and Stamping
 - A) The rules of Part 3, Section 5 of the National Board Inspection Code shall apply. The exceptions and clarifications of this subsection (b)(3) shall also apply.
 - B) Individuals authorized by the Division of Boiler and Pressure Vessel Safety, Office of the State Fire Marshal, who are properly trained and qualified employees of the owner may make adjustments to the set pressure provided the adjusted settings and the date of the adjustment are recorded on a metal tag secured to the seal wire. All external adjustments shall be resealed showing the identification of the organization making the adjustments.
 - C) For owners that act as the valve repair organization under the provisions of subsection (b)(1)(A) who are not in possession of a valid "VR" Certificate of Authorization issued by the National Board, the requirements for stamping and nameplates~~the ASME Code "V", "UV", "NV" or National Board "VR" mark~~ in Part 3, Section 5 of the National Board Inspection Code shall not apply. All other requirements shall be met.
- 4) Performance Testing
 - A) The rules of Part 3, Section 4~~RA-2280~~ of the National Board Inspection Code shall apply, regardless of whether the "VR" stamp will be or has been applied. The exceptions and clarifications of this subsection (b)(4) shall also apply.
 - B) For owners that act as the valve repair organization under the provisions of subsection (b)(1)(A) who are not in possession of a valid "VR" Certificate of Authorization issued by the National Board, the requirements for stamping the "VR" mark in Part 3, Section 4 of the National Board Inspection Code are not required. ~~Also,~~ performance testing equipment qualified by the owner under Part 3, Section 4 of the National Board Inspection Code shall be

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done by the owner. The Authorized Inspector shall witness the qualification of test equipment and review the documentation of the qualification. ~~as required in Part 3, Section 4 of the National Board Inspection Code.~~

- 5) Organizations that repair pressure relief valves under subsections (b)(1)(B) through (b)(1)(D) may perform field repairs in accordance with the following requirements.
- A) Qualified technicians in the employ of the repair organization perform the repairs.
 - B) Procedures that address field repairs are contained in the Quality Control System or Quality Assurance System, as applicable, and are maintained.
 - C) All functions affecting the quality of the repaired pressure relief valves are controlled from the location for which the appropriate authorization was issued.
 - D) Periodic audits of work carried out in the field are made by quality control personnel of the repair organization to ensure that the requirements of the Quality Control System or Quality Assurance System, as applicable, are met. This audit may include witnessing the test of the field repaired pressure relief valve.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

Section 505.2800 Authorized Inspectors

In order to perform the duties of an Authorized Inspector for non-ISI boilers ~~and~~ pressure vessels at nuclear facilities within the State, an individual shall, in addition to the requirements of Section 505.180, possess either a current Inservice Commission (IS) issued by the National Board or a commission as an inspector of boilers and pressure vessels issued by OSFM. meet the requirements of Section 505.180 of this Part.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Riverboat Gambling
- 2) Code Citation: 86 Ill. Adm. Code 3000
- 3)

<u>Section Numbers:</u>	<u>Proposed Actions:</u>
3000.245	Amendment
3000.1155	Amendment
- 4) Statutory Authority: Authorized by Sections 5 (c) of the Riverboat Gambling Act [230 ILCS 10/5 (c)]
- 5) A Complete Description of the Subjects and Issues Involved: *Modified badge requirements.* The rulemaking amends Section 3000.245 (Occupational Licenses) in relation to temporary and permanent badge requirements. It deletes provisions which no longer conform to Board procedures relating to the issuance of partially completed temporary and permanent identification badges, as well as the lamination of temporary identification badges.

The rulemaking also eliminates the current, specific length and width requirements for temporary and permanent badges, thereby giving the Board flexibility to establish size requirements consistent with changing technology in this area. The size requirements in Section 3000.245 no longer reflect the actual size of the computer-generated badges issued by the Board.

Denials of licenses to occupational license applicants: The rulemaking substitutes correct terminology by providing that the Administrator may "rescind" (instead of "withdraw") the badge of a temporary badge holder whose application for an occupational license has been denied. It substitutes the correct term "notice of denial" in place of the incorrect "recommendation of denial." Finally, the rulemaking clarifies that an applicant who has been issued a notice of denial has the right to request a hearing on the denial under Section 3000.405 (Requests for Hearings).

Filing of exceptions: The present rulemaking allows parties to file exception in hearings under Subpart K (Seizure and Disciplinary Hearings). Parties may file exceptions to the findings of fact, conclusions of law, and recommendations of a hearing officer.

Under the rulemaking, any party to a hearing may file exceptions with the Board no later than 14 days after receipt of the recommended decision. Exceptions shall specify each

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finding of fact and conclusion of law to which exception is taken. There shall be no oral argument on exceptions. The Board's review of the record before issuing a final order shall include a review of any exceptions filed.

A rulemaking adopted on August 19, 2016 allowed parties to file exceptions in hearings under Subpart D (Hearings on Notice of Denial, Restriction of License, Placement on Board Exclusion List or Removal from Board Exclusion List or Self-Exclusion List).

- 6) Published studies and reports, and underlying sources of data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule already in effect? No
- 8) Does this proposed rulemaking contain an automatic repeal date? No
- 9) Does this rulemaking contain incorporations by reference? No
- 10) Are there any rulemakings pending on this Part? No
- 11) Statement of Statewide Policy Objective: This rulemaking does not create or expand a State mandate under 30 ILCS 805.
- 12) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Any interested person may submit comments in writing concerning this proposed rulemaking not later than 45 days after publication of this notice in the *Illinois Register* to:

Agostino Lorenzini
General Counsel
Illinois Gaming Board
160 North LaSalle Street
Chicago IL 60601

fax: 312/814-7253
James.pellum@igb.illinois.gov

- 13) Initial Regulatory Flexibility Analysis:

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- A) Types of small businesses, small municipalities and not-for-profit corporations affected: This rulemaking will have no effect on small businesses, small municipalities, or not-for-profit corporations.
 - B) Reporting, bookkeeping or other procedures required for compliance: None
 - C) Types of professional skills necessary for compliance: The proposed rulemaking will impose no additional requirements.
- 14) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not summarized in a regulatory agenda because the need for it was not apparent at the time Agendas were filed.

The full text of the Proposed Amendments begins on the next page:

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TITLE 86: REVENUE
CHAPTER IV: ILLINOIS GAMING BOARDPART 3000
RIVERBOAT GAMBLING

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Section	
3000.100	Definitions
3000.101	Invalidity
3000.102	Public Inquiries
3000.103	Organization of the Illinois Gaming Board
3000.104	Rulemaking Procedures
3000.105	Board Meetings
3000.110	Disciplinary Actions
3000.115	Records Retention
3000.120	Place to Submit Materials
3000.130	No Opinion or Approval of the Board
3000.140	Duty to Disclose Changes in Information
3000.141	Applicant/Licensee Disclosure of Agents
3000.150	Owner's and Supplier's Duty to Investigate
3000.155	Investigatory Proceedings
3000.160	Duty to Report Misconduct
3000.161	Communication with Other Agencies
3000.165	Participation in Games by Owners, Directors, Officers, Key Persons or Gaming Employees
3000.170	Fair Market Value of Contracts
3000.180	Weapons on Riverboat

SUBPART B: LICENSES

Section	
3000.200	Classification of Licenses
3000.210	Fees and Bonds
3000.220	Applications
3000.221	Other Required Forms
3000.222	Identification and Requirements of Key Persons
3000.223	Disclosure of Ownership and Control

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3000.224	Economic Disassociation
3000.225	Business Entity and Personal Disclosure Filings
3000.230	Owner's Licenses
3000.231	Distributions
3000.232	Undue Economic Concentration
3000.234	Acquisition of Ownership Interest By Institutional Investors
3000.235	Transferability of Ownership Interest
3000.236	Owner's License Renewal
3000.237	Renewed Owner's Licenses, Term and Restrictions
3000.238	Appointment of Receiver for an Owner's License
3000.240	Supplier's Licenses
3000.241	Renewal of Supplier's License
3000.242	Amendment to Supplier's Product List
3000.243	Bankruptcy or Change in Ownership of Supplier
3000.244	Surrender of Supplier's License
3000.245	Occupational Licenses
3000.250	Transferability of Licenses
3000.260	Waiver of Requirements
3000.270	Certification and Registration of Electronic Gaming Devices
3000.271	Analysis of Questioned Electronic Gaming Devices
3000.272	Certification of Voucher Systems
3000.280	Registration of All Gaming Devices
3000.281	Transfer of Registration (Repealed)
3000.282	Seizure of Gaming Devices (Repealed)
3000.283	Analysis of Questioned Electronic Gaming Devices (Repealed)
3000.284	Disposal of Gaming Devices
3000.285	Certification and Registration of Voucher Validation Terminals
3000.286	Contracting Goals for Owners Licensees

SUBPART C: OWNER'S INTERNAL CONTROL SYSTEM

Section	
3000.300	General Requirements – Internal Control System
3000.310	Approval of Internal Control System
3000.320	Minimum Standards for Internal Control Systems
3000.330	Review of Procedures (Repealed)
3000.340	Operating Procedures (Repealed)
3000.350	Modifications (Repealed)

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SUBPART D: HEARINGS ON NOTICE OF DENIAL,
RESTRICTION OF LICENSE, PLACEMENT ON BOARD EXCLUSION LIST OR
REMOVAL FROM BOARD EXCLUSION LIST OR SELF-EXCLUSION LIST

Section	
3000.400	Coverage of Subpart
3000.405	Requests for Hearings
3000.410	Appearances
3000.415	Discovery
3000.420	Motions for Summary Judgment
3000.424	Subpoena of Witnesses
3000.425	Proceedings
3000.430	Evidence
3000.431	Prohibition on Ex Parte Communication
3000.435	Sanctions and Penalties
3000.440	Transmittal of Record and Recommendation to the Board
3000.445	Status of Applicant for Licensure or Transfer Upon Filing Request for Hearing

SUBPART E: CRUISING

Section	
3000.500	Riverboat Cruises
3000.510	Cancelled or Disrupted Cruises

SUBPART F: CONDUCT OF GAMING

Section	
3000.600	Wagering Only with Electronic Credits, Approved Chips, Tokens and Electronic Cards
3000.602	Disposition of Unauthorized Winnings
3000.605	Authorized Games
3000.606	Gaming Positions
3000.610	Publication of Rules and Payout Ratio for Live Gaming Devices
3000.614	Tournaments, Enhanced Payouts and Give-aways
3000.615	Payout Percentage for Electronic Gaming Devices
3000.616	Cashing-In
3000.620	Submission of Chips for Review and Approval
3000.625	Chip Specifications
3000.630	Primary, Secondary and Reserve Sets of Gaming Chips
3000.631	Tournament Chips

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3000.635	Issuance and Use of Tokens for Gaming
3000.636	Distribution of Coupons for Complimentary Chips, Tokens, Vouchers, Cash and Electronic Credits
3000.640	Exchange of Chips, Tokens, and Vouchers
3000.645	Receipt of Gaming Chips or Tokens from Manufacturer or Distributor
3000.650	Inventory of Chips
3000.655	Destruction of Chips, Tokens, and Vouchers
3000.660	Minimum Standards for Electronic Gaming Devices
3000.661	Minimum Standards for Voucher Systems
3000.665	Integrity of Electronic Gaming Devices
3000.666	Bill Validator Requirements
3000.667	Integrity of Voucher Systems
3000.670	Computer Monitoring Requirements of Electronic Gaming Devices
3000.671	Computer Monitoring Requirements of Voucher Systems

SUBPART G: EXCLUSION OF PERSONS

Section	
3000.700	Organization of Subpart
3000.701	Duty to Exclude
3000.705	Voluntary Self-Exclusion Policy (Repealed)
3000.710	Distribution and Availability of Board Exclusion List
3000.720	Criteria for Exclusion or Ejection and Placement on the Board Exclusion List
3000.725	Duty of Licensees
3000.730	Procedure for Entry of Names
3000.740	Petition for Removal from the Board Exclusion List
3000.745	Voluntary Self-Exclusion Policy
3000.750	Establishment of a Self-Exclusion List
3000.751	Locations to Execute Self-Exclusion Forms
3000.755	Information Required for Placement on the Self-Exclusion List
3000.756	Stipulated Sanctions for Failure to Adhere to Voluntary Self-Exclusion
3000.760	Distribution and Availability of Confidential Self-Exclusion List
3000.770	Duties of Licensees
3000.780	Request for Removal from the IGB Self-Exclusion List
3000.782	Required Information, Recommendations, Forms and Interviews
3000.785	Appeal of a Notice of Denial of Removal
3000.786	Duties of Owner Licensees to Persons Removed from the Self-Exclusion List
3000.787	Placement on the Self-Exclusion List Following Removal
3000.790	Duties of the Board

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SUBPART H: SURVEILLANCE AND SECURITY

Section

3000.800	Required Surveillance Equipment
3000.810	Riverboat and Board Surveillance Room Requirements
3000.820	Segregated Telephone Communication
3000.830	Surveillance Logs
3000.840	Storage and Retrieval
3000.850	Dock Site Board Facility
3000.860	Maintenance and Testing

SUBPART I: LIQUOR LICENSES

Section

3000.900	Liquor Control Commission
3000.910	Liquor Licenses
3000.920	Disciplinary Action
3000.930	Hours of Sale

SUBPART J: OWNERSHIP AND ACCOUNTING RECORDS AND PROCEDURES

Section

3000.1000	Ownership Records
3000.1010	Accounting Records
3000.1020	Standard Financial and Statistical Records
3000.1030	Annual and Special Audits and Other Reporting Requirements
3000.1040	Accounting Controls Within the Cashier's Cage
3000.1050	Procedures for Exchange of Checks Submitted by Gaming Patrons and Granting Credit
3000.1060	Handling of Cash at Gaming Tables
3000.1070	Tips or Gratuities
3000.1071	Admission Tax and Wagering Tax
3000.1072	Cash Reserve Requirements

SUBPART K: SEIZURE AND DISCIPLINARY HEARINGS

Section

3000.1100	Coverage of Subpart
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3000.1105	Duty to Maintain Suitability
3000.1110	Board Action Against License or Licensee
3000.1115	Complaint
3000.1120	Appearances
3000.1125	Answer
3000.1126	Appointment of Hearing Officer
3000.1130	Discovery
3000.1135	Motions for Summary Disposition
3000.1139	Subpoena of Witnesses
3000.1140	Proceedings
3000.1145	Evidence
3000.1146	Prohibition of Ex Parte Communication
3000.1150	Sanctions and Penalties
3000.1155	Transmittal of Record and Recommendation to the Board

AUTHORITY: Implementing and authorized by the Riverboat Gambling Act [230 ILCS 10].

SOURCE: Emergency rule adopted at 15 Ill. Reg. 11252, effective August 5, 1991, for a maximum of 150 days; adopted at 15 Ill. Reg. 18263, effective December 10, 1991; amended at 16 Ill. Reg. 13310, effective August 17, 1992; amended at 17 Ill. Reg. 11510, effective July 9, 1993; amended at 20 Ill. Reg. 5814, effective April 9, 1996; amended at 20 Ill. Reg. 6280, effective April 22, 1996; emergency amendment at 20 Ill. Reg. 8051, effective June 3, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 14765, effective October 31, 1996; amended at 21 Ill. Reg. 4642, effective April 1, 1997; emergency amendment at 21 Ill. Reg. 14566, effective October 22, 1997, for a maximum of 150 days; emergency amendment at 22 Ill. Reg. 978, effective December 29, 1997, for a maximum of 150 days; amended at 22 Ill. Reg. 4390, effective February 20, 1998; amended at 22 Ill. Reg. 10449, effective May 27, 1998; amended at 22 Ill. Reg. 17324, effective September 21, 1998; amended at 22 Ill. Reg. 19541, effective October 23, 1998; emergency amendment at 23 Ill. Reg. 8191, effective July 2, 1999 for a maximum of 150 days; emergency expired November 28, 1999; amended at 23 Ill. Reg. 8996, effective August 2, 1999; amended at 24 Ill. Reg. 1037, effective January 10, 2000; amended at 25 Ill. Reg. 94, effective January 8, 2001; amended at 25 Ill. Reg. 13292, effective October 5, 2001; proposed amended at 26 Ill. Reg. 9307, effective June 14, 2002; emergency amendment adopted at 26 Ill. Reg. 10984, effective July 1, 2002, for a maximum of 150 days; adopted at 26 Ill. Reg. 15296, effective October 11, 2002; amended at 26 Ill. Reg. 17408, effective November 22, 2002; emergency amendment at 27 Ill. Reg. 10503, effective June 30, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 15793, effective September 25, 2003; amended at 27 Ill. Reg. 18595, effective November 25, 2003; amended at 28 Ill. Reg. 12824, effective August 31, 2004; amended at 31 Ill. Reg. 8098, effective June 14, 2007; amended at 32 Ill. Reg. 2967,

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effective February 15, 2008; amended at 32 Ill. Reg. 3275, effective February 19, 2008; amended at 32 Ill. Reg. 7357, effective April 28, 2008; amended at 32 Ill. Reg. 8592, effective May 29, 2008; amended at 32 Ill. Reg. 8931, effective June 4, 2008; amended at 32 Ill. Reg. 13200, effective July 22, 2008; amended at 32 Ill. Reg. 17418, effective October 23, 2008; amended at 32 Ill. Reg. 17759, effective October 28, 2008; amended at 32 Ill. Reg. 17946, effective November 5, 2008; amended at 34 Ill. Reg. 3285, effective February 26, 2010; amended at 34 Ill. Reg. 3748, effective March 11, 2010; amended at 34 Ill. Reg. 4768, effective March 16, 2010; amended at 34 Ill. Reg. 5200, effective March 24, 2010; amended at 34 Ill. Reg. 15386, effective September 23, 2010; amended at 36 Ill. Reg. 13199, effective July 31, 2012; amended at 37 Ill. Reg. 12050, effective July 9, 2013; amended at 37 Ill. Reg. 18255, effective November 1, 2013; amended at 38 Ill. Reg. 2808, effective January 8, 2014; amended at 38 Ill. Reg. 21471, effective October 29, 2014; amended at 39 Ill. Reg. 4362, effective March 10, 2015; amended at 39 Ill. Reg. 12312, effective August 18, 2015; amended at 40 Ill. Reg. 12776, effective August 19, 2016; amended at 40 Ill. Reg. _____, effective _____.

SUBPART B: LICENSES

Section 3000.245 Occupational Licenses

- a) Overview of Licensing Procedures. Applications for Occupational Licenses shall be subject to the following procedures prior to licensing:
 - 1) Application;
 - 2) Issuance of a temporary identification badge;
 - 3) Investigation of the applicant;
 - 4) Action of the Board; and
 - 5) Different or additional licensing procedures as required of the applicant by the Board.

- b) Temporary Identification Badge Requirements
 - 1) ~~Each occupational applicant shall receive from his employer a partially completed temporary identification badge. The applicant shall deliver such badge to a Board agent at applicant's employer's dock site facility for processing and completion.~~

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- 12) The temporary identification badge shall:
- A) Be a white ~~3½" by 2"~~ card bearing the name and logo of the Riverboat Gaming Operation and conforming to size specifications established by the Board;
 - B) Provide space for a ~~1" by 1¼"~~ photograph with a minimum size of 1" by 1¼";
 - C) Display applicant's first name and job title;
 - D) Provide a space for a 9-digit number;
 - E) Provide a space for the Administrator's signature;
 - F) Provide spaces for the dates of issuance and expiration of such temporary badge; and
 - G) Provide on the reverse side a line for the employee's last name, signature, social security number and date of birth.
- 23) ~~The Upon presentation of the partially completed badge to a Board agent at the dock facility, the~~ applicant shall be photographed and fingerprinted ~~by the agent who shall complete and laminate the badge.~~
- 34) A temporary identification badge will not be issued if the Administrator or his designated agent has reason to believe the applicant is the subject of a pending investigation or disciplinary action, or is ineligible for licensing pursuant to Section 9(a)(1) or 9(a)(2) of the Act. If the temporary identification badge is not issued, the applicant is not permitted to work for the Riverboat Gaming Operation until and unless the Board issues a license to the applicant.
- 45) Temporary identification badges are valid for up to one year from the date of the application unless extended by the Administrator. A temporary identification badge is not transferable and upon resignation or termination of employment, must be returned by the Occupational License applicant to the holder of an Owner's License or to the Board. If returned to the holder

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of an Owner's License, the holder must then return the badge to the Board.

56) Recission~~Withdrawal~~ of Temporary Identification Badge.

- A) The Administrator, upon written notification to the applicant and the holder of the Owner's License, ~~shall rescind~~may withdraw an applicant's temporary identification badge upon the issuance of a notice of denial~~determining a recommendation of denial to the Board~~.
- B) Following rescission of~~If~~ an applicant's temporary identification badge ~~is withdrawn~~, the applicant shall not be~~is not~~ permitted to work for the Riverboat Gaming Operation until and unless the Board issues a license to the applicant.
- C) Following rescission of~~If~~ an applicant's temporary identification badge ~~is withdrawn~~, the applicant remains entitled to request a hearing on the license denial in accordance with Section 3000.405~~applicant's application for licensing will proceed to Board action unless it is withdrawn by the applicant prior to Board action on licensure~~.
- c) Investigation of the Applicant and Application. An applicant is responsible for compliance with all requests for information, documents, or other materials relating to the applicant and his application.
- d) Action of the Board
- 1) In determining whether to grant an occupational~~such a~~ license, the Board shall consider the character, associations and reputation of the applicant and the qualifications of the applicant to perform the duties of the position to be licensed.
 - 2) If the Board finds the applicant suitable for licensing, it shall direct the Administrator to issue the applicant a license.
 - 3) If the Board finds the applicant not suitable for licensing, it shall issue the applicant a Notice of Denial by certified mail or personal delivery.

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- e) Request for Hearing
- 1) An applicant who is served with a Notice of Denial may request a hearing in accordance with Section 3000.405.
 - 2) If a hearing is not requested, the Notice of Denial becomes the final order of the Board denying the applicant's license application.
- f) Reapplication for Denied License. If an applicant is denied a license, the applicant may not reapply for a license within one year from the date on which the final order of denial was voted upon by the Board, without leave of the Board.
- g) Permanent Identification Badge Requirements
- ~~1)~~ ~~Upon notification of a finding of suitability by the Board and issuance of an Occupational License to applicant, applicant shall receive from his employer a partially completed permanent identification badge. Applicant shall deliver such badge to a Board agent at applicant's dock site facility for completion and processing.~~
 - 12) The permanent identification badge shall:
 - A) Be of a color selected by the Riverboat Gaming Operation for use on all permanent identification badges utilized by its occupational licensees;
 - B) Be a ~~3½" by 2"~~ card bearing the name and logo of the Riverboat Gaming Operation and conforming to size specifications established by the Board;
 - C) Provide space for a ~~1" by 1¼"~~ photograph with a minimum size of 1" by 1¼";
 - D) Provide a space for a 9-digit number;
 - E) Display the employee's first name and job title;
 - F) Provide a space for the Administrator's signature;

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- G) Provide a space for the dates of issuance and expiration of applicant's Occupational License;
 - H) Provide on the reverse side of the card a line for the employee's last name, signature, social security number and date of birth.
- 3) Permanent identification badges are not transferable and upon resignation or termination of employment must be returned by the occupational licensee to the holder of an Owner's License or to the Board. If returned to the holder of an Owner's License, the holder must then return the badge to the Board.
- h) Display of Identification Badges. Identification badges as required by subsections (b) and (g) of this Section shall be worn by all employees during work hours, including those persons employed on the dock site. Identification badges shall be clearly displayed.
- i) A fee of \$10.00 shall be paid to the Board for any necessary replacement of identification badges.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

SUBPART K: SEIZURE AND DISCIPLINARY HEARINGS

Section 3000.1155 Transmittal of Record and Recommendation to the Board

- a) The record shall consist of the following:
- 1) The Complaint, the Answer and all motions and rulings thereon;
 - 2) All evidence received;
 - 3) A statement of matters officially noticed;
 - 4) Offers of proof, objections and rulings thereon;
 - 5) The recommendations and any findings of fact and conclusions of law made by the hearing officer.

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- b) Oral proceedings or any part thereof involving contested issues shall be recorded stenographically or by such other means as to adequately insure the preservation of such testimony or oral proceedings and shall be transcribed on request of any party. Said transcript shall be paid for by the requesting party.
 - c) Upon conclusion of the hearing, the hearing officer shall issue to the Board and the licensee written findings of fact and conclusions of law and his recommendation as to seizure or disciplinary action. Findings of fact shall be based exclusively on the evidence and on matters officially noticed.
 - d) Any party to the hearing may file exceptions to the recommendations of the hearing officer with the Board no later than 14 days after receipt of the recommended decision. Exceptions shall specify each finding of fact and conclusion of law to which exception is taken. There shall be no oral argument on exceptions.
- ed) Final Board Order
- 1) The Board shall review the entire record, including any exceptions filed, and shall render a written order including the bases for its decision.
 - 2) Copies of the final Board order shall be served on a licensee by personal delivery, certified mail or overnight express mail.
 - 3) A final Board order shall become effective upon personal delivery to a party or upon posting by certified mail.

(Source: Amended at 40 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Illinois Dental Practice Act
- 2) Code Citation: 68 Ill. Adm. Code 1220
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
1220.10	Amendment
1220.120	Amendment
1220.155	Amendment
1220.240	Amendment
1220.245	Amendment
1220.403	New Section
1220.440	Amendment
- 4) Statutory Authority: Implementing the Illinois Dental Practice Act [225 ILCS 25] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)]
- 5) Effective Date of Rules: September 2, 2016
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the Agency's principal office and is available for public inspection.
- 9) Date Notice of Proposal published in the *Illinois Register*: 40 Ill. Reg. 5697; April 8, 2016
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposal and Final Version: There are no substantive differences between the proposed version and the adopted version.
- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? None were made.
- 13) Will this rulemaking replace emergency rule currently in effect? No

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

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- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: PA 98-665 allowed for dentists to administer influenza vaccinations to patients 18 years of age or older pursuant to a valid prescription or standing order by a licensed physician, provided they have completed the appropriate training. This adopted rulemaking implements those provisions with the addition of Section 1220.403. The adopted rulemaking also clarifies that an applicant for a dental license must pass the restorative, periodontal, prosthodontic and endodontic portions of the examination. It also permits restricted faculty license holders (dentists licensed in other states or countries who do not qualify for a full license, but have been appointed to a dental school faculty) to obtain a controlled substances license.

The adopted amendments also add to the list of specific procedures that dental hygienists and dental assistants are prohibited from providing. They also change the examination dental hygienists and dental assistants must pass before they are permitted to place, carve and finish amalgam restorations and correct an error in a citation listed in the current rules.

- 16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF ADOPTED AMENDMENTS

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONSPART 1220
ILLINOIS DENTAL PRACTICE ACT

SUBPART A: DENTIST

Section

1220.10	Definitions
1220.100	Application for Licensure
1220.110	Application for Examination (Repealed)
1220.120	Dental Examinations
1220.130	System of Retaking the Clinical Sections of the Examination (Repealed)
1220.140	Minimum Standards for an Approved Program in Dentistry
1220.150	Licensure (Repealed)
1220.155	Restricted Faculty Licenses
1220.156	Temporary Training License
1220.160	Restoration
1220.170	Renewal

SUBPART B: DENTAL HYGIENIST

Section

1220.200	Application for Licensure
1220.210	Application for Examination (Repealed)
1220.220	Dental Hygiene Examination
1220.230	System of Grading (Repealed)
1220.231	System of Retaking the Clinical Examination (Repealed)
1220.240	Prescribed Duties for Dental Hygienists
1220.245	Prescribed Duties of Dental Assistants
1220.250	Approved Programs of Dental Hygiene
1220.260	Restoration
1220.270	Renewal

SUBPART C: DENTAL SPECIALIST

Section

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1220.310	Applications
1220.320	Examination (Repealed)
1220.330	System of Grading (Repealed)
1220.335	American Board Diplomates (Repealed)
1220.340	Specialty Listing (Repealed)
1220.350	Restoration
1220.360	Renewal

SUBPART D: GENERAL

Section	
1220.380	Definitions
1220.400	Reportable Diseases and Conditions
1220.403	Dentists Administering Flu Vaccines
1220.405	Reporting of Adverse Occurrences
1220.406	Impaired Dentist and Dental Hygienist Program of Care, Counseling or Treatment
1220.407	Death or Incapacitation of Dentist
1220.410	Endorsement
1220.415	Fees
1220.421	Advertising
1220.425	Referral Services
1220.431	Employment by Corporation (Repealed)
1220.435	Renewals (Repealed)
1220.440	Continuing Education
1220.441	Granting Variances

SUBPART E: ANESTHESIA PERMITS

Section	
1220.500	Definitions
1220.505	Minimal Sedation in the Dental Office Setting
1220.510	Moderate Sedation (Conscious Sedation) in the Dental Office Setting
1220.520	Deep Sedation and General Anesthesia in the Dental Office Setting
1220.525	Renewal
1220.530	Anesthesia Review Panel
1220.540	Approved Programs in Anesthesiology (Repealed)
1220.550	Reporting of Adverse Occurrences (Repealed)
1220.560	Restoration of Permits

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- 1220.APPENDIX A Pre-clinical Restorative Dentistry Sub-section (Repealed)
- 1220.APPENDIX B Dental Assistant Permitted Procedures (Repealed)
- 1220.APPENDIX C Dental Hygienist Permitted Procedures (Repealed)
- 1220.APPENDIX D Characteristics of Levels of Anesthesia

AUTHORITY: Implementing the Illinois Dental Practice Act [225 ILCS 25] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)].

SOURCE: Rules and Regulations for the Administration and Enforcement of the Provisions of the Illinois Dental Practice Act, effective August 16, 1967; amended at 3 Ill. Reg. 16, p. 21, effective April 21, 1979; amended at 3 Ill. Reg. 42, p. 266, effective October 3, 1979; codified at 5 Ill. Reg. 11028; emergency amendment at 6 Ill. Reg. 916, effective January 6, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 4174, effective May 24, 1982; amended at 6 Ill. Reg. 7448, effective June 15, 1982; emergency amendment at 7 Ill. Reg. 8952, effective July 15, 1983, for a maximum of 150 days; emergency expired December 12, 1983; amended at 8 Ill. Reg. 15610, effective August 15, 1984; amended at 10 Ill. Reg. 20725, effective December 1, 1986; transferred from Chapter I, 68 Ill. Adm. Code 220 (Department of Registration and Education) to Chapter VII, 68 Ill. Adm. Code 1220 (Department of Professional Regulation) pursuant to P.A. 85-225, effective January 1, 1988, at 12 Ill. Reg. 2926; amended at 13 Ill. Reg. 4191, effective March 16, 1989; amended at 13 Ill. Reg. 15043, effective September 11, 1989; amended at 17 Ill. Reg. 1559, effective January 25, 1993; emergency amendment at 17 Ill. Reg. 8309, effective May 21, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 15890, effective September 21, 1993; amended at 17 Ill. Reg. 21492, effective December 1, 1993; amended at 19 Ill. Reg. 6606, effective April 28, 1995; amended at 21 Ill. Reg. 378, effective December 20, 1996; emergency amendment at 22 Ill. Reg. 2332, effective January 8, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. 10574, effective June 1, 1998; amended at 22 Ill. Reg. 14880, effective July 29, 1998; amended at 23 Ill. Reg. 7294, effective June 10, 1999; amended at 24 Ill. Reg. 13992, effective August 31, 2000; amended at 25 Ill. Reg. 10901, effective August 13, 2001; amended at 26 Ill. Reg. 18286, effective December 13, 2002; amended at 30 Ill. Reg. 8574, effective April 20, 2006; emergency amendment at 30 Ill. Reg. 12999, effective July 18, 2006, for a maximum of 150 days; emergency expired December 14, 2006; amended at 30 Ill. Reg. 19656, effective December 18, 2006; amended at 34 Ill. Reg. 7205, effective May 5, 2010; amended at 38 Ill. Reg. 15907, effective July 25, 2014; amended at 40 Ill. Reg. 12553, effective September 2, 2016.

SUBPART A: DENTIST

Section 1220.10 Definitions

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"AAOMS" means the American Association of Oral and Maxillofacial Surgeons.

"ACLS" means Advanced Cardiac Life Support.

"Act" means the Illinois Dental Practice Act [225 ILCS 25].

"AMP Exam" means the national Anatomy, Morphology, and Physiology exam administered by DANB.

"BLS" means current basic life support certification intended for healthcare providers that includes evaluation of hands-on skills and a written exam.

"Board" means the Board of Dentistry authorized by Section 6 of the Act.

"CITA" means the Counsel of Interstate Testing Agencies, Inc.

"CODA" means Commission on Dental Accreditation of the American Dental Association.

"CRDTS" means the Central Regional Dental Testing Service.

"DANB" means Dental Assisting National Board, Inc.

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

"Director" means the Director of the Division of Professional Regulation with the authority delegated by the Secretary.

"Division" means the Department of Financial and Professional Regulation-Division of Professional Regulation with the authority delegated by the Secretary.

"IS Exam" means the national exam on oral cavity isolation techniques administered by DANB.

"JCNDE" or "Joint Commission" means the Joint Commission on National Dental Examinations.

"LLC" means limited liability company, as defined in Section 1-5 of the Limited Liability Company Act [805 ILCS 180].

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"NERB" means the North East Regional Board.

"PALS" means Pediatric Advanced Life Support.

"RF Exam" means the national Restorative Functions exam administered by DANB.

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

"SRTA" means the Southern Regional Testing Agency, Inc.

~~"WARE" means the Washington Restorative Exam.~~

"WREB" means the Western Regional Examining Board.

(Source: Amended at 40 Ill. Reg. 12553, effective September 2, 2016)

Section 1220.120 Dental Examinations

- a) The Division shall accept the following examinations for licensure if administered and passed in their entirety (~~which includes~~including passage of the restorative, periodontal, prosthodontic and endodontic portions ~~portion~~ of the examination):
- 1) NERB Examination, with a passing score established by the testing entity;
 - 2) CRDTS Examination, with a passing score established by the testing entity;
 - 3) SRTA Examination, with a passing score established by the testing entity;
 - 4) WREB Examination, with a passing score established by the testing entity; or
 - 5) CITA Examination, with a passing score established by the testing agency.
- b) Retake requirements shall be that of the testing entity.

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- c) The applicant shall have the examination scores submitted to the Division directly from the reporting entity.
- d) The Division will accept only examinations that have been completed in the 5 years prior to submission of the application, if never licensed in another jurisdiction.

(Source: Amended at 40 Ill. Reg. 12553, effective September 2, 2016)

Section 1220.155 Restricted Faculty Licenses

- a) Pursuant to Section 11(d) of the Act, the Division shall issue a Restricted Faculty License to an individual who is currently licensed in another jurisdiction as a dentist and who files an application, on forms provided by the Division, that includes:
 - 1) Certification of licensure from the jurisdiction of original licensure and current licensure;
 - A) The time during which the applicant was licensed in that jurisdiction, including the date of the original license;
 - B) Whether the files of the jurisdiction contain any record of disciplinary action taken or pending;
 - 2) A certification, on forms provided by the Division, signed by the Dean of the school or hospital administrator, indicating:
 - A) The name and address of the dental school or hospital;
 - B) The beginning and ending date of the appointment;
 - C) The nature of and the need for the educational service that will be provided by the applicant;
 - 3) The required fee set forth in Section 1220.415(a)(7).
- b) The restricted faculty license shall be valid for 3 years from the date of issuance and may be renewed in accordance with subsection (e).

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- c) The holder of a restricted faculty license may perform acts as may be required by his or her teaching of dentistry and may practice general dentistry or in his/her area of specialty, including ordering, prescribing and administering controlled substances, but only in a hospital clinic or office affiliated with the dental school. A restricted faculty license holder may apply for and obtain a controlled substances license.
- d) Any restricted faculty license and controlled substances license issued to a faculty member shall be terminated immediately and automatically without any further action by the Division if the holder ceases to be a faculty member at an approved dental school or hospital in this State.
- e) Renewal
- 1) Application for renewal of a restricted faculty license shall be made on forms supplied by the Division at least 30 days prior to expiration of the license. The application shall include:
 - A) Certification from the Dean of a dental program or the administrator of the hospital indicating the term of the renewal contract, not to exceed 3 years from the date of the original expiration date;
 - B) Certification from the jurisdiction of current licensure indicating the current status of the license; and
 - C) The fee set forth in Section 1220.415(b).
 - 2) Failure to renew a restricted faculty license at least 30 days prior to its expiration shall result in the license expiring. A new application must be submitted.

(Source: Amended at 40 Ill. Reg. 12553, effective September 2, 2016)

SUBPART B: DENTAL HYGIENIST

Section 1220.240 Prescribed Duties of Dental Hygienists

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- a) Dental hygienists may perform the operative procedure of dental hygiene, consisting of oral prophylaxis procedures.
- b) Dental hygienists may perform dental health education functions and may record case histories and oral conditions observed.
- c) Dental hygienists may perform all procedures that may be performed by an appropriately trained dental assistant.
- d) Dental hygienists shall not perform those procedures that constitute the practice of dentistry as described in the Act. Hygienists may not perform procedures that require the professional judgment and skill of a dentist. Such prohibited procedures include, but shall not be limited to, the following:
 - 1) Making denture adjustments.
 - 2) Placing and finishing composite restorations.
 - 3) Taking final impressions for the fabrication of prosthetic appliances, crowns, bridges, inlays, onlays or other restorative or replacement dentistry.
 - 4) Permanently cementing permanent crowns or bridges.
 - 5) Permanently re-cementing permanent crowns or bridges that have come loose.
 - 6) Inter-oral use of a high-speed hand piece.
 - 7) Use of a laser to remove tissue.
 - 8) Placement or removal of implant prosthetic components and prostheses, including but not limited to the placement or removal of healing abutments, implant supported provisionals, components used in final impression procedures, and final prostheses, which include abutment, crowns, fixed and fixed detachable prostheses and fixed detachable prostheses during recare appointments.
- e) Dental hygienists may administer and monitor nitrous oxide under the following

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conditions:

- 1) The dental hygienist functions under the supervision of the dentist who must remain in the facility;
- 2) The dental hygienist may administer (start the flow of) nitrous oxide to the patient and control the induction of the gas, so that the patient is at a level of analgesia not anesthesia;
- 3) The dental hygienist may remove the patient from nitrous oxide when the hygiene procedures have been completed;
- 4) Proof of Completion
 - A) The dental hygienist is responsible for obtaining proof of certification, validating completion of a 12 hour course relative to nitrous oxide analgesia and submitting certification to the dentist of valid completion of the required course. The course shall have been completed no earlier than December 31, 1994.
 - B) A dental hygienist who completed the 12 hour course shall complete an additional 2 hour course in nitrous oxide analgesia administration. The course shall be completed by September 30, 2011. A dental hygienist who has not completed the 12 hour course shall complete an approved course of 14 hours relative to the administration and monitoring of nitrous oxide analgesia and submit certification of successful completion to the dentist. The course shall have been completed no earlier than January 1, 1998.
 - C) An individual who graduated from an approved dental hygiene program after January 1, 1998 that contained nitrous oxide analgesia administration and monitoring in the curriculum shall not be required to complete the 14 hour course upon proof to the dentist of the required curriculum.
 - D) A dental hygienist who has not completed the 12 or 14 hour course shall complete an approved 6 hour course relative to the administration and monitoring of nitrous oxide analgesia and submit certification of successful completion to the dentist.

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- E) Proof of nitrous oxide analgesia education shall be made available to the Division upon request. The required hours shall include both didactic and clinical components and be given by a continuing education sponsor approved pursuant to Section 1220.440 or a dental hygiene program approved by the Division pursuant to Section 1220.250;
- 5) The dental hygienist must maintain BLS certification or its equivalent, which will be in addition to the required courses. Certification or its equivalent shall be completed by September 30, 2011.
- f) Dental hygienists may assist in the provision of moderate sedation (conscious sedation), deep sedation, and general anesthesia, as defined in Section 1220.500, under the following conditions:
 - 1) The dental hygienist functions under the supervision of the dentist who must remain in the facility. When the hygienist is the treatment provider while the patient is under moderate sedation (conscious sedation), deep sedation, or general anesthesia, the anesthesia permit holder must remain in the treatment room;
 - 2) The dental hygienist is responsible for obtaining proof of certification validating completion of a course or courses totaling 12 hours or more, including 6 hours of didactic education and 6 hours of clinical training. The didactic education may be completed online, and online instruction may be used to guide the hands-on clinical training.
 - A) The didactic course work shall include the areas of anatomy, physiology, pharmacology, monitoring, including nitrous oxide monitoring, and emergency procedures with an emphasis on airway management.
 - B) The clinical components may be conducted by the CE sponsor approved pursuant to Section 1220.440, a dental hygiene program approved by the Division pursuant to Section 1220.250 or a licensed dentist having a permit A or B who employs the dental hygienist.

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- i) The courses described in this subsection (f)(2)(B) must be approved by the Division prior to initial offering. Dental hygienists who completed a 12 hour course that met course requirements in place for monitoring sedation prior to adoption of the current rules will not be required to recertify. Proof shall be provided to the Division upon request.
 - ii) If the clinical training is delivered by the supervising dentist, that dentist must attest, in writing, to the CE sponsor that the training has been completed. This attestation must be received by the CE sponsor in order for the sponsor to issue a certification of course completion. The supervising dentist must attest that the dental hygienist has been thoroughly trained and has demonstrated in-office proficiency in the skills required by this subsection (f)(2)(B)(ii). The dentist's attestation, signed by both the dentist and the dental hygienist, shall be maintained by the dentist. The copy sent to the CE sponsor shall be maintained by that sponsor as part of the official course record.
 - iii) The clinical component must include practical training on airway management. Other skills that must be demonstrated include manual blood pressure and pulse determination, operation of supplemental oxygen equipment, monitoring operations, including EKG, pulse oximeter and capnograph, and completion of the anesthesia record.
- 3) If the dental hygienist has complied with the provisions set forth in subsection (e)(4), the dental hygienist may complete an additional course or courses totaling 6 hours or more on advanced airway management and monitoring equipment in lieu of the 12 hour course required by subsection (f)(2). The course must comply with the elements set forth in subsection (f)(2), other than coursework related only to administration and monitoring of nitrous oxide. The courses described in this subsection (f)(3) must be approved by the Division prior to their initial offering.

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Proof of course completion shall be made available to the Division upon request;

- 4) The dental hygienist must maintain BLS certification or its equivalent, which will be in addition to the required courses.
- g) Dental hygienists may administer local anesthetics under the following conditions:
- 1) The dental hygienist functions under the supervision of the dentist who remains in the facility.
 - 2) The dental hygienist is responsible for obtaining proof of certification, indicating successful completion of a 32 hour course that contains 24 hours of lecture and 8 hours of clinical training relative to the administration of local anesthetics and submitting certification to the dentist. An individual who graduated from an approved dental hygiene program after January 1, 1999 that contained administration of local anesthetics in the curriculum shall not be required to complete the 32 hour course upon proof to the dentist of the required curriculum. Proof of completion of education shall be made available to the Division upon request. The required hours shall include both didactic and clinical components and be given by a continuing education sponsor approved pursuant to Section 1220.440 or a dental or a dental hygiene program approved by the Division pursuant to Section 1220.250. The course shall contain at a minimum the following topics:
 - A) Patient preevaluation, which includes dental and medical health history (e.g., drug interactions/anxiety/pain and a physical evaluation);
 - B) Pharmacology (e.g., drugs/types, vasoconstrictors, dosages, toxicity);
 - C) Recordkeeping;
 - D) Anatomy/Neuroanatomy/Physiology;
 - E) Armamentarium;

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- F) Techniques that include adjunctive use of topical anesthetics, mandibular block and infiltration;
 - G) Complications;
 - H) Post-operative instructions; and
 - I) Clinical experience that includes combining techniques for quadrant anesthesia and practical use of different techniques in all areas of oral cavity.
- 3) A dental hygienist who was licensed in another state and was authorized to administer local anesthesia in that jurisdiction will not be required to complete an additional course. Proof shall be submitted to the dentist and shall be made available to the Division upon request.
- h) Dental hygienists may place, carve and finish amalgam restorations under the following conditions:
- 1) The dental hygienist functions under the direct supervision of a dentist who remains in the facility and examines the work done by the hygienist prior to the dismissal of the patient.
 - 2) The dental hygienist is responsible for obtaining proof of certification, indicating successful completion of a 40 hour course, pre-approved by the Board, that contains lecture, laboratory and manikin training relative to the placing, carving and finishing of amalgam restorations and submitting certification to the dentist. Proof of completion of education shall be made available to the Division upon request. The required hours shall include both didactic and clinical components and be given by a continuing education sponsor approved by the Division and taught in an institution that is CODA approved, such as a dental school, hygiene program or assistant program. The course shall contain, at a minimum, the following preclinical, didactic and clinical instruction:
 - A) nomenclature;
 - B) caries classification;

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- C) oral anatomy;
 - D) dental morphology;
 - E) periodontium;
 - F) histology;
 - G) basic occlusion;
 - H) ergonomics;
 - I) instrumentation;
 - J) pulp protection liners and bases;
 - K) dental materials;
 - L) the medical history conditions and their implication for dental treatment and office emergencies;
 - M) matrix and wedge techniques;
 - N) amalgam placement and carving;
 - O) polishing amalgams;
 - P) rubber dam clamp placement;
 - Q) rubber dam placement and removal;
 - R) amalgam class I, II, IV and V. Class II cannot involve cusp replacement or pins.
- 3) Pass a pre-examination on basic dental procedures and techniques, as well as the basic fundamentals of dentistry.

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- 4) Pass ~~a written and clinical exam that is psychometrically sound, such as the DANB's AMP Exam, IS Exam and RF Exam~~WARE or equivalent exams administered by DANB or DANB's successor organization, or pass another written and clinical exam that is psychometrically sound and approved by the Board,~~to receive certification.~~
- 5) A supervising dentist must attend a required orientation class with the applicant and sign an agreement that he or she will follow the required guidelines regarding supervision and clinical application of specific techniques being taught.
 - i) The licensed dentist need not be present in the facility for a dental hygienist to perform the procedures set forth in this Section (except for the administration and monitoring of nitrous oxide, minimal sedation, assisting in the provision of moderate sedation (conscious sedation), deep sedation, and general anesthesia, as defined in Section 1220.500, and the administration of injectable local anesthetics, which must be done under the direct supervision of a dentist as outlined in subsection (e)(1)) on persons who reside in a long-term care facility licensed by the State of Illinois or a mental health or developmental disability facility operated by the Department of Human Services hospital or other similar institution and are unable to travel to a dental office because of illness or infirmity. The dentist shall personally examine and diagnose the patient and determine which services are necessary to be performed, which shall be contained in a written order to the hygienist. The order must be implemented within 90 days after its issuance and an updated medical history and oral inspection must be performed by the hygienist immediately prior to beginning the procedures to ensure that the patient's health has not changed in any manner to warrant a re-examination by the dentist.
 - j) All intraoral procedures performed by a dental hygienist, except those provided for in subsections (b), (h) and (i), must be examined by the supervising dentist prior to the dismissal of the patient from the facility that day.

(Source: Amended at 40 Ill. Reg. 12553, effective September 2, 2016)

Section 1220.245 Prescribed Duties of Dental Assistants

- a) "Dental Assistant" means an appropriately trained person who, under the supervision of a dentist, provides dental services or procedures as authorized by

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Section 17 of the Act or as prescribed by this Part. "Appropriately trained" means a person who:

- 1) Has completed formal training as a condition for administering a specific service or procedure as required by the Act or this Part; and
 - 2) Is considered, for all other authorized or prescribed services or procedures, by the supervising dentist to be competent to render such service or procedure as a result of on-the-job training.
- b) Provided that a dental assistant is appropriately trained pursuant to this Section and is acting under the supervision and full responsibility of a dentist, a dental assistant may perform any dental service or procedure except the following:
- 1) Any and all diagnosis of or prescription for treatment of disease, pain, deformity, deficiency, injury or physical condition of the human teeth or jaws, or adjacent structures.
 - 2) Removal of, restoration of, or addition to the hard or soft tissues of the oral cavity. For purposes of this Section, coronal polishing and acid etching of a tooth surface are not considered removal of hard or soft tissues.
 - 3) Any and all correction of malformation of teeth or of the jaws.
 - 4) Administration of anesthetics, except for monitoring of nitrous oxide, conscious sedation, deep sedation and general anesthetic, as provided in Section 8.1 of the Act.
 - 5) Removal of calculus from teeth.
 - 6) Taking of final impressions for the fabricating of prosthetic appliances, crowns, bridges, inlays, onlays, or other restorative or replacement dentistry.
 - 7) The operative procedure of dental hygiene consisting of oral prophylactic procedures except for coronal polishing as specified in this Section.
 - 8) Making denture adjustments.

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- 9) Placing and finishing composite restorations.
 - 10) Permanently cementing permanent crowns or bridges.
 - 11) Permanently re-cementing permanent crowns or bridges that have come loose.
 - 12) Placement of any chemotherapeutic agent for the management of periodontal disease.
 - 13) Applying cavity bases.
 - 14) Cementing bands and/or bonding brackets.
 - 15) Performing supragingival or subgingival scaling.
 - 16) Performing pulp vitality tests.
 - 17) Inter-oral use of a high-speed hand piece.
 - 18) Use of a laser to remove tissue.
 - 19) Placement or removal of implant prosthetic components and prostheses, including but not limited to the placement or removal of healing abutments, implant supported provisionals, components used in final impression procedures, and final prostheses, which include abutment, crowns, fixed and fixed detachable prostheses and fixed detachable prostheses during recare appointments.
- c) A dental assistant, who is at least 18 years of age and has 1000 hours of clinical dental assisting experience or has graduated from a dental assistant program accredited by the CODA or is a currently certified dental assistant as designated by DANB may perform the following services and procedures, but only under the following terms and conditions:
- 1) Monitoring nitrous oxide, provided:
 - A) The dental assistant has completed an approved course of 12 hours

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relative to nitrous oxide analgesia and has submitted certification to the dentist of valid completion of the course. The course shall have been completed no earlier than January 1, 1998 nor later than June 1, 2014.

- i) A dental assistant who has not completed the 12 hour course shall complete an approved course or courses totaling 6 hours or more relative to monitoring nitrous oxide analgesia and submit certification of successful completion to the dentist.
 - ii) Proof shall be made available to the Division upon request.
 - iii) The required hours shall include both didactic and clinical components and have been designed by an educational institution such as a dental school, dental hygiene or dental assistant program or by an approved CE sponsor. The course shall include areas of anatomy, physiology, monitoring, pharmacology and emergency procedures with an emphasis on airway management. Courses being offered by approved CE sponsors, as provided for in Section 1220.440(b)(2)(N) must be preapproved by the Division prior to their initial offering and must meet the requirements set forth in this subsection (c)(1);
- B) The dental assistant is functioning under the supervision of the dentist who must remain in the facility;
 - C) Only a dentist or dental hygienist qualified pursuant to Section 1220.240(e) shall administer (start the flow of) nitrous oxide to the patient and control the induction of the gas so that the patient is at a level of analgesia, not anesthesia;
 - D) Only a dentist or dental hygienist qualified pursuant to Section 1220.240(e) shall remove the patient from nitrous oxide when the dentist or dental hygienist has completed the procedures on the patient;

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- E) If the dental assistant has completed a monitoring course or courses totaling 12 hours or more provided by AAOMS or a similar course preapproved by the Division, the dental assistant need not complete the course hours required in subsection (c)(1)(A). The course shall have been completed no earlier than December 31, 2002. Proof shall be made available to the Division upon request;
- F) The dental assistant maintains BLS certification or its equivalent, which will be in addition to the required courses.
- 2) Monitoring minimal sedation, moderate sedation (conscious sedation), deep sedation, or general anesthesia, as defined in Section 1220.500, provided:
- A) The dental assistant is responsible for obtaining proof of certification validating completion of a course or courses totaling 12 hours or more, including 6 hours of didactic education and 6 hours of clinical training.
- i) The didactic education may be completed online, and online instruction may be used to guide the hands-on clinical training. The didactic course work shall include the areas of anatomy, physiology, pharmacology, monitoring, including nitrous oxide monitoring, and emergency procedures with an emphasis on airway management.
- ii) The clinical components may be conducted by the CE sponsor approved pursuant to Section 1220.440, a dental hygiene program approved by the Division pursuant to Section 1220.250 or a licensed dentist having a permit A or B who employs the dental assistant.
- The courses described in this subsection (c)(2)(A) must be approved by the Division prior to initial offering. Dental assistants who completed a 12 hour course that met course requirements in place for monitoring sedation prior to adoption of the current

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rules will not be required to recertify. Proof shall be provided to the Division upon request.

- If the clinical training is delivered by the supervising dentist, that dentist must attest, in writing, to the CE sponsor that the training has been completed. This attestation must be received by the CE sponsor in order for the sponsor to issue a certification of course completion. The supervising dentist must attest that the dental assistant has been thoroughly trained and has demonstrated in-office proficiency in the skills required by this subsection (c)(2)(A)(ii). The dentist's attestation, signed by both the dentist and the dental assistant, shall be maintained by the dentist. The copy sent to the CE sponsor shall be maintained by the sponsor as part of the official course record.
 - The clinical component must include practical training on airway management. Other skills that must be demonstrated include manual blood pressure and pulse determination, operation of supplemental oxygen equipment, monitoring operations, including EKG, pulse oximeter and capnograph, and completion of the anesthesia record.
- B) If the dental assistant has complied with the provisions set forth in subsection (c)(1)(A), the dental assistant shall complete an additional 6 hour course on advanced airway management and monitoring equipment in lieu of the 12 hour course required in subsection (c)(2)(A). The courses must comply with the elements set forth in subsection (c)(2)(A) other than coursework related only to monitoring of nitrous oxide. The courses described in this subsection (c)(2)(B) must be approved by the Division prior to their initial offering. Proof shall be made available to the Division upon request.
- C) If the dental assistant has completed a monitoring course or courses totaling 12 hours or more provided by AAOMS or a

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similar course or courses pre-approved by the Division, the dental assistant need not complete the course hours required in subsection (c)(2)(A). The course shall have been completed no earlier than December 31, 2002. Proof shall be made available to the Division upon request.

- D) The dental assistant is functioning under the supervision of the dentist who must remain in the facility.
 - E) The dental assistant maintains BLS certification or its equivalent, which will be in addition to the required courses.
- 3) Coronal polishing, provided:
- A) The dental assistant has completed an approved course of 6 hours relative to coronal polishing and has submitted certification of successful completion to the dentist. The course shall have been completed no earlier than January 1, 1998. Proof shall be made available to the Division upon request. The required hours shall include a minimum of 4 hours of didactic study in areas of anatomy, physiology, pharmacology and dental emergencies and 2 hours of clinical instruction and have been provided by an educational institution such as a dental school, dental hygiene or dental assistant program or by an approved CE sponsor. Courses being offered by CE sponsors approved pursuant to Section 1220.440(b)(2)(N) must be pre-approved by the Division prior to their initial offering and must meet the requirements set forth in this subsection (c)(3). The assistant must pass an examination in the didactic portion of the course and the clinical portion must contain experience on human subjects;
 - B) Coronal polishing is limited to polishing the clinical crown of the tooth and existing restoration, supragingivally;
 - C) Coronal polishing is limited to the use of slow speed rotary instruments using a rubber cup and/or brush polishing method. The use of air polish by dental assistants is not permitted; and
 - D) A dentist shall be limited to supervising 4 dental assistants at any

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one time for the task of coronal polishing.

- 4) Pit and fissure sealant application, provided:
 - A) The dental assistant has completed a course of at least 2 hours of didactic study and 2 hours of clinical instruction;
 - B) Prior to being permitted to place sealants in accord with this Section, the supervising dentist has personally observed the dental assistant successfully placing 6 pit and fissure sealants;
 - C) The supervising dentist documents that the training has been completed; and
 - D) The supervising dentist is responsible for examining the patient prior to and following the placement of sealants by a dental assistant.

- 5) Placing, carving and finishing amalgam restorations, provided:
 - A) The dental assistant functions under the direct supervision of the dentist who remains in the facility and examines the work done by the assistant prior to the dismissal of the patient.
 - B) The dental assistant is at least 18 years of age and can show proof that he or she is a DANB Certified Dental Assistant or has been employed as a dental assistant with a minimum of 2 years continuous hands-on experience (4,000 hours).
 - C) The dental assistant is responsible for obtaining proof of certification, indicating successful completion of a 40 hour course that contains lecture, laboratory and manikin training relative to the placing, carving and finishing of amalgam restorations and submitting certification to the dentist. Proof of completion of education shall be made available to the Division upon request. The required hours shall include both didactic and clinical components and be given by a continuing education sponsor approved by the Division and taught in an institution that is CODA approved, such as a dental school, hygiene program or assistant

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program. The course shall contain, at a minimum, the following preclinical, didactic and clinical instruction:

- i) nomenclature;
- ii) caries classification;
- iii) oral anatomy;
- iv) dental morphology;
- v) periodontium;
- vi) histology;
- vii) basic occlusion;
- viii) ergonomics;
- ix) instrumentation;
- x) pulp protection liners and bases;
- xi) dental materials;
- xii) the medical history and conditions and their implication for dental treatment and office emergencies;
- xiii) matrix and wedge techniques;
- xiv) amalgam placement and carving;
- xv) polishing amalgams;
- xvi) rubber dam clamp placement;
- xvii) rubber dam placement and removal;

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- xviii) amalgam class I, II, IV and V. Class II cannot involve cusp replacement or pins.
- D) All applicants must take and pass a pre-examination on basic dental procedures and techniques, as well as the basic fundamentals of dentistry.
- E) All applicants must pass ~~a written and clinical exam that is psychometrically sound, such as~~ DANB's [AMP Exam, IS Exam, and RF Exam](#) ~~WARE~~ or equivalent [exams administered by DANB or DANB's successor organization, or pass another written and clinical exam that is psychometrically sound and approved, to receive certification as determined](#) by the Board.
- F) All applicants must maintain proof of BLS certification.
- G) As a condition of acceptance into the program, a supervising dentist must attend a required orientation class with the applicant and sign an agreement that he or she will follow the required guidelines regarding supervision and clinical application of specific techniques being taught between scheduled classes.
- d) An individual who graduated from an approved dental assisting program after January 1, 1999 that contained monitoring of nitrous oxide, coronal polishing, and sealant application in the curriculum shall not be required to complete an additional course or courses in these areas as prescribed in this Section upon proof to the dentist of having successfully completed the required curriculum.
- e) All intraoral procedures performed by a dental assistant must be examined by the supervising dentist prior to the dismissal of the patient from the facility that day.

(Source: Amended at 40 Ill. Reg. 12553, effective September 2, 2016)

SUBPART D: GENERAL

[Section 1220.403 Dentists Administering Flu Vaccines](#)

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A licensed dentist seeking to administer influenza (inactivated influenza vaccine and live attenuated influenza intranasal vaccine) shall be required to complete an additional training course and must comply with all provisions in this Section and Section 54.3 of the Act.

- a) Vaccinations shall be limited to patients 18 years of age and older who consent to administration of the vaccine and shall be administered pursuant to a valid prescription or standing order by a physician who, in the course of professional practice, administers vaccines to patients.
- b) Prior to being administered a vaccine, those receiving immunizations shall be provided with the relevant vaccine information statements (VIS) that are required to be disseminated by federal law, which may contain information on circumstances in which a vaccine should not be administered.
- c) The additional training course shall be given by continuing education providers approved pursuant to Section 1220.440(b)(2).
- d) Any course must contain, at a minimum, four hours of training and include:
 - 1) The recognition of contraindications, as well as how to handle adverse reactions;
 - 2) The appropriate methods of storage, handling and disposal of vaccines and all used supplies or contaminated equipment; and
 - 3) Proper administration and maintenance of written policies and procedures that are required by this Section.
- e) Reporting Requirements
 - 1) Any adverse events are required to be reported to the Vaccine Adverse Events Reporting System (VAERS) and to the primary care provider named by the patient.
 - 2) Any dentist who administers the influenza vaccine shall enter all patient level data on the vaccines in the immunization data registry (I-Care) maintained by the Department of Public Health.

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- 3) Within 30 days after administration of a vaccine, the dentist must report to the patient's primary care provider that the vaccine has been administered.
- 4) Additional information, including precautions and contraindications for vaccination, is available from CDC's Vaccines and Immunization online site or by telephone at 800-CDC-INFO or (800-232-4636).
- f) Patient records must include:
 - 1) The date of administration and site of injection of the vaccine;
 - 2) The name, dose, manufacturer, lot number and beyond use date of the vaccine;
 - 3) The name and address of the patient's primary health care provider named by the patient;
 - 4) A notation that the patient was presented with the appropriate vaccine information statement (VIS) prior to the administration of each vaccine; and
 - 5) Any adverse event that followed vaccination.
- g) Certification of completion of the required course on the administration of the influenza vaccines must be kept on file by the dentist for review by the Department upon request.

(Source: Added at 40 Ill. Reg. 12553, effective September 2, 2016)

Section 1220.440 Continuing Education

- a) Continuing Education Hours Requirements
 - 1) Each person who applies for renewal of a license as a dentist shall have completed 48 hours of continuing education (CE) relevant to the practice of dentistry during the prerenewal period.
 - 2) Each person who applies for renewal of a license as a dental hygienist shall have completed 36 hours of CE relevant to the practice of dental

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hygiene during the prerenewal period.

- 3) A prerenewal period is the 36 months preceding September 30 of the year of the renewal.
 - 4) A renewal applicant is not required to comply with CE requirements for the first renewal following the original issuance of a dental or dental hygienist license.
 - 5) Continuing education is not required to renew a dental specialty license. The holder of a dental specialty license is, however, required to complete 48 hours to renew the dental license.
 - 6) Dentists or dental hygienist licensed in Illinois but residing in other states shall comply with the CE requirements set forth in this Section.
 - 7) Continuing education credit for hours used to satisfy the CE requirements of another state may be applied to fulfillment of the CE requirements of the State of Illinois.
- b) Approved Continuing Education/Continuing Education Sponsors
- 1) All CE courses shall be relevant to the treatment and care of patients and shall be:
 - A) Clinical courses in dentistry and dental hygiene; or
 - B) Nonclinical subjects that relate to the skills necessary to provide dental or dental hygiene services and are supportive of clinical services (i.e., patient management, legal and ethical responsibilities, stress management). Courses not acceptable for the purpose of this definition include, but are not limited to, estate planning, financial planning, investments and personal health.
 - 2) CE credit may be earned for verifiable attendance at or participation in any courses that meet the requirements of subsection (b)(1) given by one of the following sponsors:
 - A) American Dental Association and National Dental Association, its

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constituent and component/branch associations and the American Dental Association Continuing Education Recognition Programs;

- B) American Dental Hygienist's Association and National Dental Hygienist's Association, its constituent and component/branch associations;
- C) Dental programs approved by the Division as meeting minimum standards for an approved curriculum in dentistry under Section 1220.140 and dental hygiene programs approved under Section 1220.250;
- D) Organizations of specialties recognized by the American Dental Association and its constituent and component/branch associations, which are:
 - i) Oral and maxillofacial surgery;
 - ii) Endodontics;
 - iii) Pediatric dentistry;
 - iv) Prosthodontics;
 - v) Orthodontics;
 - vi) Periodontology;
 - vii) Oral and maxillofacial radiology;
- E) Academy of General Dentistry, its constituent and component/branch associations and approved sponsors;
- F) American Dental Society of Anesthesiology and its constituent and component/branch associations;
- G) Community colleges with an approved dental hygiene program if offered under the auspices of the dental hygiene program;

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- H) A college or university accredited by an agency approved by the U.S. Office of Education or a community college approved by the Illinois Community College Board;
 - I) A hospital that has been accredited by the Joint Commission on Accreditation of Healthcare Organizations;
 - J) The American Heart Association and the American Cancer Society;
 - K) A medical school that is accredited by the American Medical Association's Liaison Committee for Medical Education;
 - L) American Medical Association (AMA), specialty medical associations/organizations, the Accreditation Council on Continuing Medical Education;
 - M) Federal and State government agencies (i.e., dental division, military dental division, Veterans' Administration, etc.);
 - N) A sponsor whose course is approved by the National Board for Certification in Dental Laboratory Technology; or
 - O) A person, firm or association approved by the Division in accordance with subsection (c).
- 3) CE credit may be earned for completion of an individual study course (correspondence, audio or video course) sponsored by an approved sponsor. The courses shall include a test that the licensee must pass to obtain credit. No more than 50% of the required CE credit hours during a prerenewal period may be acquired through correspondence courses.
 - 4) CE credit may be earned from teleconferencing courses with a moderator present given by an Illinois approved sponsor.
 - 5) CE credit may be earned from courses leading to an advanced degree or specialty in dental or dental hygiene. The courses shall be allotted CE credit at the rate of 15 CE hours for each semester hour and 10 CE hours for each quarter hour of school credit awarded.

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- 6) CE credit may be earned as an instructor of continuing education courses given by approved sponsors. Credit will be applied for every hour taught and only for the first presentation of the program (i.e., credit shall not be allowed for repetitious presentations). No more than 50% of the required CE credit hours during a prerenewal period may be acquired through teaching continuing education courses.
 - 7) CE credit may be earned for presenting volunteer community oral health education programs. Credit will be applied for each hour of presentation documented by the program director. No more than 2 hours of the required CE credit hours during a prerenewal period may be acquired through presentation of volunteer community oral health education programs.
 - 8) Continuing education hours required by a disciplinary order shall not be used to satisfy the continuing education requirements for license renewal.
 - 9) If a renewal applicant will be earning or has earned CE hours in another jurisdiction, but is not licensed in that jurisdiction and the course is not presented by an Illinois approved sponsor, the applicant shall submit an individual program approval request form, along with a \$20 processing fee, to have the program reviewed. The Board shall review and recommend approval or disapproval of the program using the criteria set forth in subsection (b)(1). Applicants may seek individual program approval prior to participation in the course or program. All individual program approval requests shall be submitted prior to the expiration date of the license.
- c) Sponsor Application Pursuant to Subsection (b)(2)~~(O)(M)~~
- 1) Entities seeking approval as CE sponsors pursuant to subsection (b)(2)~~(O)(M)~~ shall file an application, on forms supplied by the Division, along with the fee set forth in Section 1220.415(a)(9). The applicant shall certify on the application the following:
 - A) That all programs offered by the sponsor for CE credit will comply with the criteria in subsection (b)(1) and all other criteria in this Section;

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- B) That the sponsor will be responsible for providing a certificate of attendance and will maintain attendance records for at least 5 years. The certificate of attendance shall contain:
 - i) The name and address of the sponsor;
 - ii) The name, address and license number of the participant;
 - iii) A brief statement of the subject matter;
 - iv) The number of hours attended in each program;
 - v) An indication of whether the program fulfills CE requirements for dentist, dental hygienist or both;
 - vi) The date and place of the program; and
 - vii) The signature of the sponsor;
 - C) That, upon request by the Division, the sponsor will submit evidence (e.g., certificate of attendance or course materials) as is necessary to establish compliance with this Section. Evidence shall be required when the Division has reason to believe that there is not full compliance with this Part and that the information is necessary to ensure compliance.
- 2) To maintain approval as a sponsor, each sponsor shall submit to the Division by September 30 of each even-numbered year a renewal application, the fee set forth in Section 1220.415(b)(5) and a list of courses and programs offered within the last 24 months. The list shall include a brief description, location, date and time of each course given.
 - 3) The sponsor shall be responsible for ensuring that any dentist or dental hygienist who will be performing some type of procedure as a part of a continuing education course shall have a current license in Illinois or another jurisdiction.
- d) Certification of Compliance with CE Requirements

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- 1) Each renewal applicant shall certify, on the renewal application, to full compliance with the CE requirements set forth in subsection (a).
 - 2) The Division may require additional evidence (e.g., certificate of attendance, transcripts and proof of registration) demonstrating compliance with the CE requirements. It is the responsibility of each renewal applicant to retain or otherwise produce evidence of the compliance. The evidence shall be retained for at least 5 years following the renewal period in which the CE was taken.
 - 3) The Division may conduct random audits to verify compliance with CE requirements.
 - 4) When there is evidence of a lack of compliance with CE requirements, an applicant shall be notified in writing and may request a hearing before the Board. The Division may recommend that steps be taken to begin the formal disciplinary proceedings as required by Section 10-65 of the Illinois Administrative Procedure Act [5 ILCS 100/10-65].
- e) Waiver of CE Requirements
- 1) Any renewal applicant seeking renewal of the license or certificate without having fully complied with these CE requirements shall file with the Division a renewal application, a statement setting forth the facts concerning the noncompliance, a request for waiver of the CE requirements on the basis of the facts and, if desired, a request for an interview before the Board. If the Division finds, from the statement or any other evidence submitted, that good cause has been shown for granting a waiver of the CE requirements, or any part thereof, the Division shall waive enforcement of those requirements for the renewal period for which the applicant has applied.
 - 2) Good cause shall be defined as an inability to devote sufficient hours to fulfilling the CE requirements during the applicable prerenewal period because of:
 - A) Full-time service in the armed forces of the United States of America during a substantial part of that period;

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- B) A temporary incapacitating illness documented by a licensed physician. A second, consecutive request for a CE waiver pursuant to this subsection (e)(2)(B) shall be prima facie proof that the renewal applicant has a physical or mental illness, including, but not limited to, deterioration through the aging process, or loss of motor skills that results in the dentist's inability to practice dentistry with reasonable judgment, skill or safety, in violation of Section 23(24) of the Act, and shall be grounds for denial of the renewal or other discipline;
 - C) Temporary undue hardship (e.g., prolonged hospitalization, being disabled and unable to practice dentistry or dental hygiene on a temporary basis).
- 3) If an interview is requested at the time the request for waiver is filed with the Division, the renewal applicant shall be given at least 20 days written notice of the date, time and place of the interview by certified mail, return receipt requested.

(Source: Amended at 40 Ill. Reg. 12553, effective September 2, 2016)

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- 1) Heading of the Part: Real Estate License Act of 2000
- 2) Code Citation: 68 Ill. Adm. Code 1450
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
1450.100	Amendment
1450.110	Amendment
1450.115	New Section
1450.120	Amendment
1450.130	Amendment
1450.140	Amendment
1450.145	New Section
1450.150	Amendment
1450.160	New Section
1450.170	New Section
1450.200	Amendment
1450.205	New Section
1450.210	Amendment
1450.220	Amendment
1450.230	Repealed
1450.240	Amendment
1450.250	Amendment
1450.260	Repealed
1450.300	Repealed
1450.310	Repealed
1450.320	Repealed
1450.330	Repealed
1450.340	Repealed
1450.400	Amendment
1450.410	Amendment
1450.420	Amendment
1450.430	Amendment
1450.440	Amendment
1450.450	Amendment
1450.500	Amendment
1450.510	Amendment
1450.520	Amendment
1450.530	Amendment
1450.540	Amendment

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1450.550	Amendment
1450.600	Amendment
1450.610	Amendment
1450.700	Amendment
1450.705	Amendment
1450.710	Amendment
1450.715	Amendment
1450.720	Amendment
1450.725	Amendment
1450.730	Amendment
1450.735	Amendment
1450.740	Amendment
1450.745	Amendment
1450.750	Amendment
1450.755	Amendment
1450.760	Amendment
1450.765	Amendment
1450.770	Amendment
1450.780	Amendment
1450.785	Amendment
1450.790	New Section
1450.810	Amendment
1450.820	Amendment
1450.830	Amendment
1450.900	Amendment
1450.905	Amendment
1450.910	Amendment
1450.915	Amendment
1450.920	Amendment
1450.925	Amendment
1450.930	Amendment
1450.935	Amendment
1450.940	Amendment
1450.945	Amendment
1450.950	Amendment
1450.955	Amendment
1450.1100	Amendment
1450.1105	Amendment
1450.1110	Amendment

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1450.1115	Amendment
1450.1120	Repealed
1450.1125	Amendment
1450.1130	Amendment
1450.1135	Amendment
1450.1140	Amendment
1450.1145	Amendment
1450.1150	Amendment
1450.1155	Amendment
1450.1160	Amendment
1450.1165	Amendment
1450.1170	Amendment
1450.1200	Repealed
1450.1300	New Section
1450.1310	New Section
1450.1320	New Section

- 4) Statutory Authority: Implementing the Real Estate License Act of 2000 [225 ILCS 454] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)]
- 5) Effective Date of Rules: September 2, 2016
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office of the Division of Real Estate and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 39 Ill. Reg. 15183; November 30, 2015
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposal and Final Version:

In Section 1450.100 (Sole owner), following "estate," add ", except as defined in Section 10-30(c)(2) of the Act".

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In Section 1450.100 (Transaction), delete all proposed text and add the following in lieu thereof "Transaction, for purposes of this Part, exists once an agreement has been reached and an accepted real estate contract is signed, or a lease is agreed to, by the parties."

In Section 1450.130(h)(1), strike "\$2,025" and add "\$1,025" in lieu thereof.

In Section 1450.130(h)(2), strike "\$2,025" and add "\$525" in lieu thereof.

In Section 1450.140(i) "state militia" has been capitalized.

In Section 1450.420(b), on the 2nd line, change "5-27" to "5-27(a)(5)". Also, on the 3rd line, add ", in addition to the requirements enumerated generally in Section 5-27" following "again".

In Section 1450.450(a)(1), in the 2nd sentence, add "Section 1450.130" following "in" and strike "this Part".

In Section 1450.450(b)(7), restore "7)" and add "Pursuant to Section 5-70(j) of the Act, no more than 6 hours of CE credit may be taken or earned in one calendar day. The exam for a CE course or courses may be given at the end of each individual course or group of courses. For example, a licensee, who intends to take 12 hours of CE may complete the exams and earn CE credit for the courses at the end of each individual course, or group of courses provided the licensee does not exceed the 6 hour limit of instruction per calendar day referenced in Section 5-70(j) of the Act and Sections 1450.1155(f) and (g) of this Part."

In Section 1450.450(b)(8), delete "7" and restore "8".

In Section 1450.450(c)(5)(A), on the 3rd line, add "or electronically to the address on file with the Department".

In Section 1450.540(a)(1), on the last line, add "Section 1450.130" following "in" and strike "this Part".

In Section 1450.540(b)(7), restore "7)" and add "Pursuant to Section 5-70(j) of the Act, no more than 6 hours of CE credit may be taken or earned in one calendar day. The exam for a CE course or courses may be given at the end of each individual course or group of courses. For example, a licensee, who intends to take 12 hours of CE may complete the

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exams and earn CE credit for the courses at the end of each individual course, or group of courses, provided the licensee does not exceed the 6 hour limit of instruction per calendar day referenced in Section 5-70(j) of the Act and Section 1450.1155(f) and (g) of this Part."

In Section 1450.540(b)(8), delete "7" and restore "8".

In Section 1450.540(c)(4), change "this Part" to "Subpart I".

In Section 1450.540(c)(5)(C), near the end of the 1st sentence, add "Section 5-25" following "in" and strike "Article 5".

In Section 1450.550(a), delete all proposed text and add the following in lieu thereof:

- "a) An individual licensee holding an active Managing Broker license may exchange the Managing Broker license for a Broker license only if the Managing Broker license is eligible for renewal.
 - 1) An individual licensee who applies to exchange a Managing Broker license in the first year of the Managing Broker term shall complete six hours of Broker CE, and shall not be required to complete any additional CE in the first Broker renewal following the exchange, provided the Broker renewal occurs within 12 months after the Managing Broker renewal. Thereafter, the Broker shall complete 12 hours of broker CE by each subsequent Broker renewal as set forth in Section 1450.450(a)(1).
 - 2) An individual licensee who applies to exchange a Managing Broker license in the second year of the Managing Broker term shall complete 12 hours of Broker CE, and shall be required to complete six hours of additional Broker CE for a total of 18 hours in the first Broker renewal following the exchange. Thereafter, the Broker shall complete 12 hours of Broker CE by each subsequent renewal as set forth in Section 1450.450(a)(1)."

In Section 1450.700(b), on the last line, following "actions" add ", as established in Section 1450.705(d) and 1450.740(d)."

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In Section 1450.720(b)(1), on the 2nd line, delete "subject to an exclusive listing by another sponsoring broker".

In Section 1450.720(b)(2), following "2)", add "When a sponsoring broker is advertising a property that is subject to an exclusive listing agreement with another sponsoring broker, the sponsoring broker seeking to advertise the property shall obtain permission from and identify in the advertisement the sponsoring broker with the exclusive listing.".

In Section 1450.720(b)(2), add "3)" and move the text from subsection (b)(2) down.

In Section 1450.720(h), this entire subsection has been stricken.

In Section 1450.720(i), now becomes subsection (h).

In Section 1450.720(j), now becomes subsection (i).

In Section 1450.750(a)(1), delete "means", restore "exists once" and immediately following add "an agreement has been reached and". Also delete the comma following "contract" and restore "is signed" and immediately following add a comma ahead of "or" and then add "a" following "or" and delete the comma following "lease" and add "is" following "lease".

In Section 1450.765, in the introductory paragraph on the 2nd line, after "disclose" add "his or her" and after "when" strike "the licensee" and add "he or she" in lieu thereof.

In Section 1450.900(c), restore "the".

In Section 1450.900(o), on the 1st and 3rd line, delete "a" and restore "the".

In Section 1450.900(p), on the 3rd line, delete "that entity" and "licensed".

In Section 1450.955, on the 1st line, strike "issues" and add "matters" in lieu thereof. On the last line, following "Act" add ", pursuant to Section 25-14 of the Act".

In Section 1450.1100(a)(3), changed the period to a semicolon.

In Section 1450.1110(b)(3), added a period at the end.

In Section 1450.1125(e)(1)(A), "state militia" has been capitalized.

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In Section 1450.1135(f)(1), restore "1)" and add "Pursuant to Section 5-70(j) of the Act, no more than 6 hours of CE credit may be taken or earned in one calendar day. The exam for a CE course or courses may be given at the end of each individual course or group of courses. For example, a licensee, who intends to take 12 hours of CE may complete the exams and earn CE credit for the courses at the end of each individual course, or group of courses, provided the licensee does not exceed the 6 hour limit of instruction per calendar day referenced in Section 5-70(j) of the Act and Sections 1450.1155(f) and (g) of this Part."

In Section 1450.1135(f)(2), delete "1" and restore "2", delete "2" and restore "3", and change "3)" to "4)".

In Section 1450.1135(f)(3), on the 2nd line, change "complete" to "retake".

In Section 1450.1140(d), delete "may" and restore "shall" and after "discipline" add "or non-disciplinary action".

In Section 1450.1145(d), on the 1st line, restore "within 15 days".

In Section 1450.1150(d), on the 2nd line, delete "may" and restore "shall" and after "discipline" add "or non-disciplinary action".

In Section 1450.1150(e)(1)(A), "state militia" has been capitalized.

In Section 1450.1310(d), change "1450.1320" to "1450.1300".

In Section 1450.1320(b)(6), delete ", leasing, or offering for sale or lease" and add " or leasing" in lieu thereof, add a period after "auction" and delete "pursuant to Section 1-10(11) of the Act."

- 12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? Yes
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No

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- 15) Summary and Purpose of Rulemaking: As a result of multiple statutory changes, and changes requested by the industry, this Part is being updated, reorganized and rewritten. The current amendments remove references to the now obsolete "salesperson" license and update the "broker" and "managing broker" designations, and updates continuing education requirements for transferring licensees. Also, a new real estate auction certification was added to the Act by PA 98-553, which is intended to distinguish auctioneers who are grandfathered to the practice of selling or leasing real estate at auction, and non-grandfathered auctioneers who are limited to crying or calling real estate at auction. This new certification will likewise have provisions for certification and education and are contained in new Subpart M of these amendments.

In addition to the substantive changes noted above, these amendments also contain numerous non-substantive changes including those to reflect the creation of the Division of Real Estate within the Department of Financial and Professional Regulation, citation correction, and general clarifying language.

- 16) Information and questions regarding these adopted rules shall be directed to:

Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 3rd Floor
Springfield IL 62786

217/785-0813
fax: 217/557-4451

The full text of the Adopted Amendments begins on the next page:

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TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VIII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONSPART 1450
REAL ESTATE LICENSE ACT OF 2000

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Section	
1450.100	Definitions
1450.110	Sponsor Cards
1450.115	Termination of License
1450.120	Assumed Name
1450.130	Fees
1450.140	Renewals
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1450.150	Licensee Change of Information
1450.160	Dual Licensure
1450.170	Exemption Under Section 5-20(1) of the Act

SUBPART B: [LEASING AGENT LICENSING AND EDUCATION](#)~~FOR LEASING AGENT~~

Section	
1450.200	Leasing Agent General Provisions
1450.205	Leasing Agent Pre-License Education Requirements
1450.210	Leasing Agent Examination Requirement
1450.220	Application for Issuance of Leasing Agent License by Examination
1450.230	Leasing Agent Termination of Employment (Repealed)
1450.240	Leasing Agent 120 Day Student Permit
1450.250	Leasing Agent Continuing Education Requirements
1450.260	Approved Courses, Schools and Instructors for Leasing Agents (Repealed)

SUBPART C: LICENSING AND EDUCATION FOR SALESPERSON

Section	
1450.300	Salesperson Educational Requirements to Obtain a License (Repealed)
1450.310	Salesperson Examination (Repealed)
1450.320	Applications for Salesperson License by Examination (Repealed)

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- 1450.330 Application for Salesperson License by Reciprocity (Repealed)
 1450.340 Salesperson Continuing Education (Repealed)

SUBPART D: BROKER LICENSING AND EDUCATION~~FOR BROKER~~

Section

- 1450.400 Broker Pre-license Education~~Educational~~ Requirements~~to Obtain a License~~
 1450.410 Broker Post-License Education Requirements~~Educational Requirement~~
 1450.420 Broker Examination
 1450.430 Application for Broker License by Examination
 1450.440 Application for Broker License by Reciprocity
 1450.450 Broker Continuing Education

SUBPART E: MANAGING BROKER LICENSING
AND EDUCATION~~FOR MANAGING BROKER~~

Section

- 1450.500 Managing Broker Pre-Licensed Education~~Educational~~ Requirements~~to Obtain a License~~
License
 1450.510 Managing Broker Examination
 1450.520 Application for Managing Broker License by Examination
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 1450.540 Managing Broker Continuing Education
 1450.550 Managing Broker License Transfer to Broker License~~Licensee Transition~~
Provision

SUBPART F: CORPORATIONS, LIMITED LIABILITY COMPANIES,
PARTNERSHIPS, LIMITED PARTNERSHIPS AND LIMITED LIABILITY PARTNERSHIPS

Section

- 1450.600 Application for Corporations, Limited Liability Companies, Partnerships, Limited Partnerships and Limited Liability Partnerships Licenses
 1450.610 Offices and Branch Offices

SUBPART G: COMPENSATION AND BUSINESS PRACTICES

Section

- 1450.700 Sponsoring~~Managing~~ Broker Responsibilities
 1450.705 Named Managing Broker Responsibilities and Supervision

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1450.710	Discrimination
1450.715	Advertising
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1450.730	Display of Licenses
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1450.770	Brokerage Agreements and Listing Agreements
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1450.780	Referral Fees and Affinity Relationships
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SUBPART H: AGENCY RELATIONSHIPS

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1450.800	Confidentiality
1450.810	Failure to Disclose Information Not Affecting Physical Condition <u>of Real Estate</u>
1450.820	Licensee Serving as a Dual <u>Agency Prohibition Agent in a Transaction in Which a Licensee is a Party to the Transaction</u>
1450.830	Disclosure of Contemporaneous Offers

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1450.900	Unprofessional Conduct
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1450.915	Dissolution: Effect of Suspension or Revocation of <u>a Sponsoring</u> Broker <u>Brokers</u> or <u>Named Managing</u> Broker License <u>Brokers</u>
1450.920	Inspections and Audits
1450.925	Audits of Special Funds by Outside Auditors
1450.930	Case File Review Committee
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- 1450.940 [Rules of Practice in Administrative Hearings](#)
 1450.945 Real Estate Recovery Fund
 1450.950 Automatic ~~Revocation~~~~Termination~~ Upon Order [for Payment to Pay Out](#) from the
 Real Estate Recovery Fund
 1450.955 Advisory Letters

SUBPART J: GRANTING VARIANCES

- Section
 1450.1000 Granting Variances

SUBPART K: PRE-LICENSE SCHOOLS
AND CONTINUING EDUCATION [SCHOOLS PROVIDERS](#)

- Section
 1450.1100 [Application for Pre-License School License and Pre-License School Branch License and Other Requirements](#)~~Schools~~
 1450.1105 [Application Curriculum](#) for Pre-License [Courses and Curriculum](#)~~Schools~~
 1450.1110 [Application for Pre-License School, Pre-License School Branch and Course License](#)~~Expiration Date and Renewal Period for Pre-License Schools~~
 1450.1115 [Application for Pre-License Instructor License](#)~~Instructors~~
 1450.1120 Administration of Proficiency Examinations and Eligibility to Take the Proficiency Exam and Transition Courses [\(Repealed\)](#)
 1450.1125 [Pre-License Instructor License Renewal and Restoration](#)~~Expiration Date and Renewal Period for Pre-License Instructors~~
 1450.1130 [Application for Continuing Education School License and Other Requirements](#)~~Schools~~
 1450.1135 [Application Curriculum](#) for Continuing Education [Courses and Curriculum](#)~~Schools and Course Registration Process~~
 1450.1140 [Application for Continuing Education School and Course License](#)~~Expiration Date and Renewal Period for Continuing Education Schools~~
 1450.1145 [Application for Continuing Education Instructor License](#)~~Instructors~~
 1450.1150 [Continuing Education Instructor License Renewal and Restoration](#)~~Expiration Date and Renewal Period for Continuing Education Instructors~~
 1450.1155 Distance Education Courses
 1450.1160 Recruitment ~~at Test Center~~
 1450.1165 Discipline of Schools, ~~or~~ Instructors [or Courses](#)
 1450.1170 Real Estate Education Advisory Council

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SUBPART L: CONTINUING EDUCATION TRANSITIONAL PROVISIONS

Section

1450.1200 Continuing Education Requirements for Transitioned Licensees ([Repealed](#))

SUBPART M: REAL ESTATE AUCTION CERTIFICATIONSection

[1450.1300](#) [Real Estate Auction Pre-Certification Education](#)

[1450.1310](#) [Application for Real Estate Auction Certification](#)

[1450.1320](#) [Real Estate Auction Certification Activities](#)

AUTHORITY: Implementing the Real Estate License Act of 2000 [225 ILCS 454] and authorized by Section 2105-15(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/2105-15(7)].

SOURCE: Rules and Regulations for the Administration of the Real Estate Brokers and Salesmen License Act (General Rules), effective December 4, 1974; Rules and Regulations for the Administration of the Real Estate Brokers and Salesmen License Act (School Rules), effective July 29, 1974; amended at 3 Ill. Reg. 885, effective February 2, 1979; amended at 4 Ill. Reg. 195, effective August 12, 1980; amended at 5 Ill. Reg. 5343, effective May 6, 1981; amended at 5 Ill. Reg. 8541, effective August 10, 1981; codified at 5 Ill. Reg. 11064; emergency amendment at 6 Ill. Reg. 916, effective January 6, 1982, for a maximum of 150 days; emergency amendment at 6 Ill. Reg. 2406, effective February 3, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8221, effective July 1, 1982; amended at 9 Ill. Reg. 341, effective January 3, 1985; transferred from Chapter I, 68 Ill. Adm. Code 450 (Department of Registration and Education) to Chapter VII, 68 Ill. Adm. Code 1450 (Department of Professional Regulation) pursuant to PA 85-225, effective January 1, 1988, at 12 Ill. Reg. 2977; amended at 12 Ill. Reg. 8036, effective April 26, 1988; amended at 15 Ill. Reg. 10416, effective July 1, 1991; amended at 16 Ill. Reg. 3204, effective February 14, 1992; emergency amendment at 19 Ill. Reg. 12003, effective August 8, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 16623, effective December 1, 1995; amended at 20 Ill. Reg. 6492, effective April 30, 1996; recodified from Chapter VII, Department of Professional Regulation, to Chapter VIII, Office of Banks and Real Estate, pursuant to PA 89-23 and PA 89-508 at 20 Ill. Reg. 11984; amended at 21 Ill. Reg. 3602, effective March 7, 1997; amended at 21 Ill. Reg. 8350, effective June 30, 1997; old Part repealed and new Part adopted by emergency rulemaking at 24 Ill. Reg. 704, effective January 1, 2000, for a maximum of 150 days; old Part repealed and new Part adopted at 24 Ill. Reg. 8263, effective May 30, 2000; amended at 27 Ill. Reg. 12018, effective July 9, 2003; amended at 28 Ill. Reg. 2141, effective January 22, 2004; amended at 30 Ill. Reg. 11075, effective June 8, 2006;

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amended at 32 Ill. Reg. 6503, effective April 2, 2008; former Part repealed at 35 Ill. Reg. 5414 and new Part adopted at 35 Ill. Reg. 5418, effective March 21, 2011; amended at 40 Ill. Reg. 12588, effective September 2, 2016.

SUBPART A: GENERAL

Section 1450.100 Definitions

Unless otherwise clarified by this Part, definitions set forth in the Act also apply for purposes of this Part.

"Act" means the Real Estate License Act of 2000 [225 ILCS 454].

"Advisory Council" means the Real Estate Education Advisory Council as set forth ~~increated by~~ Section 30-10 of the Act.

"Affidavit of Non-participation" means a sworn statement made by an unlicensed person associated with, or an unlicensed owner of, a licensed real estate corporation, limited liability company, partnership, ~~or~~ limited partnership or limited liability partnership attesting that the unlicensed person is not actively directing or engaging in licensed real estate activities as part of that association or ownership.

"Board" means the Real Estate Administration and Disciplinary Board as set forth ~~increated by~~ Section 25-10 of the Act.

~~"Certificate of registration" means the document issued by the Division indicating approval of a continuing education course for which CE credit can be granted.~~

"Compliance agreement" means an agreement entered into between a licensee and the Division in conjunction with an administrative warning letter.

"Credit hour" means a minimum of 50 minutes of instruction approved by the Division:

in a classroom or by other interactive delivery method; or attendance for a minimum of 50 minutes of lecture or its equivalent

through a distance education course program approved by the Division.

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

"Director" means the Director of the Division of ~~Real Estate~~Professional Regulation with the authority delegated by the Secretary.

"Discipline" means a refusal to issue or renew a license, reprimand, probation, suspension or revocation of a license, ~~reprimand~~, fine or any other action the Department may deem proper~~sanction explicitly provided for in the Act~~.

"Division" means the Department of Financial and Professional Regulation-Division of Real Estate with the authority delegated by the Secretary~~Professional Regulation~~.

"Electronic signature" means a signature in electronic form attached to or logically associated with an electronic record. [5 ILCS 175/5-105]

"Interactive delivery method" means delivery of a course, approved by the Advisory Council, by a licensed instructor through a medium allowing for live 2-way communication between the licensed instructor and student in which either can initiate or respond to questions, including live instruction and real time discussion via satellite, video or, online via webcam or similar communication that occurs between the instructor and students in real estate courses approved by the Real Estate Education Advisory Council. (See Section 5-27(a)(5) of the Act.)

"Named managing broker" means a managing broker who:

the sponsoring broker names and identifies for the Division, pursuant to Section 1450.700; and

has the responsibilities, and supervises activities, pursuant to Section 1450.705.

~~"Managing broker" means, prior to May 1, 2011, a broker and, after April 30, 2011, a broker or licensed managing broker who has supervisory responsibilities for licensees in one or, in the case of a multi-office company, more than one office and who has been appointed as such by the sponsoring broker. All licensees acting as a managing broker or self-sponsored broker after April 30,~~

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~~2012 must have a managing broker license or obtain one within 90 days after being named a managing broker. Refer to the definition of sponsoring broker.~~

~~"Moral turpitude" means conduct that is inherently base, depraved or vile.~~

"Office" means a ~~sponsoring~~real estate broker's place of business where the general public is invited to transact business, from which sponsored licensees work, ~~and~~ where records may be maintained, and ~~where~~ licenses may be readily available, as set forth in Section 1450.730~~displayed~~, whether or not it is the ~~sponsoring~~ broker's principal place of business. Offices and branch offices must meet the requirements set forth in Section 1450.610.~~When determining whether an office exists, the following shall be considered by the Division:~~

~~An office is any business location or structure that is owned, controlled, operated or maintained by a person who, at that location or structure, is:~~

~~engaging in licensed activities;~~

~~offering real estate services to consumers;~~

~~holding out to the public that the person is engaged in the practice of real estate brokerage;~~

~~maintaining original real estate documents and records related to active or pending transactions;~~

~~maintaining current escrow records; or~~

~~meeting consumers for the purpose of engaging in real estate licensed activities.~~

~~The following places do not constitute an office:~~

~~a motor vehicle primarily used for transportation;~~

~~a place whose purpose is solely devoted to advertising real estate matters of a general nature or to making a sponsoring broker's business name generally known;~~

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~~a place that a licensee uses solely for storage or archiving of records; or~~

~~a licensee's residence unless held out to the public as a location at which real estate brokerage services are available to the public.~~

~~A licensee engaged in the practice of real estate brokerage shall maintain an office. If the licensee is sponsored by another, then the office shall be the office of the sponsoring broker.~~

~~A post office box, mail drop location, or other similar facility shall not constitute an office, so long as none of the activities described in this definition take place at this facility.~~

"Proctor" means any person, including ~~a licensed, but not limited to, an instructor,~~ who has a written agreement ~~with a licensed pre-license school or a licensed continuing education (CE) school~~ to administer, ~~in person or electronically,~~ examinations fairly and impartially with a licensed pre-license school or a licensed ~~(CE)continuing education~~ school. ~~The proctor shall authenticate the identity of the student taking the examination; monitor the student and examination-taking process to ensure that the examination is completed with only the aid of additional persons or resources, if any, approved by the Advisory Council; and protect the confidentiality of school materials. Proctors must be impartial third parties (i.e., not a licensee's sponsoring broker, managing broker or any relative, etc.)~~ ~~Proctoring may be by electronic means.~~

"School branch" means a location where a pre-license school provides instruction other than the ~~pre-licensesponsoring~~ school's principal location.

~~"Semester hours" shall be converted into quarter hours at a ratio of 2 semester hours to 3 quarter hours.~~

"Sole owner" ~~when used to describe a licensee~~ means a ~~person~~ licensee who has a 100% ownership interest alone ~~in real estate, except as defined in Section 10-30(c)(2) of the Act,~~ has ownership as a joint tenant or tenant by the entirety, or holds 100% beneficial interest in a land trust.

"Sponsoring broker" means ~~a person with a license~~ ~~the broker or managing broker~~ who has issued a sponsor card to a salesperson, a broker, a licensed managing

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~~broker or a leasing agent, or is self-sponsored. There shall be only one sponsoring broker for any one real estate company. According to this definition, the sponsoring broker is the entity holding the company real estate license, whether the entity is an individual who operates as a corporation, sole proprietorship, partnership, limited liability company, partnership, limited partnership, reorganization or registered limited liability partnership, or an individual with a managing broker license who operates as a sole proprietor.~~

~~The entity that is the sponsoring broker for the real estate company may delegate its duties in accordance with company policy to appropriate company personnel authorized to act and sign on behalf of the sponsoring broker.~~

~~Some examples include, but are not limited to:~~

~~the sponsoring broker could authorize a managing broker for the company to sign sponsor cards in the name of the sponsoring broker;~~

~~the sponsoring broker could authorize a qualified company employee or independent contractor to oversee bookkeeping duties relative to the sponsoring broker's escrow account;~~

~~the sponsoring broker may delegate authorized signers for the escrow account to sign on behalf of the sponsoring broker; and~~

~~the sponsoring broker may delegate to authorized company personnel the ability to sign contracts entered into by the sponsoring broker in accordance with the sponsoring broker's company policy.~~

"Sponsor card" means the temporary permit issued by the sponsoring broker certifying that the licensee named on the card is employed by or associated with the sponsoring broker, as set forth in Section 5-40 of the Act.

"Transaction", for purposes of this Part, exists once an agreement has been reached and an accepted real estate contract is signed, or a lease is agreed to, by the parties.

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(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.110 Sponsor Cards

- a) Leasing Agent
- 1) Except for a ~~individual person~~ working under a 120 day leasing agent ~~student~~ permit as ~~set forth provided~~ in Section 1450.240, no leasing agent license applicant may engage in leasing residential real estate as set forth in Section 1450.200~~the activities of a licensed leasing agent~~ until a valid sponsor card has been issued to the applicant.
 - 2) A sponsoring broker shall prepare, ~~upon forms provided by the Division,~~ and deliver to each leasing agent employed by ~~or associated with the sponsoring~~ broker a sponsor card, on forms provided by the Division, certifying that the ~~applicant person~~ whose name appears on the sponsor card is ~~in fact~~ employed by or associated with that sponsoring broker, and that the applicant has not practiced under a 120 day leasing agent student permit for more than 120 days.
 - 3) A ~~sponsor card~~ properly issued sponsor card pursuant to this Section shall serve as a temporary permit allowing the sponsored leasing agency individual to engage in leasing residential real property practice as a leasing agent until the applicant is issued a leasing agent license. An applicant may practice under a sponsor card temporary permit for a maximum of 45 days, only for the sponsoring broker named on the sponsor card.
 - 4) A sponsoring broker may issue a sponsor card to a leasing agent or applicant an individual only upon presentation of the following in the following circumstances:
 - A) ~~upon presentation of~~ a leasing agent examination pass score report stating that the sponsoring broker may issue a sponsor card; ~~or~~
 - B) ~~upon presentation of~~ an original leasing agent license that is endorsed by the sponsoring broker who previously employed or was associated with by whom the leasing agent ~~was previously employed;~~ or

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- C) ~~upon presentation of a~~ leasing agent license expired for less than 2 years.
- 5) The sponsoring broker shall, within 24 hours after issuance of the sponsor card, submit the following to the Division by regular mail or a signature restricted delivery service: ~~determined appropriate by the sponsoring broker.~~
- A) Leasing Agent Applicants ~~For applicants for an initial leasing agent license:~~
- i) a copy of the sponsor card and transcript, if applicable;
 - ii) a leasing agent examination pass score report stating that the sponsoring broker may issue a sponsor card;
 - iii) a signed and completed leasing agent license application ~~that is signed by the applicant and on which all questions have been answered;~~ and
 - iv) the required leasing agent license application fee as set forth ~~in~~ required by Section 1450.130.
- B) Leasing Agent Licensee ~~For persons already holding a leasing agent license:~~
- i) a copy of the sponsor card; ~~and~~
 - ii) the required sponsor card fee set forth in Section 1450.130; and
 - iii) one of the following:
 - the properly endorsed leasing agent license and pocket card of the sponsored licensee;

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- the expired license of the sponsored licensee, the required fee set forth in Section 1450.130 and proof of CE, if applicable;
 - the pocket card of the licensee and the licensee's sworn statement explaining why the license is not submitted; or
 - if the license and pocket card are not available, the license status as verified by the Department.
- 6) A sponsoring broker issuing a sponsor card shall retain a copy of the sponsor card until ~~such time as~~ the leasing agent license is received and properly displayed ~~as set forth in~~ pursuant to Section 1450.730.
- b) ~~Salesperson,~~ Broker and Managing Broker
- 1) A properly issued sponsor card shall serve as a temporary permit allowing the sponsored ~~broker or managing broker individual~~ to engage in licensed activities~~the practice of real estate~~ for a maximum of 45 days, only for the sponsoring broker named on the sponsor card.
- 2) ~~The~~ sponsoring broker ~~may~~shall issue a sponsor card to a broker, managing broker, or applicant~~an individual~~ only upon presentation of the following~~in the following instances~~:
- A) ~~Upon presentation of~~ a real estate examination pass score report stating that the sponsoring broker may issue a sponsor card;
- B) ~~Upon presentation of~~ an original broker or managing broker license endorsed by the sponsoring broker ~~whoby whom the licensee was~~ previously employed or ~~waswith whom the licensee was previously~~ associated with the broker or managing broker licensee; or
- C) ~~Upon presentation of~~ a broker or managing broker license expired for less than 2 years.

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- 3) ~~The~~ Upon issuance of a sponsor card, the issuing sponsoring broker shall, within 24 hours after issuance of the sponsor card, submit the following to the Division by regular mail or a signature restricted delivery service ~~determined appropriate by the sponsoring broker:~~

~~A)~~ For Licensees

- ~~i)~~ a copy of the sponsor card and transcript, if applicable;
- ~~ii)~~ appropriate sponsor card fee as set forth in Section 1450.130; and
- ~~iii)~~ one of the following:
 - ~~the properly endorsed real estate license and pocket card of the sponsored licensee; or~~
 - ~~an expired license of the sponsored licensee along with the fee required by Section 1450.130 and proof of education, if applicable, as required by Section 5-50 of the Act; or~~
 - ~~the pocket card of the licensee and a sworn statement by the licensee explaining why the license is not submitted; or~~
 - ~~if neither the license nor pocket card is available, the status of the license as verified by the Director or his or her designee.~~

~~AB)~~ For Salesperson, Broker and Managing Broker Applicants

- ~~i)~~ a copy of the sponsor card and transcript, if applicable;
- ~~ii)~~ a real estate examination pass score report stating that the sponsoring broker may issue a sponsor card; and
- ~~iii)~~ other documentation set forth in Sections ~~as required by Section 1450.320, 1450.430 and 1450.520.~~

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B) Broker and Managing Broker Licensees

- i) a copy of the sponsor card and transcript, if applicable;
- ii) the required sponsor card fee set forth in Section 1450.130; and
- iii) one of the following:
 - the properly endorsed license and pocket card of the sponsored licensee;
 - the expired license of the sponsored licensee, the required fee set forth in Section 1450.130 and proof of CE, if applicable;
 - the pocket card of the licensee and the licensee's sworn statement explaining why the license is not submitted; or
 - if the license and pocket card are not available, the license status as verified by the Department.

~~Ⓒ) Should an applicant be found not to have completed all the requirements, the applicant's sponsor card shall be void, the applicant shall be considered to have never been authorized to practice, and the applicant shall be subject to disciplinary action in accordance with Section 20-20 of the Act and Section 1450.900 of this Part.~~

- 4) ~~A licensed real estate broker, prior to May 1, 2012, or a managing broker may practice as a sole proprietor, and a broker or managing broker may practice as a partnership, corporation, or limited liability company, partnership, limited partnership or limited liability partnership provided that, prior to engaging in licensed activities doing business, the managing broker or broker complies with the licensing requirements for partnerships, corporations or limited liability companies set forth in~~

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Section 1450.600 and submits the following to the Division by regular mail or a signature restricted delivery service:

- A) a copy of the managing broker's sponsor card ~~issued to himself or herself;~~
- B) the ~~required~~appropriate sponsor card fee set forth in~~required by~~ Section 1450.130; ~~and~~
- C) a completed consent to examine and audit special accounts form;
and
- DC) one of the following:
 - i) ~~the properly endorsed~~Prior to May 1, 2012, his or her properly endorsed real estate broker or managing broker license and pocket card. After April 30, 2012, his or her managing broker license and pocket card of the sponsored licensee; ~~or~~
 - ii) ~~the~~Prior to May 1, 2012, an expired broker license, or, after April 30, 2012, an expired managing broker license, along with the required fee set forth in~~required by~~ Section 1450.130 and proof of CEducation, if applicable, ~~as required by Section 5-50 of the Act;~~ ~~or~~
 - iii) the pocket card of the licensee and the licensee's a sworn statement ~~by the licensee~~ explaining why the managing broker license is not submitted; ~~or~~
 - iv) ~~if neither~~ the license ~~and~~nor the pocket card are not available, the ~~status of the license~~ status as ~~shall be~~ verified by the Department. ~~Director or his or her designee;~~ ~~or~~
 - iv) ~~a completed consent to audit and examine special accounts form if one is not already on file.~~
- c) If an applicant or licensee fails to complete the requirements of this Section:

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- 1) the sponsor card shall be void;
 - 2) the applicant or licensee shall be considered to have never been authorized to practice; and
 - 3) the applicant or licensee shall be subject to discipline.
- d5) ~~Within The Division shall, within~~ 30 days after receipt and approval of the sponsor card, ~~required appropriate~~ fees and appropriate documentation, the Division shall issue a license to the applicant or sponsored licensee a license or may notify the applicant or licensee of the basis for denial notify the applicant why the license cannot be issued.
- e6) ~~Expiration of the Sponsor Card~~ Expiration. A sponsor card shall be valid for a ~~period of~~ 45 days from issue date unless extended for an additional 45 days by the Division for good cause.
- 1A) Good cause shall be limited to ~~those~~ instances in which the Division has unnecessarily delayed the processing of a license.
 - 2B) ~~A~~The request for extension shall be considered granted only upon written notice from the Division.
- f7) The sponsoring broker shall retain a ~~copy of the~~ sponsor card copy until the license is received.
- 8) ~~Upon termination of a licensee, a sponsoring broker shall immediately:~~
 - A) ~~Endorse the licensee's license as provided for on that document;~~
 - B) ~~Submit a photocopy of the endorsed license to the Division within 2 business days after termination by regular mail or a signature restricted delivery service determined appropriate by the sponsoring broker;~~
 - C) ~~Retain a copy of the endorsed license at least until the expiration date printed on that license; and~~
 - D) ~~Give the original endorsed license to the licensee.~~

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- 9) ~~Once a license has been endorsed, the licensee is prohibited from practicing real estate until the licensee is issued a properly completed sponsor card.~~
- g10) ~~Licensees~~Each licensee shall carry ~~either~~ a properly issued sponsor card or a valid pocket card ~~at all times~~ and shall display ~~themsame~~ upon demand when engaging in any licensed activities.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.115 Termination of License

- a) Upon termination of a license, a sponsoring broker shall immediately:
- 1) Endorse the licensee's original license as provided for on that document;
 - 2) Submit a copy of the endorsed license to the Division within 2 business days after termination by regular mail or a signature restricted delivery service;
 - 3) Retain a copy of the endorsed license until the license's expiration date; and
 - 4) Give the original endorsed license to the licensee.
- b) Once the original license has been endorsed, the licensee is prohibited from engaging in licensed activities, and a licensed leasing agent is prohibited from engaging in leasing residential real property, until the licensee is issued a properly completed sponsor card.

(Source: Added at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.120 Assumed Name

- a) If a sponsoring broker₁ acting as a sole proprietor₁ operates under any name other than that appearing on the sponsoring broker's~~his or her~~ license, the sponsoring broker shall submit to the Division a certified copy of the sponsoring broker's registration under the Assumed Business Name Act [805 ILCS 405]. The

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assumed business name registration shall be obtained in each county in which the assumed business name is used.

- b) Any corporation, limited liability company, ~~limited~~ partnership, limited partnership or limited liability company ~~general partnership or limited liability company~~ operating under any name other than that appearing on its application for a license shall ~~submit~~provide to the Division a copy of the filing or certificate authorizing it to do business under an assumed name.
- c) Sponsored licensees, including groups of sponsored licensees commonly referred to as "teams", may not operate under an assumed business name other than the assumed business name of ~~that of~~ their sponsoring broker.
- db) The applicant or licensee shall submit the information to the Division within 30 days after use of the assumed name.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.130 Fees

- a) Leasing Agent License and 120 Day Leasing Agent Student Permit ~~License of a Leasing Agent~~
- 1) The application fee for an initial leasing agent license ~~is~~shall be \$75.
 - 2) The renewal ~~application~~ fee for an unexpired to renew a leasing agent license ~~is~~shall be \$50 per year.
 - 3) The late ~~renewal~~ fee for a leasing agent license expired for no more than 2 years is ~~licenses renewed after the expiration date of the license shall be~~ \$50.
 - 4) The application fee for ~~issuing~~ a 120 day leasing agent student permit ~~is~~shall be \$25.
 - 5) The restoration fee for a leasing agent license expired for more than 2 years but less than 5 years is the sum of all lapsed renewal and late fees.
- b) ~~License of Real Estate Salesperson~~

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- 1) ~~The fee for an initial license as a salesperson is \$125. The fee must accompany the application to determine the applicant's fitness to receive a license.~~
- 2) ~~The fee for renewal of a salesperson's license that has been expired for not more than 2 years, as provided for in Section 5-50 of the Act, is the sum of all lapsed renewal fees plus \$50. However, no salesperson license will be renewed after April 30, 2011.~~

be) License of Broker License

- 1) ~~The application fee for an initial license as a broker license is \$125. The fee must accompany the application to determine an applicant's fitness to receive a license.~~
- 2) ~~The renewal fee for an unexpired broker the renewal of a broker's license is that has not expired shall be calculated at the rate of \$75 per year.~~
- 3) ~~The late fee for the renewal of a broker broker's license that has been expired for not more than 2 years, as provided for in Section 5-50 of the Act, is the sum of all lapsed renewal fees plus \$50.~~
- 4) ~~The restoration fee for a broker license expired for more than 2 years but less than 5 years is the sum of all lapsed renewal and late fees.~~
- 5) ~~The fee to transfer from a managing broker license to a broker license is \$125.~~

cd) License of Managing Broker License

- 1) ~~The application fee for an initial license as a managing broker license is \$150. The fee must accompany the application to determine an applicant's fitness to receive a license.~~
- 2) ~~The renewal fee for an unexpired the renewal of a managing broker broker's license is that has not expired shall be calculated at the rate of \$100 per year.~~

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- 3) The late fee for ~~the renewal of~~ a managing ~~broker~~broker's license ~~that has been expired for~~ not more than 2 years, ~~as provided for in Section 5-50 of the Act, is the sum of all lapsed renewal fees plus~~ \$50.
 - 4) The restoration fee for a managing broker license expired for more than 2 years but less than 5 years is the sum of all lapsed renewal and late fees.
- d) Real Estate Auction Certification
- 1) The application fee for an initial real estate auction certification is \$125.
 - 2) The renewal fee for an unexpired real estate auction certification is \$150 per year.
 - 3) The late fee for a real estate auction certification expired for no more than 2 years is \$50.
- e) Corporation, Limited Liability Company, License of Partnership, Limited Partnership or Limited Liability Partnership License~~Limited Liability Company or Corporation~~
- 1) The application fee for an initial corporation, limited liability company, license for a partnership, limited partnership or limited liability partnership license~~limited liability company or corporation~~ is \$125. ~~The fee must accompany the application to determine an applicant's fitness to receive a license.~~
 - 2) The renewal fee for an unexpired corporation, limited liability company, the renewal of a license for a partnership, limited partnership or limited liability partnership license ~~is~~limited liability company or corporation shall be calculated at the rate of \$75 per year.
 - 3) The late fee for ~~the renewal of a license for a~~ corporation, limited liability company, partnership, limited partnership or limited liability partnership license expired for no more than 2 years~~limited liability company or corporation that has been expired~~ is the sum of all lapsed renewal fees plus \$50.
- f) License for Branch Office License

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- 1) The application fee for an initial ~~license for a~~ branch office license is \$125. ~~The fee must accompany the application to determine an applicant's fitness to receive a license.~~
 - 2) The renewal fee for ~~an unexpired~~ the renewal of a branch office license ~~is~~ shall be calculated at the rate of \$75 per year.
 - 3) The late fee for ~~the renewal of a~~ branch office license ~~that has been~~ expired for no more than 2 years is ~~the sum of all lapsed renewal fees plus~~ \$50.
- g) Pre-License School, Instructor and Course License Fees
- 1) The application fee ~~for an application for~~ an initial approval of a pre-license school license is \$1,025. ~~The fee must accompany the application to determine an applicant's fitness to receive a license.~~
 - 2) The renewal fee for ~~an unexpired~~ renewal of approval of a pre-license school license ~~is~~ shall be calculated at the rate of \$525 per year.
 - 3) The late fee for ~~the renewal of approval of a~~ pre-license school license ~~that has been~~ expired for no more than 2 years is ~~the sum of all lapsed renewal fees plus~~ \$50.
 - 4) The application fee ~~for an application for~~ an initial approval of a branch ~~for a~~ pre-license school branch license is \$175 per branch. ~~The fee must accompany the application to determine an applicant's fitness to receive approval.~~
 - 5) The renewal fee for ~~an unexpired~~ renewal of approval of a branch for an pre-license school branch license ~~is~~ shall be calculated at the rate of \$125 per branch per year.
 - 6) The late fee for ~~the renewal of approval of a branch for a~~ pre-license school branch license ~~that has been~~ expired for no more than 2 years is ~~the sum of all lapsed renewal fees plus~~ \$50 per branch.

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- 7) The fee ~~to transfer the location of a licensed pre-license school for transferring a license for a branch~~ license is ~~location shall be \$25 per branch~~ per transfer.
 - 8) The application fee for ~~an application for initial approval of a pre-license instructor~~ license is \$125. ~~The fee must accompany the application to determine the applicant's fitness for approval.~~
 - 9) The renewal fee for ~~renewal of approval of an unexpired pre-license instructor~~ license is ~~shall be calculated at the rate of \$125 per year.~~
 - 10) The late fee for ~~the renewal of approval of a pre-license instructor~~ license that has been expired for no more than 2 years is ~~the sum of all lapsed renewal fees plus \$50.~~
 - 11) The application fee for ~~an application for initial approval of a pre-license course~~ license is \$125. ~~The fee must accompany the application for approval.~~
 - 12) The renewal fee for ~~an unexpired renewal of approval of an pre-license course~~ license is ~~shall be calculated at the rate of \$50 per year.~~
 - 13) The late fee for ~~the renewal of approval of a pre-license course~~ license that has been expired for no more than 2 years is ~~the sum of all lapsed renewal fees plus \$50.~~
- h) Continuing Education School, Instructor and Course License Fees
- 1) The application fee ~~for an application for an initial approval as a continuing education (CE) school~~ license is ~~\$1,025 shall be \$2,025.~~ ~~The fee must accompany the application to determine an applicant's fitness for approval.~~
 - 2) The renewal fee for ~~an unexpired renewal of approval as an CE school~~ license is ~~\$525 shall be \$2,025~~ per year.
 - 3) The late fee for ~~renewal of approval as a CE school~~ license which has expired for no more than 2 years is ~~shall be \$50 plus all lapsed renewal fees plus \$50.~~

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- 4) The application fee for an ~~application for~~ initial approval as a CE instructor license ~~is~~ shall be \$75. ~~The fee must accompany the application to determine an applicant's fitness to receive approval.~~
 - 5) The renewal fee for ~~an unexpired~~ renewal of approval as an CE instructor license ~~is~~ shall be \$75 per year.
 - 6) The late fee for ~~the renewal of approval as a CE instructor~~ license ~~that has been expired for no more than 2 years~~ ~~is~~ shall be all lapsed renewal fees ~~plus~~ \$50.
 - 7) The application fee for an ~~application for~~ initial approval of a CE course license ~~is~~ shall be \$125. ~~The fee must accompany the application for approval.~~
 - 8) The renewal fee for ~~an unexpired~~ renewal of approval of an CE course license ~~is~~ shall be \$50 per year.
 - 9) The late fee for ~~renewal of approval of a CE course~~ license ~~that has expired for no more than 2 years~~ ~~is~~ shall be all lapsed renewal fees ~~plus~~ \$50.
- i) General
- 1) All fees paid pursuant to the Act and this Section shall be made ~~payable~~ to the Department of Financial and Professional Regulation and are non-refundable.
 - 2) The fee for the issuance of a duplicate or replacement license or pocket card, ~~for the issuance of a replacement license or pocket card for a license or pocket card that has been lost or destroyed, for the issuance of a license with a change of name or address other than during the renewal period, or for the issuance of a license with a change of location of business,~~ is \$25.
 - 3) The fee for a certification of a licensee's record for any purpose is \$25.
 - 4) ~~The fee for a wall license showing registration shall be the cost of producing the license.~~

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- ~~45~~) The fee for a roster of ~~licensees~~ ~~persons licensed under the Act~~ or ~~for~~ a list of licensees sponsored by ~~the~~ sponsoring broker ~~is~~ ~~shall be~~ the cost of producing the roster.
- ~~56~~) Applicants for an examination as a leasing agent, broker, managing broker, salesperson or instructor or real estate auction certification holder shall be required to pay a fee covering the cost of providing the examination. If a designated testing service is utilized for the examination, the fee shall be paid directly to the designated testing service. Failure to appear for the examination on the scheduled date, at the time and place specified, after the applicant's application for examination has been received and acknowledged, shall result in the forfeiture of the examination fee.
- ~~67~~) The fee for requesting a waiver of CE ~~continuing education~~ requirements pursuant to Section 5-70(b) of the Act, or for requesting credit for CE obtained while out-of-state pursuant to Section 5-75 of the Act, ~~is~~ ~~shall be~~ \$25.
- ~~78~~) The fee for processing a sponsor card other than at the time of original licensure is \$25.
- ~~89~~) The fee for a copy of a transcript of the proceedings under Section 20-62 of the Act ~~is~~ ~~shall be~~ the cost of a copy of the transcript. A copy of the balance of the record will be provided at the Division's cost ~~offer~~ producing the record.
- ~~940~~) The fee for certifying the record referred to in Section 20-73 of the Act is \$1 per page ~~of the record~~.
- ~~1044~~) The Division may charge an administrative fee, not to exceed \$500, as a part of a compliance agreement issued with an administrative warning letter pursuant to Section 20-20 of the Act.
- ~~1142~~) Each university, college, community college or school supported by public funds shall be exempt from the school licensure fees provided each university, college, community college or school meets the following criteria and certifies to the Division that:

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- A) the facility is supported by public funds;
- B) the instructors are considered full-time faculty and are supported by public funds or if the administrator of the real estate school/program/curricula is considered full-time with exclusive responsibility for the administration of the real estate school/program/curricula and is supported by public funds;
- C) the program, pre-license and/or ~~CE~~continuing education revenues are deposited into the general fund of the university, college, community college or school, as are other appropriated public funds; and
- D) the program, pre-license and/or ~~CE~~continuing education is not a for-profit division of the university, college, community college or school.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.140 Renewals

- a) Every leasing agent license ~~expires~~issued under the Act shall expire on July 31 of each even-numbered year.
- b) Every ~~saleperson~~salesperson's license ~~expires~~issued under the Act shall expire on April 30, 2012.
- c) Every ~~broker~~broker's license ~~expires~~issued under the Act shall expire on April 30 of each even-numbered year. ~~Sponsoring brokers shall also submit a properly completed consent to audit and examine special accounts form.~~
- d) Every managing ~~broker~~broker's license ~~expires~~issued under the Act shall expire on April 30 of each odd-numbered year; ~~except that the initial managing broker renewal after the transition period found in Section 5-47 of the Act will be on April 30, 2013.~~ Sponsoring brokers shall also submit a properly completed consent to examine and audit special accounts form at this time.
- e) The first renewal for a real estate auction certification is on December 31, 2018. Thereafter, each real estate auction certification expires on December 31 of each

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even-numbered year. A real estate auction certificate holder whose license has been expired for more than 2 years shall be required to meet the requirements for a new certificate.

- fe) Every ~~license issued to a~~ corporation, limited liability company, partnership, limited partnership, limited liability partnership and ~~or~~ branch office license expires under the Act shall expire on October 31 of each even-numbered year. Each renewal, the licensee ~~The holder of the license~~ shall submit the following:
- 1) A properly completed consent to ~~audit and~~ examine an audit special accounts form; and
 - 2) Notice of any ~~A properly completed~~ change of business information ~~form~~ as provided for in Section 1450.150, if applicable.
- gf) Renewal applications shall be submitted on forms provided by the Division. All renewals shall include the name and license number of the sponsoring broker. Failure to receive a renewal form, or failure to pay the renewal fee, from the Division shall not constitute a valid reason ~~an excuse~~ for failure to pay the renewal fee or to renew one's license.
- hg) Practicing or offering to practice on an expired or inoperative license shall constitute unlicensed ~~or unauthorized~~ practice and shall be grounds for discipline pursuant to Section 20-20 of the Act.
- ih) Any leasing agent, ~~salesperson,~~ broker or managing broker whose license under the Act has expired is eligible to renew ~~the license~~ without paying any lapsed renewal or restoration fee, and any person with a real estate auction certification that has expired is eligible to renew without paying any lapsed renewal fees or reinstatement fee, provided that the license or certification expired while the licensee, or the real estate auction certification holder, was:
- 1) on active duty with the United States Army, United States Navy, United States Marine Corps, United States Air Force, United States Coast Guard, or the State Militia called into the service or training ~~for~~ the United States; ~~or~~
 - 2) engaged in training or education under the supervision of the United States prior to induction into military service; or

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- 3) serving as an employee of the ~~Department~~Division. A licensee renewing a ~~his or her~~ license in accordance with this subsection ~~(i)(h)(3)~~ may renew the license within a period of 2 years following the termination of service and is not required to take any CE or examination to renew a refresher course or a retest. An individual renewing a license pursuant to this subsection (i) shall be issued a license equivalent to the license held when employed by the Department.
- 4) ~~After April 30, 2011 an individual renewing his or her license pursuant to this subsection (h) shall be issued a license equivalent to the license held when employed by the Division.~~
- ji) ~~As set forth in~~In accordance with Section 5-50 of the Act, any licensee whose license has expired for more than 2 years shall not be eligible for renewal of that license. Any licensee whose license has been expired for less than 2 years may renew the license at any time by complying with the requirements of this Part, by paying the fees required by Section 1450.130 and ~~by providing~~ satisfactory~~the Division with evidence of completion of that the licensee has satisfactorily completed the required CE required by this Part~~continuing education courses, including 6 hours per year for each year during which the license was expired. However, no salesperson license will be renewed after April 30, 2011.
- kj) ~~As set forth in~~In accordance with Section 5-50(g) of the Act, upon request, the Division shall prepare and ~~mail or~~ deliver by mail or electronically to the sponsoring ~~real estate~~ broker a listing of licensees who, according to ~~the records of~~ the Division, are sponsored by that sponsoring broker. The sponsoring broker shall notify the Division concerning any inaccuracies in the listing within 30 days after its receipt.
- lk) A notice of renewal shall be sent to all sponsoring brokers, by mail or electronically~~electronic means~~, for ~~each~~ of the sponsored licensees of a~~for the~~ sponsoring broker.
- m) Licensees engaging in licensed activities in the form of a corporation, limited liability company, partnership, limited partnership or limited liability partnership must:

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- 1) maintain active status/good standing with the appropriate office within the jurisdiction where it is registered or authorized to transact business (i.e., Secretary of State, etc.); and
- 2) notify the Division in writing within 48 hours of any change to its status/registration resulting in the inability to transact business (i.e., dissolved, etc.) in the jurisdiction in which it is registered/was authorized to transact business.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.145 Restoration

- a) A person applying for restoration of a leasing agent license expired for more than 2 years but less than 5 years shall submit the following:
 - 1) A signed and completed leasing agent restoration application on forms provided by the Division;
 - 2) Proof of completion of the CE requirements set forth in Section 1450.250 for the most recent renewal period that ended immediately prior to the date of restoration application;
 - 3) Proof of successful completion of the 15 hour leasing agent pre-license course set forth in Section 5-10(a)(5) of the Act; and
 - 4) The required fee set forth in Section 1450.130.
- b) A person applying for restoration of a broker license expired for more than 2 years but less than 5 years shall submit the following:
 - 1) A signed and completed broker restoration application on forms provided by the Division;
 - 2) Proof of completion of the CE requirements set forth in Section 1450.450 for the most recent renewal period that ended immediately prior to the date of restoration application;

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- 3) Proof of successful completion of the 30 hour broker post-license courses set forth in Section 1450.1105(c); and
 - 4) The required fee set forth in Section 1450.130.
- c) A person applying for restoration of a managing broker license expired for more than 2 years but less than 5 years shall submit the following:
- 1) A signed and completed managing broker restoration application on forms provided by the Division;
 - 2) Proof of completion of the CE requirements set forth in Section 1450.540 for the most recent renewal period that ended immediately prior to the date of restoration application;
 - 3) Proof of successful completion of the 45 hour managing broker pre-license courses set forth in Section 1450.1105(d); and
 - 4) The required fee set forth in Section 1450.130.
- d) A person with a license expired for more than 5 years shall submit a new application with the required fee for the applicable license to be reconsidered for licensure.

(Source: Added at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.150 Licensee Change of Information

- a) Each~~It is the responsibility of each~~ licensee shall~~to~~ immediately notify the Division of any change of name, address or office location. For example, if the licensee changed names~~has had a name change either~~ by court order or due to marital status~~a change in marital status~~, the licensee shall notify the Division of the name change together~~with~~ a copy of the marriage certificate or portions of the court order relating to the name change, and indicate the~~under which~~ name for licensure~~the license shall issue~~. If the licensee regularly practices under a diminutive of the licensee's~~his or her~~ first name (e.g., Meg for Margaret or Mark for Mariusz or Sam for Shamim), last name or a middle name instead of the licensee's full legal name, the licensee shall notify the Division of the alternate name. The~~To help ensure proper credit, the~~ licensee shall ensure that all

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~~CE~~~~continuing education~~ certificates are issued under the name of licensure.

- b) ~~Each~~~~It is the responsibility of each~~ sponsoring broker ~~shall~~~~to~~ immediately notify the Division of any change of business information.
- 1) When a licensee acquires or transfers any interest in a licensed corporation, limited liability company, partnership, ~~or~~ limited partnership or limited liability partnership licensed under the Act, the sponsoring broker shall submit ~~to the Division~~ a notice as prescribed by the Department.
 - 2) When a licensee becomes an officer, ~~or~~ manager, member or partner of a corporation, limited liability company, partnership, ~~or~~ limited partnership or limited liability partnership licensed under the Act, the sponsoring broker shall submit ~~to the Division~~ a notice as prescribed by the Department. Any changes in named managing brokers, office or branch ~~or principal offices~~ shall be reported in writing to the Division within 15 days ~~after the change~~.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.160 Dual Licensure

- a) A licensee may not simultaneously hold licenses as a:
- 1) managing broker and leasing agent;
 - 2) managing broker and broker; or
 - 3) broker and leasing agent.
- b) Upon the issuance of a new license, the prior license shall be cancelled.

(Source: Added at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.170 Exemption Under Section 5-20(1) of the Act

An owner seeking the exemption set forth in Section 5-20(1) of the Act must be the sole owner of the property.

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(Source: Added at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART B: LEASING AGENT LICENSING AND EDUCATION ~~FOR LEASING AGENT~~**Section 1450.200 Leasing Agent General Provisions**

- a) A licensed leasing agent shall not engage in any licensed activities other than ~~licensed~~~~those~~ activities ~~related~~~~relating~~ to ~~the~~ leasing of residential real property. A licensed leasing agent may not offer or negotiate the purchase, sale, auction or exchange of real estate, or engage in any other licensed activities described in Section 1-10 of the Act ~~that do not~~ ~~relate~~~~relating~~ to ~~the~~ leasing ~~of~~ residential real property~~estate~~.
- b) No person other than a ~~licensed~~~~duly authorized~~ managing broker, broker, ~~salesperson~~ or leasing agent or a duly authorized person~~an individual~~ working under a 120 day leasing agent student permit shall engage in leasing, ~~for~~ ~~compensation~~, residential real property for compensation~~leasing activities for which a license is required under the Act~~.
- c) No leasing agent licensee may accept compensation for the performance of leasing residential real property~~agent activities~~ except from the sponsoring broker by whom the licensee is sponsored~~employed~~.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.205 Leasing Agent Pre-License Education

An applicant for a leasing agent license must complete 15 credit hours of instruction as set forth in Section 5-10(a)(5) of the Act. All pre-license education courses, schools and instructors relating to leasing agent licensure must be approved by the Advisory Council and licensed pursuant to Subpart K.

(Source: Added at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.210 Leasing Agent Examination Requirement

- a) The Division or its designated testing service shall conduct the examinations at times and places as the Division shall approve.

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- b) ~~An applicant shall have one year from the date of receipt of a passing examination score to submit an application to the Division and to meet the requirements for licensure. If a person who has received a passing score on the examination fails to file an application and meet all requirements for a leasing agent license within one year after receiving a passing score on the examination, credit for the examination shall terminate. The person thereafter may make a new application for examination.~~
- c) ~~If a person fails an individual has failed~~ the examination four times, the ~~person individual~~ must repeat the pre-license education requirement set forth in Section 5-10 of the Act prior to taking the examination again.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.220 Application for Issuance of Leasing Agent License by Examination

- a) Each applicant for a leasing agent license shall submit to the Division:
- 1) A signed and completed application on forms provided by the Division;
 - 2) The required fee set forth in Section 1450.130;
 - 3) Proof of successful completion of the examination authorized by the Division;
 - 4) A properly completed sponsor card form as set forth in Section 1450.110; and
 - 5) A transcript, if applicable.
- b) ~~Within~~The Division shall, within 30 days after receipt ~~and approval of a~~ the copy of the sponsor card, required fees and other documentation, ~~the Division shall submitted by the issuing broker,~~ issue a leasing agent license and a pocket card to the ~~sponsored~~ licensee or notify the applicant of the basis for denial~~why the license cannot be issued.~~
- b) ~~A leasing agent license shall be readily available to the public as provided for in Section 1450.730. Each licensee shall carry on his or her person the pocket card~~

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~~or, if a pocket card has not yet been issued, a properly issued sponsor card, when engaging in any licensed activity. The licensee shall display the pocket card or sponsor card upon demand.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.230 Leasing Agent Termination of Employment (Repealed)

- a) ~~Upon termination of employment of a leasing agent licensee, the sponsoring broker shall immediately:~~
 - 1) ~~endorse the leasing agent's license as provided on that document;~~
 - 2) ~~submit a photocopy of the endorsed license to the Division within 2 days after termination by regular mail or a signature restricted delivery service determined appropriate by the sponsoring broker;~~
 - 3) ~~retain a copy of the endorsed license at least until the expiration date printed on that license; and~~
 - 4) ~~give the original endorsed license indicating the termination to the licensee.~~
- b) ~~Once a license is endorsed, the leasing agent licensee is prohibited from practicing until the licensee is again issued a properly completed sponsor card.~~

(Source: Repealed at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.240 Leasing Agent 120 Day Student Permit

- a) Pursuant to Section 5-5(d) of the Act, a person engaging in leasing residential real estate practice under the provisions of this Section may first obtain a 120 day leasing agent student permit. A permit holder shall comply with all provisions of the Act and this Subpart as if the permit holder were a leasing agent licensee, and shall be subject to standards of practice and disciplinary provisions as if the permit holder were a leasing agent licensee. A sponsoring broker ~~for supervising~~ a permit holder shall be responsible for the activities and actions of a permit holder as if the permit holder were a leasing agent licensee. A permit holder student leasing agent may only be sponsored by one sponsoring broker during the 120 day

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period.

- b) Within 24 hours after employing, or associating with, a permit holder, a sponsoring broker shall submit the following information to the Division on forms provided by the Division:
- 1) the name, address and other information requested by the Division to identify the permit holder and sponsoring broker; and
 - 2) certification by the permit holder and the sponsoring broker or named managing broker that the permit holder:applicant
 - A) has not been a leasing agent licensee within the past 2 years; ~~and~~
 - B) ~~that the applicant~~ has not been a permit holder within the past 2 years;
 - C3) ~~certification that the permit holder~~ is at least 18 years of age;
 - D4) ~~certification that the permit holder~~ has successfully completed a 4 year course of study in a high school or secondary school or an equivalent course of study approved by the Illinois State Board of Education (e.g., GED); and
 - E5) ~~certification that the permit holder~~ is at the time of application, or will be within a period of 90 days, enrolled in a leasing agent course of instruction approved by the Division.
- c) Upon expiration of the 120 day leasing agent student permit period, the permit holder shall immediately cease engaging in leasing residential real estate agent activities unless the person has been issued a leasing agent sponsor card or a leasing agent license.
- d) A person shall not practice under a 120 day leasing agent student permit more than once in any 24 month period. A person who has been a leasing agent licensee within the past 24 month period shall not practice as a 120 day leasing agent student permit holder.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

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Section 1450.250 Leasing Agent Continuing Education ~~Requirements~~

- a) Each leasing agent licensee shall complete, during the ~~renewal~~pre-renewal period, ~~prior to that renewal~~ a minimum of 6 CE hours approved by the Advisory Council of continuing education (CE) that is relevant to leasing residential real property and is approved by the ~~Advisory Council~~. Approved courses shall, at a minimum, cover recent changes in the Act and other laws affecting the leasing of residential real estate, including estate and material regarding fair housing ~~laws relating to the leasing of residential real property~~.
- b) A ~~licensee renewal applicant~~ is not required to complete CE ~~comply with these~~ requirements for the first renewal following the ~~original~~ issuance of the ~~initial applicant's~~ leasing agent license.
- c) ~~CE~~Continuing education schools, instructors and courses must be approved by the Division as ~~set forth~~provided in ~~Sections~~Section 1450.1130, 1450.1145 and 1450.1155.
- d) Certification of Compliance~~Licensee compliance~~ with CE ~~Requirements~~requirements shall be certified pursuant to the following provisions:
- 1) Each ~~licensee renewal applicant~~ shall certify, on the renewal application, full compliance with the CE requirements of this Section.
 - 2) The Division may, in the context of compliance audits, require additional evidence demonstrating compliance with the CE requirements (e.g., a certificate of completion, transcripts, etc.~~attendance~~). Each licensee shall ~~it is the responsibility of each renewal applicant to~~ retain proof of CE completed ~~or otherwise produce evidence of compliance~~.
 - 3) In the context of a compliance audit, the Division shall accept verification (e.g., original transcript, certificate of attendance) submitted directly from a licensed CE school on behalf of a ~~licensee renewal applicant~~ as proof of CE compliance.
 - 4) Proof of non-compliance~~When there appears to be a lack of compliance~~ with CE requirements, ~~a licensee~~ shall ~~be~~ subject a licensee to discipline ~~as set forth in~~pursuant to this Part and the Act ~~and this Part~~.

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- e) The Division shall conduct audits to verify compliance with this Section. ~~If~~When, during an audit or compliance review, the Division determines that a licensee may be deficient in complying with CE requirements, the Division will notify the licensee, and the sponsoring broker of the licensee, by certified or registered mail, return receipt requested, or other signature restricted delivery service, of the possible deficiency. The licensee shall have 60 days from the date the deficiency notification is mailed to submit to the Division evidence of compliance with CE requirements.
- 1) If satisfactory evidence of compliance with CE requirements, ~~(as set forth in Section 1450.450(c)(2),)~~ is submitted, the Division shall notify the licensee, by first class mail or electronically to the address on file with the Department, that the licensee is in compliance.
 - 2) If the licensee ~~has~~ certified compliance with CE requirements on the licensee's most recent renewal application ~~as set forth in~~pursuant to Section 1450.450(c)(1), but cannot submit evidence of having been in compliance on ~~the date the licensee made~~ the certification date, the licensee may, during the 60 ~~day~~days notice period, submit evidence of having attained compliance with CE requirements after the date the certification was made. The ~~submission of~~ evidence of post-certification course completion must be accompanied by a ~~non-refundable administrative~~ fee of \$25 per ~~course~~ credit hour completed after the date the licensee originally certified compliance. The ~~submission of~~ evidence will not be ~~reviewed or~~ considered if the required~~proper~~ fee ~~is~~does not ~~submitted~~accompany the submission. ~~Upon submission of the evidence and appropriate fee, the evidence will be reviewed.~~ If the evidence is ~~found to be~~ satisfactory, the Division shall notify the licensee and the licensee's sponsoring broker of ~~the licensee that the licensee is in~~ compliance. ~~Credit~~Any credit hours submitted for post-certification course completion and found satisfactory may not be used as credit for the next renewal requirements.
 - 3) If the licensee fails to submit, within the 60 day notice period, satisfactory evidence of compliance with CE requirements, the failure shall be evidence of a violation of Section 20-20 of the Act regarding fraud and/or misrepresentation in applying for renewal of, or to procure, false or fraudulent representation to obtain a license ~~as set forth in~~and the

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~~continuing education requirements of~~ Article 5 of the Act. The Division shall send notice, ~~as set forth in, in accordance with~~ Section 20-60 of the Act, indicating the commencement of disciplinary proceedings. A copy of ~~the~~this notice shall be sent to the sponsoring broker of the licensee.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.260 Approved Courses, Schools and Instructors for Leasing Agents
(Repealed)

~~All pre-license education courses, continuing education courses, schools and instructors relating to leasing agent licensure must be approved by the Advisory Council and licensed pursuant to Subpart K.~~

(Source: Repealed at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART C: LICENSING AND EDUCATION FOR SALESPERSON

Section 1450.300 Salesperson Educational Requirements to Obtain a License **(Repealed)**

~~An applicant for a salesperson's license must have successfully completed 45 credit hours of instruction in an approved Real Estate Transaction Course as outlined in Section 1450.1105.~~

(Source: Repealed at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.310 Salesperson Examination **(Repealed)**

- a) ~~Each applicant for a salesperson's license shall file an application for examination as determined by the designated testing service. The application shall include:~~
- ~~1) Certification that the applicant is 21 years of age, or 18 if the applicant has attained the education required by Section 5-26 of the Act. Forty-eight semester hours shall meet the minimum requirements of Section 5-26.~~
 - ~~2) Certification of graduation from high school or its equivalent (e.g., GED).~~
 - ~~3) The required fee as provided in Section 1450.130.~~
 - ~~4) Proof of one of the following:~~

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- A) ~~Currently admitted to practice law by the Supreme Court of Illinois;~~
 - B) ~~Completion of at least 45 class hours of instruction in real estate courses approved by the Advisory Council;~~
 - C) ~~Completion of a distance education course approved by the Advisory Council in accordance with Section 1450.1155.~~
- b) ~~If an applicant has failed an examination 4 times, the applicant must repeat the pre-license education in order to be readmitted to sit for the examination.~~
 - c) ~~Pursuant to Section 5-35(e) of the Act, the 4 year time period does not apply to high school or its equivalent (e.g., GED) education.~~
 - d) ~~The salesperson exam will no longer be administered after March 15, 2011.~~

(Source: Repealed at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.320 Applications for Salesperson License by Examination (Repealed)

- a) ~~Each applicant for a salesperson's license shall submit to the Division:~~
 - 1) ~~An application signed by the applicant and on which all questions have been answered;~~
 - 2) ~~The fee required by Section 1450.130;~~
 - 3) ~~Proof of successful completion of the examination authorized by the Division;~~
 - 4) ~~A properly completed sponsor card issued in accordance with Section 1450.110; and~~
 - 5) ~~Transcript, if applicable.~~
- b) ~~An applicant shall have until April 30, 2011 to file an application with the Division and to meet all of the requirements for licensure.~~

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(Source: Repealed at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.330 Application for Salesperson License by Reciprocity (Repealed)

- a) ~~Prior to May 1, 2011, a salesperson's license by reciprocity may be issued to a real estate salesperson under the following conditions:~~
- 1) ~~That the salesperson is the holder of an active license by examination in a state that has a reciprocal agreement with the Division;~~
 - 2) ~~That the standards of that state for licensing as a salesperson are substantially equivalent to or greater than the minimum standards in Illinois; and~~
 - 3) ~~The salesperson files an application on forms furnished by the Division, along with the required fee and:~~
 - A) ~~a properly completed 45 day sponsor card form;~~
 - B) ~~a statement bearing the seal of the licensing authority from each state in which the applicant is licensed, showing:~~
 - i) ~~that he or she has an active license as a salesperson in that state;~~
 - ii) ~~that the license is in good standing; and~~
 - iii) ~~any disciplinary action taken against the salesperson;~~
 - C) ~~proof of passing an approved test on Illinois specific real estate brokerage laws; and~~
 - D) ~~if the salesperson's sponsoring broker does not maintain a definite office or place of business within the State of Illinois, a written statement that:~~
 - i) ~~appoints the Director to act as the salesperson's agent upon whom all judicial and other process may be served;~~

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- ~~ii) acknowledges and agrees to abide by all of the provisions of the Act with respect to all of the salesperson's activities within and relating to the State of Illinois; and~~
 - ~~iii) assents to jurisdiction of the Division.~~
 - ~~b) Any licensee who renews a license granted under a reciprocal agreement thereby assents to jurisdiction without regard to the location of the licensee's domicile or principal business location or office locations.~~
 - ~~e) All requirements for licensure by reciprocity shall be met within one year after the date of original application or the application shall be denied and the fee forfeited. Thereafter, to be reconsidered for licensure, the applicant shall file a new application and fee.~~
 - ~~d) Salespersons licensed by reciprocity on or before April 30, 2011 must comply with the transition requirements of Section 5-46 of the Act and this Part.~~

(Source: Repealed at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.340 Salesperson Continuing Education (Repealed)

- ~~a) Continuing Education Hour Requirements~~
 - ~~1) The CE requirement for a salesperson submitting a late renewal for the April 30, 2009 renewal period is 12 hours of CE approved by the Advisory Council.~~
 - ~~2) The Division shall conduct random audits to verify compliance with this Section.~~
- ~~b) Approved Continuing Education~~
 - ~~1) CE credit may be earned for verified attendance at or participation in a course offered by an approved CE school that meets the requirements set forth in Section 1450.1130.~~
 - ~~2) CE credit may also be earned for completion of a distance education~~

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~~course that is offered by an approved CE school that meets the requirements set forth in Section 1450.1155.~~

- 3) ~~Pursuant to Section 5-70 of the Act, the CE in a curriculum approved by the Advisory Council requirement shall be satisfied by successful completion of the following:~~
 - A) ~~Core Category. A minimum of 6 hours of CE in a curriculum approved by the Advisory Council. Standardized outlines or syllabi for these courses will be provided to CE schools and instructors by the Division.~~
 - B) ~~Elective Category. A maximum of 6 hours of CE in CE courses approved by the Advisory Council.~~
- 4) ~~Pursuant to Section 5-70(g) of the Act, CE credit may be earned by an approved instructor for teaching an approved CE course. Credit for teaching an approved CE course may only be earned one time per course during a prerenewal period. One hour of teaching is equal to one hour of CE.~~
- 5) ~~As provided for in Section 5-75 of the Act, if licensees have earned CE hours offered in another state or territory for which they will be claiming credit toward full compliance in Illinois, each applicant shall submit an application along with a \$25 processing fee within 90 days after completion of the CE course and prior to expiration of the license. The Advisory Council shall review and recommend approval or disapproval of the CE course provided the CE school and CE course are substantially equivalent to those approved in Illinois and provided that the course included the successful completion of a proctored examination. In determining whether the CE school and CE course are substantially equivalent, the Advisory Council shall use the criteria in Sections 5-70 through 5-85 of the Act and this Section.~~
- 6) ~~CE credit shall not be given for CE courses taken in Illinois from schools not pre-approved by the Division.~~
- 7) ~~Except for distance education CE courses, no more than 6 hours of CE may be taken in any calendar day.~~

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- 8) ~~CE credit shall not be given for pre and post licensing education courses except as specifically provided for in Section 5-70(1) of the Act.~~
- e) ~~Certification of Compliance with CE Requirements~~
- 1) ~~Each licensee shall certify on the renewal application full compliance with the CE requirements set forth in subsections (a) and (b).~~
- 2) ~~The Division may require additional evidence demonstrating compliance with the CE requirements (e.g., certificate of completion, transcript, etc.). It is the responsibility of each renewal applicant to provide proof of CE completed.~~
- 3) ~~When, during an audit or compliance review, the Division determines that a licensee may be deficient in complying with CE requirements, the Division will notify the licensee, and the sponsoring broker of the licensee, by certified or registered mail, return receipt requested, or other signature restricted delivery service, of the possible deficiency. The licensee shall have 60 days from the date the deficiency notification is mailed to submit to the Division evidence of compliance with CE requirements.~~
- A) ~~If satisfactory evidence of compliance with CE requirements set forth in subsection (c)(2) is submitted, the Division shall notify the licensee by first class mail, that the licensee is in compliance.~~
- B) ~~If the licensee has certified compliance with CE requirements on the licensee's most recent renewal application pursuant to subsection (c)(1), but cannot submit evidence of having been in compliance on the date the licensee made the certification, the licensee may, during the 60 days notice period, submit evidence of having attained compliance with CE requirements after the date the certification was made. The submission of evidence of post-certification completion must be accompanied by a non-refundable administrative fee of \$25 per course credit hour completed after the date the licensee originally certified compliance. The submission of evidence will not be reviewed or considered if the proper fee does not accompany the submission. Upon submission of the~~

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~~evidence and appropriate fee, the evidence will be reviewed. If the evidence is found to be satisfactory, the Division shall notify the licensee and the sponsoring broker of the licensee that the licensee is in compliance. Any credit hours submitted for post-certification course completion and found satisfactory may not be used as credit for the next renewal requirements.~~

- €) ~~If the licensee fails to submit within the 60 day notice period satisfactory evidence of compliance with CE requirements, the failure shall be evidence of a violation of Section 20-20 of the Act regarding false or fraudulent representation to obtain a license and the continuing education requirements of Article 5 of the Act. The Division shall send notice pursuant to Section 20-60 of the Act indicating the commencement of disciplinary proceedings. A copy of this notice shall be sent to the sponsoring broker of the licensee.~~

(Source: Repealed at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART D: BROKER LICENSING AND EDUCATION~~FOR BROKER~~**Section 1450.400 Broker Pre-License Education~~Educational Requirements to Obtain a License~~**

An applicant for a broker license must complete 90 credit hours of instruction as set forth in Section 1450.1105.

- a) ~~Prior to May 1, 2011, 120 credit hours of instruction in approved courses are required for broker applicants. Credit shall be given for class hours successfully completed in the following manner:~~
- ~~1) 45 credit hours for a Real Estate Transactions course;~~
 - ~~2) 15 credit hours for a Brokerage Administration course;~~
 - ~~3) 15 credit hours for Contracts and Conveyances;~~
 - ~~4) 15 credit hours of mandatory course work as established by the Education Advisory Council and the Division;~~

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- 5) ~~Credit for the remaining 30 class hours may be obtained by completing at least 2 of the following courses listed:~~
- A) ~~Appraisal;~~
 - B) ~~Property Management;~~
 - C) ~~Financing;~~
 - D) ~~Sales and Brokerage;~~
 - E) ~~Farm Property Management;~~
 - F) ~~Real Property Insurance.~~
- b) ~~Prior to May 1, 2011, an applicant for a broker license who is licensed as an Illinois real estate salesperson is presumed to have completed a 45 credit hour Real Estate Transactions course provided that the license has not been nonrenewed for the preceding 2 years or more. Having received 45 class hours credit as a licensed real estate salesperson, an additional 45 class hours credit cannot be earned by taking a Real Estate Transactions course.~~
- c) ~~After April 30, 2011, an applicant for a broker license must have completed 90 credit hours of instruction as set forth in Section 1450.1105.~~
- d) ~~Subsection (c) does not apply to applicants who hold an active license as a salesperson or broker on April 30, 2011 and who successfully apply for licensure under the transition provisions in Sections 5-46 and 5-47 of the Act.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.410 Broker Post-License Education Requirements~~Educational Requirement~~

- a) ~~Brokers first licensed after April 30, 2011 shall be required to complete a 30-hour post-license course and pass a pre-license school provider administered examination for the course exam prior to their first renewal of that license. This course must address course is intended to deal with the practical application of pre-licensethese topics to the practice of real estate brokerage as set forth in Section 1450.1105(c)(f).~~

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- b) ~~Brokers~~ Those taking the 30 hour post-license ~~broker~~ course during their first renewal ~~period~~ shall not be required to complete any other ~~CE~~ continuing education during that ~~renewal period~~ ~~pre-renewal cycle~~. The 30 hour post-license course must be completed within the 2 years immediately prior to the broker's first renewal.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.420 Broker Examination

- a) Each applicant for a ~~broker~~ ~~broker's~~ license shall ~~submit~~ ~~file~~ an application for examination as determined by the ~~Department, including designated testing service~~. The application shall include:
- 1) Certification that the applicant is 21 years of age, or 18 if the applicant has attained the education required by Section 5-27 of the Act. ~~48~~ ~~Forty-eight~~ semester hours or 72 quarter hours shall meet the requirements of Section 5-27(a)(1) of the Act;
 - 2) Certification of graduation from high school or its equivalent (e.g., GED);
 - 3) The required fee ~~set forth in~~ ~~required by~~ Section 1450.130; and
 - 4) Proof of one of the following:
 - A) Currently admitted to practice law by the Supreme Court of Illinois; or
 - B) Completion of ~~at least 120 hours, prior to May 1, 2011 and, after April 30, 2011,~~ 90 hours of instruction in real estate courses approved by the Advisory Council as set forth in accordance with Section 1450.1105.
- b) If a person fails the ~~An applicant who has failed an~~ examination 4 times, the person must repeat the pre-license education requirement set forth in Section 5-27(a)(5) of the Act prior to taking in order to be readmitted to sit for the examination again, in addition to the other requirements enumerated generally in Section 5-27.

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- c) As set forth in~~Pursuant to~~ Section 5-35(c) of the Act, the 4 year time period after the completion of pre-license education during which that education will be accepted applies to approved pre-license education, and does not apply to high school or its equivalent (e.g., GED) education.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.430 Application for Broker License by Examination

- a) Each applicant for a ~~broker~~broker's license shall submit to the Division:
- 1) A signed and completed application on forms provided by the Division~~which all questions have been answered~~;
 - 2) The required fee set forth in~~required by~~ Section 1450.130;
 - 3) Proof of successful completion of the examination authorized by the Division;
 - 4) A properly completed sponsor card form as set forth in~~issued in accordance with~~ Section 1450.110; and
 - 5) A transcript~~Transcript~~, if applicable;~~;~~ and
 - 6) ~~If the applicant will be a sponsoring broker, a properly completed consent to audit and examine special accounts form.~~
- b) An applicant shall have one year from the date of receipt of a passing examination score ~~on the examination~~ to submit~~file~~ an application to~~with~~ the Division and to meet ~~all of~~ the requirements for licensure.
- c) If an applicant for a broker license currently holds a leasing agent license, the leasing agent license must be eligible for renewal.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.440 Application for Broker License by Reciprocity

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- a) ~~An Illinois broker~~A broker's license ~~by reciprocity~~ shall be issued by reciprocity to a ~~real estate broker, which, for the purposes of this subsection (a), shall include a real estate salesperson after April 30, 2011,~~ under the following conditions:
- 1) ~~The~~~~That the~~ broker ~~holds~~~~is the holder of~~ an active broker~~broker's~~ license, or its equivalent, by examination in a state ~~with~~~~that has~~ a reciprocal agreement with the Division;
 - 2) ~~The broker licensing~~~~That the~~ standards of that state ~~for licensing as a real estate broker~~ are substantially equivalent to or greater than the minimum standards in Illinois;
 - 3) ~~The~~~~That the~~ broker maintains a definite place of business in the ~~broker's~~~~his or her~~ state of licensure ~~and, if the application is made prior to May 1, 2012, that the broker has been actively engaged in the real estate business as a broker in the broker's state of licensure during the immediately preceding 2 years;~~ and
 - 4) ~~The~~~~That the~~ broker submits~~files~~
 - A) an application, on forms provided~~furnished~~ by the Division; ~~along with~~
 - B) the required fee set forth in Section 1450.130~~; and~~
 - C) a statement bearing the seal of the licensing authority from each state of licensure~~in which he or she is licensed~~, showing:
 - i) ~~that he or she has~~ an active broker license ~~as a broker~~ in that state;
 - ii) ~~that~~ the license is in good standing; and
 - iii) any disciplinary action taken against the broker;
 - D) proof of passing an approved examination~~test~~ on Illinois specific real estate ~~brokerage~~ laws;
 - E) if the broker does not maintain a definite ~~office or~~ place of

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business within the State of Illinois, a written statement that:

- i) appoints the Director to act as the broker's agent upon whom all judicial and other process may be served;
 - ii) acknowledges and agrees to abide by all of the provisions of the Act and this Part with respect to all of the broker's licensed activities within and relating to the State of Illinois; and
 - iii) assents to jurisdiction of the Division; and
- FD) a properly completed 45 day sponsor card form.
- b) Any licensee who renews a license issued/granted under a reciprocal agreement ~~thereby~~ assents to jurisdiction of the Division without regard to the location of the licensee's domicile or principal business location or office locations.
 - c) All requirements for licensure by reciprocity shall be met within one year after the date of original application or the application shall be denied and the fee forfeited. Thereafter, to be reconsidered for licensure, the applicant shall submit/file a new application with the required ~~and~~ fee.
 - d) ~~Brokers licensed by reciprocity on or before April 30, 2011 must comply with the transition requirements of Section 5-47 of the Act and this Part.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.450 Broker Continuing Education

- a) Continuing Education Hour Requirements
 - 1) As set forth in ~~Pursuant to~~ Section 5-70 of the Act, each broker, except as otherwise provided in Section 5-70(b), is required to complete 6 CE hours ~~of continuing education (CE)~~ for each year of the renewal/pre-renewal period in courses approved by the Advisory Council. Licensees who complete CE after the expiration of a license are eligible for approval of CE only upon payment of ~~all fees~~ required fees set forth in Section 1450.130 ~~by this Part~~ and completion of the necessary forms. ~~In addition to~~

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~~the CE required in this subsection (a)(1), any broker filing a late renewal for the pre-renewal period ending April 30, 2010 must complete a 6-hour broker management continuing education course.~~

- 2) ~~If the broker renewal period ends within the 90 days after the initial broker license is issued, a licensee is not required to complete CE for that broker renewal period. A licensee shall complete CE requirements before the next broker renewal date. A renewal applicant is not required to complete CE requirements for the first renewal following original licensure if the initial license was issued less than 90 days prior to the expiration date.~~
 - 3) Brokers licensed in Illinois but residing and practicing in other states shall comply with the CE requirements set forth in this Section, unless they are exempt ~~as set forth in~~ pursuant to Section 5-70(b) of the Act.
 - 4) The Division shall conduct random audits to verify compliance with this Section.
- b) Approved Continuing Education
- 1) CE credit may be earned for verified attendance at or participation in a licensed course offered by a licensed and approved CE school ~~as that meets the requirements~~ set forth in Section 1450.1130.
 - 2) CE credit may also be earned for completion of a distance education course ~~that is~~ offered by a licensed and approved CE school ~~as that meets the requirements~~ set forth in Section 1450.1155.
 - 3) ~~As set forth in~~ Pursuant to Section 5-70 of the Act, the CE shall be obtained through courses in a curriculum approved by the Advisory Council and the CE requirements shall be satisfied upon by successful completion of the following:
 - A) Core Category. A minimum of 6 CE hours of CE in a core curriculum approved by the Advisory Council. Standardized curriculum outlines or syllabi for these core courses will be provided ~~to CE schools and instructors~~ by the Division. The core curriculum must include 3 hours of Core A and a minimum of 3 hours of Core B; and

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- B) Elective Category. A maximum of 6 CE hours ~~of CE in elective~~ CE courses approved by the Advisory Council.
- 4) ~~As set forth in~~ Pursuant to Section 5-70(g) of the Act, CE credit may be earned by ~~a licensed CE~~ an approved instructor for teaching ~~a licensed~~ an approved CE course. Credit for teaching ~~a licensed~~ an approved CE course may only be earned ~~once~~ one time per course during a ~~renewal~~ pre-renewal period. One hour of teaching is equal to one CE hour ~~of CE~~.
- 5) As ~~set forth~~ provided for in Section 5-75 of the Act, if licensees ~~earn~~ have earned CE credit hours ~~offered~~ in another state or territory for which they will ~~claim~~ be claiming credit toward ~~full~~ compliance in Illinois, each ~~licensee~~ applicant shall submit an application ~~and, along with~~ a \$25 ~~processing~~ fee, within 90 days after completion of the CE course and prior to expiration of the license. The Advisory Council shall review and recommend approval or disapproval of the CE course provided the CE school and CE course are substantially equivalent to those licensed approved in Illinois and provided that the CE course included the successful completion of a proctored examination. In determining whether the CE school and CE course are substantially equivalent, the Advisory Council shall use the criteria in Sections 5-70 through 5-85 of the Act and this Section.
- 6) CE credit shall not be given for CE courses taken in Illinois from schools not licensed pre-approved by the Division.
- 7) Pursuant to Section 5-70(j) of the Act, no more than 6 hours of CE credit may be taken or earned in one calendar day. The exam for a CE course or courses may be given at the end of each individual course or group of courses. For example, a licensee who intends to take 12 hours of CE may complete the exams and earn CE credit for the courses at the end of each individual course, or group of courses, provided the licensee does not exceed the 6 hour limit of instruction per calendar day referenced in Section 5-70(j) of the Act and Section 1450.1155(f) and (g) of this Part. Except for distance education CE courses, no more than 6 hours of CE may be taken in any calendar day.
- 8) CE credit shall not be given for pre- and post-licensing education courses

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except as ~~set forth~~specifically provided for in Section 5-70(1) of the Act.

- c) Certification of Compliance with CE Requirements
- 1) Each licensee shall certify, on the renewal application, full compliance with the CE requirements set forth in subsections (a) and (b).
 - 2) The Division may, in the context of compliance audits, require additional evidence demonstrating compliance with the CE requirements (e.g., certificate of completion, transcript, etc.). ~~Each licensee shall retain it is the responsibility of each renewal applicant to provide~~ proof of CE completed.
 - 3) In the context of a compliance audit, the Division shall accept verification (e.g., original transcript, certificate of attendance) submitted directly from a licensed CE school on behalf of a licensee as proof of CE compliance.
 - 4) Proof of non-compliance with CE requirements shall subject a licensee to discipline as set forth in the Act and this Part.
 - 5) The Division shall conduct audits to verify compliance with this Section. ~~If, When~~ during an audit or compliance review, the Division determines that a licensee may be deficient in complying with CE requirements, the Division will notify the licensee, and the sponsoring broker of the licensee, by certified or registered mail, return receipt requested, or other signature restricted delivery service, of the possible deficiency. The licensee shall have 60 days from the date the deficiency notification is mailed to submit to the Division evidence of compliance with CE requirements.
 - A) If satisfactory evidence of compliance with CE requirements set forth in subsection (c)(2) is submitted, the Division shall notify the licensee, by first class mail or electronically to the address on file with the Department, that the licensee is in compliance.
 - B) If the licensee ~~has~~ certified compliance with CE requirements on the licensee's most recent renewal application, as required by pursuant to subsection (c)(1), but cannot submit evidence of having been in compliance on ~~the date the licensee made~~ the

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certification date, the licensee may, during the 60 daydays notice period, submit evidence of having attained compliance with CE requirements after the date the certification was made. The ~~submission of~~ evidence of post-certification course completion must be accompanied by a ~~non-refundable administrative~~ fee of \$25 per ~~course~~ credit hour completed after the date the licensee originally certified compliance. The ~~submission of~~ evidence will not be ~~reviewed or~~ considered if the required proper fee is does not submitted accompany the submission. ~~Upon submission of the evidence and appropriate fee, the evidence will be reviewed.~~ If the evidence is ~~found to be~~ satisfactory, the Division shall notify the licensee and the licensee's sponsoring broker of ~~the licensee that the licensee is in~~ compliance. Credit~~Any credit~~ hours submitted for post-certification course completion and found satisfactory may not be used as credit for the next renewal requirements.

- C) If the licensee fails to submit, within the 60 day notice period, satisfactory evidence of compliance with CE requirements, the failure shall be evidence of a violation of Section 20-20 of the Act regarding fraud and/or misrepresentation in applying for renewal of, or to procure, false or fraudulent representation to obtain a license as set forth in and the continuing education requirements of Article 5 of the Act. The Division shall send notice to the licensee and the licensee's sponsoring broker, as set forth in pursuant to Section 20-60 of the Act, indicating the commencement of disciplinary proceedings. ~~A copy of this notice shall be sent to the sponsoring broker of the licensee.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART E: MANAGING BROKER LICENSING
AND EDUCATION ~~FOR MANAGING BROKER~~

Section 1450.500 Managing Broker Pre-Licensed Education~~Education~~ Requirements ~~to Obtain a License~~

- a) ~~An~~After April 30, 2011, an applicant for a managing broker license must ~~complete~~have completed 165 credit hours of instruction as set forth in Section 1450.1105.

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- b) An applicant for a managing broker license ~~who that obtained an Illinois real estate broker license prior to May 1, 2011, or~~ obtained an Illinois real estate broker license after April 30, 2011, by transitioning from a salesperson pursuant to Section 5-46 of the Act, is presumed to have completed the 120 credit hour pre-license education requirement for a broker license and needs ~~to only to~~ complete the 45 credit hour managing broker pre-license education requirements set forth in Section 1450.1105~~(d)(g)~~.
- e) ~~Subsection (a) does not apply to an applicant who holds an active license as a broker on April 30, 2011 and who successfully applies for licensure under the transition provisions in Section 5-47 of the Act.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.510 Managing Broker Examination

- a) Each applicant for a managing ~~broker~~broker's license shall ~~submit~~file an application for examination as determined by the Department, including designated testing service. ~~The application shall include:~~
- 1) Certification that the applicant is 21 years of age;
 - 2) Certification of graduation from high school or its equivalent (e.g., GED);
 - 3) The fee required by Section 1450.130; and
 - 4) Proof of one of the following:
 - A) Currently admitted to practice law by the Supreme Court of Illinois; or
 - B) Completion of ~~at least~~ 165 hours of instruction in real estate courses approved by the Advisory Council ~~in accordance with Section 1450.1100.~~
- b) If a person fails the~~An applicant who has failed an~~ examination 4 times, the person must repeat the pre-license education requirement set forth in Section 5-28 of the Act prior to taking~~in order to be readmitted to sit for~~ the examination again.

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- c) As set forth in~~Pursuant to~~ Section 5-35(c) of the Act, the 4 year time period after the completion of pre-license education during which that education will be accepted applies to approved pre-license education, and does not apply to high school or its equivalent (e.g., GED) education.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.520 Application for Managing Broker License by Examination

- a) Each applicant for a managing ~~broker~~broker's license shall submit to the Division:
- 1) A signed and completed application on forms provided by the Division~~which all questions have been answered~~;
 - 2) The required fee set forth in~~required by~~ Section 1450.130;
 - 3) Proof of successful completion of the examination authorized by the Division;
 - 4) A properly completed sponsor card form as set forth in~~issued in accordance with~~ Section 1450.110;
 - 5) A transcript~~Transcript~~, if applicable;
 - 6) If the applicant will be a sponsoring broker, a properly-completed consent to ~~audit and~~ examine and audit special accounts form; and
 - 7) A certification that the applicant has been actively licensed as a broker for 2 of the last 3 years~~; and~~;
 - 8) any other appropriate documentation prescribed by the Division.
- b) An applicant shall have one year from the date of receipt of a passing examination score ~~on the examination~~ to submit~~file~~ an application with the Division and to meet all of the requirements for licensure.
- c) If an applicant for a managing broker license currently holds an active broker license, the broker license must be in good standing.

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(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.530 Application for Managing Broker License by Reciprocity

- a) ~~An Illinois~~^{Effective May 1, 2011,} a managing broker license shall be issued by reciprocity ~~shall be issued~~ to a ~~person licensed as a~~ managing broker, ~~or its equivalent,~~ under the following conditions:
- 1) ~~The managing~~^{That the} broker ~~holds~~^{is the holder of} an active managing ~~broker's~~ license, or its equivalent, by examination in a state ~~with that~~ ^{has} a reciprocal agreement with the Division;
 - 2) ~~The managing broker licensing~~^{That the} standards of that state ~~for licensing as a real estate managing broker~~ are substantially equivalent to or greater than the minimum standards in Illinois;
 - 3) ~~The~~^{That the} managing broker maintains a definite place of business in ~~the managing broker's~~^{his or her} state of licensure and has been actively ~~engaging in licensed activities~~^{engaged in the real estate business} as a managing broker ~~or~~ broker ~~or salesperson~~ during the immediately preceding 2 years; and
 - 4) ~~The~~^{That the} managing broker ~~submits~~^{files}
 - A) an application, on forms ~~provided~~^{furnished} by the Division; ~~along with~~
 - B) the required fee ~~set forth in Section 1450.130;~~^{and:}
 - C) a statement bearing the seal of the licensing authority from each state ~~of licensure in which he or she is licensed,~~ showing:
 - i) ~~that he or she has~~ an active ~~license as a~~ managing broker license in that state;
 - ii) ~~that~~ the license is in good standing; and
 - iii) any disciplinary action taken against the managing broker.

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- ~~DB~~) proof of passing an approved examination test on Illinois specific real estate brokerage laws;
- ~~EC~~) if the managing broker does not maintain a definite ~~office or~~ place of business within the State of Illinois, a written statement that:
- i) appoints the Director to act as the managing broker's agent upon whom all judicial and other process may be served;
 - ii) acknowledges and agrees to abide by all of the provisions of the Act and this Part with respect to all of the managing broker's licensed activities within and relating to the State of Illinois; and
 - iii) assents to jurisdiction of the Division; and
- ~~FD~~) a properly completed 45 day sponsor card form.
- b) Any licensee who renews a license issued~~granted~~ under a reciprocal agreement ~~thereby~~ assents to jurisdiction of the Division without regard to the location of the licensee's domicile or principal business location or office locations.
- c) All requirements for licensure by reciprocity shall be met within one year after the date of original application or the application shall be denied and the fee forfeited. Thereafter, to be reconsidered for licensure, the applicant shall submit~~file~~ a new application with the required~~and~~ fee.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.540 Managing Broker Continuing Education

- a) Continuing Education Hour Requirements
- 1) As set forth in~~Pursuant to~~ Section 5-70 of the Act, each managing broker, except as otherwise provided in Section 5-70(b), is required to complete 6 CE hours ~~of continuing education (CE)~~ for each year of the renewal~~prerenewal~~ period in courses approved by the Advisory Council. Licensees who complete CE after the expiration of a license are eligible

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for approval of CE only upon payment of ~~all fees~~ required fees as set forth in Section 1450.130 ~~by this Part~~ and completion of the necessary forms.

- 2) In addition to the CE required in subsection (a)(1), all renewing managing brokers ~~renewing~~ must complete a 12 hour broker management CE course. This 12 hour broker management CE course must be completed in the classroom or by other interactive delivery method. In order to promote uniformity and consistency, the Division, with the advice of the Advisory Council, will provide a standardized curriculum/syllabus or course outline to be utilized by all licensed CE school/course providers.
 - 3) If the managing broker renewal period ends within the 90 days after the initial managing broker license is issued, a licensee is not required to complete CE for that managing broker renewal period. A licensee shall complete CE requirements before the next managing broker renewal date. A renewal applicant is not required to complete CE requirements for the first renewal following original licensure if the initial license was issued less than 90 days prior to the expiration date.
 - 4) Managing brokers licensed in Illinois but residing and practicing in other states shall comply with the CE requirements set forth in this Section, unless they are exempt under/pursuant to Section 5-70(b) of the Act.
 - 5) The Division shall conduct random audits to verify compliance with this Section.
- b) Approved Continuing Education
- 1) CE credit may be earned for verified attendance at or participation in a licensed course offered by a licensed/an approved CE school, as that meets the requirements set forth in Section 1450.1130.
 - 2) CE credit may also be earned for completion of a distance education course ~~that is~~ offered by a licensed/an approved CE school, as that meets the requirements set forth in Section 1450.1155.
 - 3) As set forth in/Pursuant to Section 5-70 of the Act, CE shall be obtained through courses in a curriculum approved by the Advisory Council and ~~the~~ CE requirements/requirement shall be satisfied upon/by successful

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completion of the following:

- A) Core Category. A minimum of 6 CE hours ~~of CE~~ in a core curriculum approved by the Advisory Council. Standardized curriculum outlines or syllabi for these core courses will be provided ~~to CE schools and instructors~~ by the Division. The core curriculum must include 3 hours of Core A and a minimum of 3 hours of Core B; and
 - B) Elective Category. A maximum of 6 CE hours ~~of CE~~ in elective ~~other CE~~ courses approved by the Advisory Council ~~(e.g., real estate tax laws)~~.
- 4) ~~As set forth in~~ Pursuant to Section 5-70(g) of the Act, CE credit may be earned by a licensed CE ~~an approved~~ instructor for teaching a licensed ~~an approved~~ CE course. Credit for teaching a licensed ~~an approved~~ CE course may only be earned ~~once one time~~ per course during a renewal ~~pre-renewal~~ period. One hour of teaching is equal to one CE hour ~~of CE~~.
 - 5) As ~~set forth~~ ~~provided for~~ in Section 5-75 of the Act, if licensees earn ~~have earned~~ CE credit hours ~~offered~~ in another state or territory for which they will claim ~~be claiming~~ credit toward ~~full~~ compliance in Illinois, each licensee applicant shall submit an application, and ~~along with~~ a \$25 processing ~~fee~~, within 90 days after completion of the CE course and prior to expiration of the license. The Advisory Council shall review and recommend approval or disapproval of the CE course provided the CE school and CE course are substantially equivalent to those licensed ~~approved~~ in Illinois and provided that the CE course included the successful completion of a proctored examination. In determining whether the CE school and CE course are substantially equivalent, the Advisory Council shall use the criteria in Sections 5-70 through 5-85 of the Act and this Section.
 - 6) CE credit shall not be given for CE courses taken in Illinois from schools not licensed ~~pre-approved~~ by the Division.
 - 7) Pursuant to Section 5-70(j) of the Act, no more than 6 hours of CE credit may be taken or earned in one calendar day. The exam for a CE course or courses may be given at the end of each individual course or group of

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courses. For example, a licensee, who intends to take 12 hours of CE may complete the exams and earn CE credit for the courses at the end of each individual course, or group of courses, provided the licensee does not exceed the 6 hour limit of instruction per calendar day referenced in Section 5-70(j) of the Act and Section 1450.1155(f) and (g) of this Part.~~Except for distance education CE courses, no more than 6 hours of CE may be taken in any calendar day.~~

- 8) CE credit shall not be given for pre- and post-licensing education courses except as set forth specifically provided for in Section 5-70(1) of the Act.
- c) Certification of Compliance with CE Requirements
- 1) Each licensee shall certify on the renewal application full compliance with the CE requirements set forth in subsections (a) and (b).
 - 2) The Division may, in the context of compliance audits, require additional evidence demonstrating compliance with the CE requirements (e.g., certificate of completion, transcript, etc.). Each licensee shall retain~~It is the responsibility of each renewal applicant to provide~~ proof of CE completed.
 - 3) In the context of a compliance audit, the Division shall accept verification (e.g., original transcript, certificate of attendance) submitted directly from a licensed CE school on behalf of a licensee as proof of CE compliance.
 - 4) Proof of non-compliance with CE requirements shall subject a licensee to discipline as set forth in the Act and Subpart I.
 - 5) The Division shall conduct audits to verify compliance with this Section. ~~If~~When, during an audit or compliance review, the Division determines that a licensee may be deficient in complying with CE requirements, the Division will notify the licensee, and the sponsoring broker of the licensee, by certified or registered mail, return receipt requested, or other signature restricted delivery service, of the possible deficiency. The licensee shall have 60 days from the date the deficiency notification is mailed to submit to the Division evidence of compliance with CE requirements.

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- A) If satisfactory evidence of compliance with CE requirements set forth in subsection (c)(2) is submitted, the Division shall notify the licensee, by first class mail, that the licensee is in compliance.
- B) If the licensee ~~has~~ certified compliance with CE requirements on the licensee's most recent renewal application ~~required by~~ pursuant to subsection (c)(1), but cannot submit evidence of having been in compliance on ~~the date the licensee made~~ the certification date, the licensee may, during the 60 days notice period, submit evidence of having attained compliance with CE requirements after the date the certification was made. The ~~submission of~~ evidence of post-certification course completion must be accompanied by a ~~non-refundable administrative~~ fee of \$25 per ~~course~~ credit hour completed after the date the licensee originally certified compliance. The ~~submission of~~ evidence will not be ~~reviewed or~~ considered if the ~~required~~ proper fee ~~is~~ does not ~~submitted~~ accompany the submission. ~~Upon submission of the evidence and appropriate fee, the evidence will be reviewed.~~ If the evidence is ~~found to be~~ satisfactory, the Division shall notify the licensee and the licensee's sponsoring broker of ~~the licensee that the licensee is in~~ compliance. ~~Credit~~ Any credit hours submitted for post-certification course completion and found satisfactory may not be used as credit for the next renewal requirements.
- C) If the licensee fails to submit ~~within the 60 day notice period~~ satisfactory evidence of compliance with CE requirements within the 60 day notice period, the failure shall be evidence of a violation of Section 20-20 of the Act regarding fraud and/or misrepresentation in applying for renewal of, or to procure, false or fraudulent representation to obtain a license as set forth in Section 5-25 and the continuing education requirements of Article 5 of the Act. The Division shall send notice ~~pursuant to~~ the licensee and the licensee's sponsoring broker, as required by Section 20-60 of the Act, indicating the commencement of disciplinary proceedings. ~~A copy of this notice shall be sent to the sponsoring broker of the licensee.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

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**Section 1450.550 Managing Broker License Transfer to Broker License Licensee
Transition Provision**

- a) An individual licensee holding an active Managing Broker license may exchange the Managing Broker license for a Broker license only if the Managing Broker license is eligible for renewal.
- 1) An individual licensee who applies to exchange a Managing Broker license in the first year of the Managing Broker term shall complete six hours of Broker CE, and shall not be required to complete any additional CE in the first Broker renewal following the exchange, provided the Broker renewal occurs within 12 months after the Managing Broker renewal. Thereafter, the Broker shall complete 12 hours of broker CE by each subsequent Broker renewal as set forth in Section 1450.450(a)(1).
- 2) An individual licensee who applies to exchange a Managing Broker license in the second year of the Managing Broker term shall complete 12 hours of Broker CE, and shall be required to complete six hours of additional Broker CE for a total of 18 hours in the first Broker renewal following the exchange. Thereafter, the Broker shall complete 12 hours of Broker CE by each subsequent renewal as set forth in Section 1450.450(a)(1).
- b) To transfer a managing broker license to a broker license an applicant shall submit to the Division:
- 1) A signed and completed application on forms provided by the Division;
and
- 2) The required fee set forth in Section 1450.130(b)(5).
- c) Upon the transfer of a managing broker license to a broker license, the managing broker license shall be cancelled. Disciplines may be added to the new broker license.
- d) To obtain a managing broker license after transferring to a broker license, a transferee shall meet the requirements of a new applicant for a managing broker license as set forth in the Act and this Part.

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- a) ~~Prior to May 1, 2011, each managing broker shall have an active license as a broker. The transition period for those licensees who are brokers as of April 30, 2011 shall be the one year period from May 1, 2011 to April 30, 2012. During the transition period, the managing broker can supervise licensees if he or she has a managing broker license or broker license issued prior to May 1, 2011. Any licensee named as a managing broker by the sponsoring broker after April 30, 2012 shall have, or obtain within 90 days after being named as a managing broker, a managing broker license.~~
- b) ~~A salesperson transitioning to a broker is not eligible to transition to a managing broker license.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART F: CORPORATIONS, LIMITED LIABILITY COMPANIES,
PARTNERSHIPS, LIMITED PARTNERSHIPS AND LIMITED LIABILITY PARTNERSHIPS

Section 1450.600 Application for Corporations, Limited Liability Companies, Partnerships, Limited Partnerships and Limited Liability Partnerships Licenses

- a) ~~Each applicant for~~Persons who desire to practice real estate in this State in the form of a corporation, limited liability company, partnership, limited partnership or limited liability partnership license shall submit; in accordance with Section 5-15 of the Act, file
- ~~1) A signed and completed an~~ 1) A signed and completed an application with the Division; on forms provided by the Division; ~~together with the following:~~
 - ~~1) If an assumed name is to be used, a copy of the assumed name certificate;~~
 - ~~2) The required fee set forth in Section 1450.130;~~
 - ~~3) A Federal Employer Identification Number (FEIN);~~
 - ~~4) A properly completed consent to examine and audit special accounts~~ 4) A properly completed consent to examine and audit special accounts ~~Consent to Examine and Audit Special Accounts form provided in the Division's applicant licensing packet;~~

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- ~~5~~4) A ~~properly~~-completed real estate ~~corporation/limited liability company/partnership~~ information form; and
- ~~5~~) ~~The fee required by Section 1450.130.~~
- 6) If an assumed name will be used, a copy of the filing or certificate authorizing it to do business, as set forth in the Assumed Business Name Act [805 ILCS 405].
- b) All requirements for a license to engage in licensed activities~~practice~~ as a corporation, limited liability company, ~~or~~ partnership, limited partnership or limited liability partnership shall be met within one year after the date of original application or the application shall be denied and the fee forfeited. Thereafter, to be considered for licensure, the applicant shall submit~~file~~ a new application with the required~~and~~ fee.
- c) Corporations, in addition to the items listed in subsection (a), shall submit the following:
- 1) A signed and completed application containing the~~The~~ name of the corporation and its registered address, a list of all officers' names~~officers~~, and the license number for each officer who is licensed as a ~~real estate~~ broker or managing broker;
 - 2) A copy of the Articles of Incorporation bearing the seal of the office, in the jurisdiction in which the corporation is organized, whose duty it is to register corporations under the laws of that jurisdiction. If it is a foreign corporation, a copy of the certificate of authority to transact business in this State, filed with the Illinois Secretary of State, is also required;
 - 3) All unlicensed officers shall submit affidavits of non-participation with the ~~corporation~~ application. Licensed ~~salespersons or~~ leasing agents shall not be officers of the corporation even if they submit an affidavit of non-participation; and
 - 4) A list of all shareholders, the number of shares of the corporation owned by each shareholder and the license number for each shareholder who is a licensee.

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- d) ~~Limited Liability Companies~~
- d1) Limited liability companies, in addition to the items listed in subsection (a), shall submit the following:
- 1A) ~~A signed and completed application containing the~~The name of the limited liability company and its registered address; ~~and,~~
- A) ~~if member-managed, a list of all members' names and the license number for each member who is licensed as a broker or managing broker;~~members, and the license number for each member who
- B) ~~if manager-managed, a list of all managers' names and the license number for each manager who is licensed as a broker or managing broker;~~has an Illinois real estate license.
- 2) If a member ~~or manager is an~~of the limited liability company is a business entity, the applicant shall ~~provide a list of all members' or managers' names and the license number for each owner, officer, manager, member or partner~~identify any licensees who are owners, officers, managers or partners of the ~~business entity who is licensed as a broker or managing broker;~~
- B) ~~A list of all managers and their broker or managing broker license numbers;~~
- 3C) A copy of the Articles of Organization filed with the Illinois Secretary of State or, if it is a foreign limited liability company, a copy of the application for admission endorsed by the Illinois Secretary of State; ~~and,~~
- 42) All unlicensed members, ~~including a member entity's owner, officer, member or partner, shall submit affidavits of non-participation~~shall submit with the limited liability company application affidavits of non-participation. Licensed ~~salespersons or~~leasing agents shall not be managers of the limited liability company even if they submit an affidavit of non-participation.
- e) Partnerships, in addition to the items listed in subsection (a), shall submit the following:

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- 1) ~~A signed and completed~~An application containing the name of the partnership, ~~and~~ its business address and a list of all general partners' names and the license number for each ~~of all general partner who is licensed as a broker or managing broker~~partners, and the broker license number of each general partner. Licensed salespersons or leasing agents shall not be general partners; and.
 - 2) An affidavit stating that the partnership has been legally formed.
- f) Limited partnerships or limited liability partnerships, in addition to the items listed in subsection (a), shall submit the following:
- 1) A signed and completed application containing the name of the limited partnership or limited liability partnership, its business address, and a list of all partners' names and the license number for each partner who is licensed as a broker or managing broker. If a partner is an entity, the applicant shall provide a list of all partners' names and the license number for each owner, officer, manager, member or partner of the entity who is licensed as a broker or managing broker.~~A letter of authority from the Secretary of State's Limited Partnership Department or, if it is a foreign limited partnership, a copy of the application for admission endorsed by the Secretary of State;~~
 - 2) A letter of authority from the Illinois Secretary of State or, if it is a foreign limited partnership or foreign limited liability partnership, a copy of the application for admission endorsed by the Illinois Secretary of State; and~~A listing of all general partners and, if any general partner is a real estate licensee, the broker or managing broker license number for each licensed general partner;~~
 - 3) Affidavits~~All unlicensed general partners must submit with the partnership application~~affidavits of non-participation from all unlicensed partners; ~~and~~
 - 4) ~~If the general partner is an entity, the identity and license number of any brokerage licensees who are owners, managers, members or partners of the entity.~~

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- g) ~~For In assessing the restrictions against a salesperson or~~ leasing agent, or group of ~~salespersons or~~ leasing agents, owning, or directly or indirectly controlling, more than 49% of a corporation, limited liability company, partnership, limited partnership or limited liability partnership, ~~as set forth in pursuant to~~ Section 5-15(e) of the Act, the following may be considered by the Division:
- 1) Corporations: ~~the Division may consider the role of any salespersons or~~ leasing agents in any limited liability company, partnership, ~~or~~ limited partnership or limited liability partnership who that may have an interest in the corporation.
 - 2) Limited Liability Companies: ~~the Division may consider the role of any salespersons or~~ leasing agents in any corporation, ~~or~~ partnership, limited partnership or limited liability partnership who are members that may serve as a member or manager of the limited liability company.
 - 3) Partnerships, Limited Partnerships or Limited Liability Partnerships: ~~the Division may consider the role of any salespersons or~~ leasing agents in any corporation or limited liability company who are partners in the partnership, limited partnership or limited liability partnership that may serve as a limited partner.
 - 4) Additional information may be requested by the Division as necessary to determine compliance with this Section restriction.
- h) ~~After receipt and approval~~ Upon receipt of the ~~required documents and review of the application, required fee and appropriate documentation,~~ the Division shall issue a license ~~to authorizing~~ the corporation, limited liability company, partnership, ~~or~~ limited partnership or limited liability partnership, to engage in the practice of real estate, or shall notify the applicant of the basis reason for ~~the~~ denial ~~of the license~~.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.610 Offices and Branch Offices

- a) A licensee's office shall be an office or branch office of the licensee's sponsoring broker.

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b) Offices

- 1) An office is any business location or structure that is owned, controlled, operated or maintained by a licensee who, at that business location or structure, is:
 - A) engaging in licensed activities;
 - B) offering real estate services to consumers;
 - C) holding out to the public that the licensee is engaging in licensed activities;
 - D) maintaining original real estate documents and records related to active or pending transactions;
 - E) maintaining current escrow records; or
 - F) meeting consumers for the purpose of engaging in licensed activities.

- 2) The following places do not constitute an office. These places are provided as examples and are not intended to be inclusive or exclusive of other places:
 - A) a motor vehicle primarily used for transportation;
 - B) a place that is solely devoted to advertising real estate matters of a general nature or to making a sponsoring broker's business name generally known;
 - C) a place that a licensee uses solely for storage or archiving of records;
 - D) a licensee's residence unless held out to the public as a location where the person is engaging in licensed activities; or
 - E) A post office box, mail drop location or other similar facility.

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c) Branch Offices

- 1a) ~~To~~A sponsoring broker wanting to operate a real estate branch office, a sponsoring broker shall submit; shall, in accordance with Section 5-45 of the Act, file
- A) ~~A signed and completed~~an application ~~with the Division~~, on forms provided by the Division; ~~together with the following:~~
- B) ~~The required fee set forth in Section 1450.130;~~
- C1) ~~A properly completed consent to examine and audit special accounts~~ Consent to Examine and Audit Special Accounts form; ~~and~~
- D2) ~~The name and license number of the~~ named managing broker of the branch office; ~~and~~
- 3) ~~All required fees under Section 1450.130.~~
- 2b) ~~After~~Upon receipt ~~and approval~~ of the ~~required documents and review of the application,~~ required fees and appropriate documentation, the Division shall issue a branch office license ~~authorizing the sponsoring broker to engage in real estate activities at that branch office or shall notify the applicant of the~~ basis ~~reason~~ for ~~the denial of the license.~~
- 3e) The name of the branch office shall be the same name as ~~that of the~~ principal ~~main~~ office, or shall clearly delineate the branch office's relationship with the principal ~~main~~ office (e.g., affiliated with, associated with, subsidiary of).
- 4d) The sponsoring broker shall not open a branch office, ~~and the sponsoring broker shall not~~ ~~or~~ have licensees working from a branch office, until ~~after~~ the branch office license number is ~~has been~~ issued.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART G: COMPENSATION AND BUSINESS PRACTICES

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Section 1450.700 SponsoringManaging Broker Responsibilities

- a) The sponsoring broker shall establish a written company policy and remain ultimately responsible for compliance with Section 1450.705. The sponsoring broker shall name a managing broker for every office or branch office.
- b) A sponsoring broker may delegate to unlicensed personnel, including but not limited to accountants, office managers, or unlicensed assistants (See Section 1450.740), activities or duties not prohibited by the Act or this Part. Any licensee who supervises unlicensed personnel shall be responsible for the unlicensed personnel's actions, as established in Sections 1450.705(d) and 1450.740(d).
- c) The sponsoring broker shall inform the Division in writing of the name and ~~license certificate~~ number of all named managing brokers employed by the sponsoring broker and the office or branch offices each named managing broker is responsible for managing.
- ~~db)~~ The sponsoring broker is ultimately~~shall be~~ responsible for issuing sponsor cards. ~~However, the sponsoring broker may delegate that responsibility to one or more managing brokers.~~
- ~~ee)~~ ~~Within~~Upon written request from the sponsoring broker, ~~within~~ 15 days after the loss of a named managing broker who will not be replaced, ~~or upon written request after the death or disability of a sole proprietor,~~ the Division ~~may~~shall issue a written authorization to allow the ~~continued~~continuing operation of ~~an~~a ~~licensed~~ office or branch office, provided that the sponsoring broker ~~or representative under a duly executed power of attorney~~ assumes responsibility, in writing, for the operation of the office or branch office and agrees to personally supervise the ~~office or branch office~~operations. No such written authorization shall be valid for more than 60 days unless extended by the Division for good cause and upon written request by the sponsoring broker. Good cause includes, but is not limited to, such circumstances as sales under contract pending closing, loss of livelihood for a sponsored licensee; and undue hardship caused to ~~clients~~sellers. The Division will honor the order of a court of competent jurisdiction appointing a legal representative for the sole purpose of closing out the affairs of a named managing broker who is deceased or adjudicated disabled, but not to actively engage in licensed activities.

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- d) ~~When a managing broker receives a renewal application from the Division for a licensee supervised by the managing broker or employed by the sponsoring broker of the manager, he or she shall notify the licensee of the receipt, personally within 7 days or by certified or registered mail or other signature restricted delivery service within 10 days. The notice shall also inform the licensee that any unprocessed renewal form will be returned to the Division by the managing broker. When a managing broker receives a renewal application from the Division for a licensee not supervised by the managing broker or employed by the sponsoring broker of the managing broker, the renewal form shall immediately be returned to the Division.~~
- e) ~~All managing brokers shall notify the Division on business letterhead of any change of business address of the offices they manage within 24 hours after any change. Change of address is required for all offices and branch offices. A license returned to the Division for the reason described in this subsection shall remain in good standing until the new licenses are issued and in the possession of the licensee.~~
- f) ~~Within a reasonable time prior to a sponsoring broker's voluntary retirement or voluntary dissolution, the sponsoring broker shall provide written notice to all sponsored licensees to allow the sponsored licensees to secure new sponsoring brokers and shall provide written notice to all active clients to allow the clients to secure brokerage agreements with new licensed brokers or managing brokers. The Division will honor the order of a court of competent jurisdiction appointing a legal representative for the sole purpose of closing out the affairs of a deceased broker or a broker who has been adjudicated disabled, who was a sole proprietor, until the real estate brokerage is closed, but not to actively engage in the brokerage business as defined in Section 1-10 of the Act.~~
- g) ~~Any violation of the Act by any licensees employed by or associated with a sponsoring broker, or by any unlicensed assistant or other unlicensed employee of a sponsoring broker, shall not be cause for suspension or revocation of a sponsoring broker's license, unless a sponsoring broker had knowledge of the Act violation. A sponsoring broker's failure to provide an appropriate written company policy or failure to properly supervise shall be cause for discipline, including suspension or revocation, of the sponsoring broker's license. Effective May 1, 2012, those licensees holding a managing broker license and named as a managing broker with the Division shall indicate that status in any marketing or advertising that includes their name. Those licensees holding a managing broker~~

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~~license and not named as a managing broker with the Division shall not represent or hold themselves out as a managing broker, but only as a broker.~~

- h) ~~After April 30, 2012, a licensee doing business as a sole proprietor must have a managing broker license.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.705 Named Managing Broker Responsibilities and Supervision

- a) When a named managing broker receives a renewal application for a licensee from the Division:
- 1) supervised by the named managing broker or employed by or associated with the sponsoring broker, the named managing broker shall notify the licensee of the receipt of the renewal application within 7 days; or
 - 2) not supervised by the named managing broker or not employed by or associated with the sponsoring broker, the renewal application shall be returned to the Division within 7 days.
- b) All named managing brokers shall notify the Division, within 24 hours, on forms provided by the Division, of any change of business address of the licensed offices or branch offices they manage. An office or branch office license returned to the Division due to change of address shall remain active until the new office or branch office license is in the possession of the named managing broker or sponsoring broker.
- c) A named managing broker shall ~~supervise~~exercise supervision over the activities of licensees and unlicensed assistants working in ~~those offices~~ or branch offices managed by the named managing broker. Supervision~~This supervision~~ of activities includes, but is not limited to:
- 1) the implementation of and communication to sponsored licensees of ~~company office~~ policies and procedures established by the sponsoring broker;
 - 2) training of licensees ~~and~~ unlicensed assistants;

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- 3) ~~supervising and assisting~~supervise and assist licensees in real estate transactions;
 - 4) supervising ~~those~~ special (escrow) accounts over which the sponsoring broker has delegated responsibility to the named managing broker in order to ensure compliance with the special (escrow) account provisions of the Act and this Part;
 - 5) supervising all advertising, in any media, of any service for which a license is required;
 - 6) familiarizing sponsored licensees with the requirements of federal and State laws and local ordinances relating to licensed activities~~the practice of real estate~~; and
 - 7) compliance with this Part for licensees and unlicensed assistants supervised by the named managing broker and licensed office or branch offices~~offices~~ under his or /her management~~supervision~~.
- b) ~~The sponsoring broker shall establish a written office policy and remain ultimately responsible for compliance with this Part. The sponsoring broker shall name a managing broker for every office.~~
- d) Any violation of the provisions of the Act ~~by on the part of~~ any licensees employed by ~~a sponsoring broker~~ or associated ~~by written agreement~~ with the sponsoring broker, or any unlicensed assistant or other unlicensed employee of a sponsoring broker, shall not be cause for suspension or revocation of ~~the license of the sponsoring broker or a~~ named managing broker's license~~broker of the sponsoring broker~~, unless ~~a named the sponsoring broker or~~ managing broker had knowledge of the ~~violation of the Act~~ violation. ~~The named managing broker's: However,~~ failure to provide an appropriate written company policy or failure to properly supervise shall be cause for discipline, including suspension or revocation, of ~~the named the license of the sponsoring broker or one or more~~ managing broker's license~~brokers~~.
- e) Sole Proprietors
- 1) A sole proprietor must have a managing broker license.

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- 2) Within 15 days after the death or adjudicated disability of a sole proprietor, the Division may issue written authorization to allow the continued operation of an office or branch office, provided that an authorized representative of the sole proprietor assumes responsibility, in writing, for operation of the office or branch office and agrees to personally supervise the office or branch office. No such written authorization shall be valid for more than 60 days unless extended by the Division for good cause shown and upon written request by the authorized representative. Good cause includes, but is not limited to, such circumstances as sales under contract pending closing, loss of livelihood for a sponsored licensee and undue hardship caused to clients. The Division will honor the order of a court of competent jurisdiction appointing a legal representative for the sole purpose of closing out the affairs of a sole proprietor who is deceased or adjudicated disabled, but not to actively engage in licensed activities.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.710 Discrimination

- a) No licensee shall enter into a listing agreement that prohibits the sale or rental of real estate to any person because of race, color, religion, national origin, sex, ancestry, age, marital status, physical or mental ~~disabilityhandicap~~, familial status, sexual orientation, military status, unfavorable discharge from the military service, order of protection status or any other class protected by Article 3 of the Illinois Human Rights Act [775 ILCS 5/Art. 3].
- b) No licensee shall perform licensed activities~~act or undertake to act as a real estate broker or real estate salesperson~~ with respect to any real estate for which~~property the disposition of which~~ is prohibited to any person because of race, color, religion, national origin, sex, ancestry, age, marital status, physical or mental ~~disabilityhandicap~~, familial status, sexual orientation, military status, unfavorable discharge from the military service, order of protection status or any other class protected by Article 3 of the Illinois Human Rights Act.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.715 Advertising

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- a) Deceptive and misleading advertising includes, but is not limited to, the following:
- 1) advertising ~~a~~ property ~~that is~~ subject to an exclusive listing agreement with a sponsoring broker other than the licensee's sponsoring broker ~~own~~ without the permission ~~of~~ and identification of the sponsoring ~~identifying~~ ~~that listing~~ broker with the exclusive listing;
 - 2) failing to remove advertising of a listed property within a reasonable time, considering ~~given~~ the nature of the advertising, the licensee's control over the removal ~~or stopping~~ of the advertising, the ease of removing ~~or stopping~~ the advertising, knowledge that the advertising was continuing and any other pertinent criteria after the earlier of the closing of a sale on the listed property or the expiration or termination of the listing agreement;
 - 3) advertising ~~a~~ property at auction as an absolute auction or auction without reserve, when ~~there is~~ a minimum bid or opening bid is required;
 - 4) advertising ~~a~~ property in a manner that creates a reasonable likelihood of confusion regarding the permitted use of the property. Examples include ~~of such advertising would be~~ advertising a property zoned single family as appropriate for multi-dwelling use by using words ~~or phrases~~ such as "apartment", "two units", or "separate living arrangement", unless that use is permitted by the zoning ordinance, a variance from the zoning ordinance, a conditional permitted use or an existing legal non-conforming use; and
 - 5) use of URL, domain name, metatag, keyword or other device or method intended to deceptively direct, drive or divert internet traffic or mislead consumers.
- b) For the purposes of this Section and Section 1450.720 ~~(Internet Advertising)~~, listing information available on a sponsoring broker ~~broker's~~ or other licensee's website, extranet or similar website, ~~site~~ but behind a firewall or similar device requiring a password, registration or other type of security clearance to access that information shall not be considered advertising.
- c) For the purposes of this Section and Section 1450.720, unsolicited marketing of

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~~licensed activities~~~~a licensee's real estate brokerage services and farming~~
(~~prospecting~~) for clients by licensees shall be considered advertising.

- d) Nothing in Section 10-30 of the Act shall require a sponsoring broker to include the name of one of its sponsored licensees on the sponsoring broker's signs or other general advertising ~~of the sponsoring broker~~.
- e) Licensees named as managing brokers with the Division shall indicate that status in any marketing or advertising that includes their name, except on "For Sale" or similar signs, as set forth in Section 10-30(g) of the Act. Licensees holding a managing broker license and not named as a managing broker with the Division shall represent or hold themselves out as a broker, not as a managing broker.
- f) Advertising for a real estate auction must contain the name and address of, when applicable:
- 1) the licensed broker or managing broker;
 - 2) the licensed auctioneer, as defined in Section 5-20(13) of the Act;
 - 3) the licensed auctioneer, as defined in Section 5-20(13) of the Act and any other auction licensee holding a real estate auction certification; or
 - 4) the licensed broker or managing broker and an auction licensee holding a real estate auction certification, who is not otherwise exempt under Section 5-20(13) of the Act.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.720 Internet Advertising

- a) Definitions. For the purposes of this Section, these terms shall be defined as follows:
- 1) Advertising or Marketing Real Property: A website~~An Internet site~~ that consists of information regarding properties ~~that have been~~ listed with a licensed real estate ~~entity~~~~brokerage company~~, the identity of that licensed real estate ~~entity~~~~brokerage company~~ or individual licensee for each property and information related to those properties.

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- 2) Advertising or Marketing of ~~Licensed Activities~~Real Estate Brokerage Services: ~~A website~~An Internet site that includes an offer or solicitation to provide licensed activities in connection with~~services related to~~ marketing or identifying real property for sale or lease.
 - 3) Page: Each html document. This can include several screens of information that are viewed by scrolling down to the end of the document.
 - 4) Frame: This refers to ~~the~~that portion of the ~~webpage~~Web page that does not change when the user links to a different site or moves to different pages.
 - 5) Scraping: This ~~term~~ refers to copying using or altering existing listing information or keywords ~~that are copied from~~ the website of another licensee, one then using or altering the listing information or keywords and posting or displaying the listing information or keywords~~Internet site and posted or displayed~~ for the benefit of the general public in front of a firewall ~~on~~at another ~~website~~site without written or electronic ~~permission~~authorization and disclosure of the original listing licensee ownership.
- b) Sponsoring Broker's Advertising or Marketing Real Property
- 1) A sponsoring broker that has permission to advertise or market~~authorized advertising or marketing~~ real property must include the following information on the page ~~whereon~~which the sponsoring broker's~~company's or firm's~~ advertisement or marketing appears ~~the following data~~:
 - A) ~~the city or geographic area in which the property being advertised or marketed is located;~~
 - A~~B~~) the sponsoring broker's~~company's~~ name as licensed~~registered~~ with the Division or the assumed name it properly submitted to~~has registered with~~ the Division (commonly recognized abbreviations are permitted); ~~and~~
 - B) the city or geographic area where the property being advertised or marketed is located; and

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- C) if the sponsoring broker does not hold a real estate ~~brokerage~~ license for the jurisdiction where the property is located, the regulatory jurisdictions ~~wherein which~~ the sponsoring broker does hold a real estate ~~brokerage~~ license.
- 2) When a sponsoring broker is advertising a property that is subject to an exclusive listing agreement with another sponsoring broker, the sponsoring broker seeking to advertise the property shall obtain permission from and identify in the advertisement the sponsoring broker with the exclusive listing.
- 3) If this information is ~~contained~~ on the frame ~~of~~ on the sponsoring broker's ~~website~~ site, it ~~need~~ does not ~~have to~~ be included on every ~~website~~ page ~~of the site~~.
- c) Sponsoring Broker's Home Page
- 1) A sponsoring broker advertising or marketing ~~licensed activities~~ real estate ~~brokerage services~~ must include the following information on the ~~sponsoring broker's company's~~ home page ~~or on a clearly identified link appearing on that page~~ the following data:
- A) the ~~sponsoring broker's company or firm's~~ name as licensed ~~registered~~ with the Division or the assumed name it properly submitted to ~~has registered with~~ the Division (commonly recognized abbreviations are permitted); and
- B) the city and state ~~wherein which~~ the ~~sponsoring broker's company's~~ principal office is located.
- 2) If this information is ~~contained~~ on the frame ~~of~~ on the sponsoring broker's ~~website~~ site, it ~~need~~ does not ~~have to~~ be included on every ~~website~~ page ~~of the site~~.
- d) Licensee's Advertising or Marketing
- 1) Any licensee with permission to advertise or market ~~who has authorized advertising or marketing~~ real property must include the following

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~~information whereon the page of the site on which~~ the licensee's advertisement or ~~marketing information~~ appears ~~the following data:~~

- A) the licensee's name as licensed with the Division or the assumed name the licensee properly submitted to the Division;
 - B) the city or geographic area ~~wherein which~~ the property being advertised or marketed is located;
 - C) the name of the ~~sponsoring broker with which~~ company with which the licensee is ~~associated, affiliated~~ as that sponsoring broker's company name is ~~licensed registered~~ with the Division, or the assumed name the sponsoring broker properly submitted to it ~~has registered with~~ the Division (commonly recognized abbreviations are permitted); and
 - D) if the licensee does not hold a real estate ~~broker or salesperson~~ license for the jurisdiction ~~wherein which~~ the property is located, the regulatory jurisdictions ~~wherein which~~ the licensee does hold a real estate ~~broker or salesperson~~ license.
- 2) If this information is ~~contained~~ on the frame ~~of~~ the licensee's website, it ~~need~~ does not ~~have to~~ be included on every website page ~~of the site~~.
- e) Licensee's Home Page
- 1) A licensee advertising or marketing ~~licensed activities~~ real estate brokerage ~~services~~ must include the following information on the licensee's ~~this or her~~ home page ~~the following data:~~
 - A) the licensee's name as licensed with the Division or the assumed name the licensee properly submitted to the Division;
 - B) the name of the sponsoring broker with which company with which the licensee is ~~associated, affiliated~~ as that sponsoring broker's company name is ~~licensed registered~~ with the Division, or the assumed name the sponsoring broker properly submitted to it

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~~has registered with~~ the Division (commonly recognized abbreviations are permitted); and

- C) the city and state ~~wherein which~~ the licensee's office is located.
- 2) If this information is ~~contained~~ on the frame ~~of on~~ the licensee's ~~website~~ site, it ~~need does~~ not ~~have to~~ be included on every ~~website~~ page ~~of the site~~.
- f) Sponsoring Broker – E-commerce or Electronic Communications
- 1) A sponsoring broker using e-commerce or electronic communications, such as e-mail, e-mail discussion groups and bulletin boards for marketing or transactional purposes, must include the following information on the first or last page of all communications ~~the following data~~:
- A) the ~~sponsoring broker's company or firm's~~ name as ~~licensed~~ registered with the Division or the assumed name it ~~properly submitted to~~ has registered with the Division (commonly recognized abbreviations are permitted); and
- B) the city and state ~~wherein which~~ the sponsoring broker's ~~principal~~ main office, or the office from which the communication originated, is located.
- 2) This subsection (f) shall not apply to communications between a sponsoring broker and a member of the public provided that the member of the public ~~has~~ sent a communication to the ~~sponsoring broker~~ licensed company and that the sponsoring broker's initial communication contained the information required in this subsection (f).
- g) Licensee – E-commerce or Electronic Communication
- 1) ~~Any~~ A licensee using e-commerce or electronic communications, such as e-mail, e-mail discussion groups, and bulletin boards, for marketing or transactional purposes, must include the following information on the first or last page of all communications ~~the following data~~:

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- A) the licensee's name as licensed with the Division or the assumed name the licensee properly submitted to the Division;
- B) the name of the sponsoring broker with which ~~company with which~~ the licensee is associated, affiliated ~~as that sponsoring broker's company~~ name is licensed, registered ~~with the Division or the assumed name the sponsoring broker properly submitted to the Division~~ (commonly recognized abbreviations are permitted); and
- C) the city and state wherein which the licensee's office is located.
- 2) This subsection (g) shall not apply to communications between a licensee and a member of the public provided that the member of the public has ~~sent~~ a communication to the licensee and that ~~the~~ licensee's initial communication contained the information required in this subsection (g).
- ~~h) It will be considered to be a violation of the Act and this Part if a licensee or sponsoring broker scrapes, as defined in this Section, listing information from another site. Listing information obtained from another Internet site and placed behind a firewall or other device that is password protected or requires registration by the consumer in order to access that information need not identify the original listing broker.~~
- hi) A sponsoring broker or other licensee may link to listing information from another website ~~Internet site~~ without approval unless the owner of the website ~~site~~ linked to specifically requires consent. Any link must be done in a way that does ~~not~~ mislead or deceive the public as to the ownership of any listing information.
- ij) All licensees, including sponsoring brokers, shall periodically review ~~the~~ advertising and marketing information on their website ~~site~~ and update the information ~~as necessary to assure that the information is current and not misleading.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.725 Office and Branch Office Identification Signs

- a) An identification sign on the outside of an office or branch office shall be of a size and nature that is it will be ~~is it will be~~ reasonably readable by the public and semi-permanent

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or affixed to the office or branch office. Building directory listings~~Listings within building directories~~ fulfill the requirements of this Section.

- b) ~~Office identification signs must be professional in appearance and meet all applicable zoning restrictions and applicable restrictive covenants.~~
- b) The identification sign must be plainly visible from an area accessible to the public.
- c) Office and branch identification signs must be professional in appearance and meet all applicable zoning restrictions and restrictive covenants.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.730 Display of Licenses

- a) A licensee's original license~~The original licenses of all licensees~~ must be readily available to the public in the principal office of the licensee's sponsoring broker and a copy must be readily available to the public at the licensee's principal office.
- b) "Readily available" may include, but is not limited to:
 - 1) being visible on a wall of a public waiting or reception area; or
 - 2) being available for viewing ~~at the sponsoring broker's principal office~~ upon request.
- c) Named managing~~Managing~~ brokers assigned to manage multiple offices~~more than one office~~ shall have copies of their license readily available in all those offices they manage, which includes offices that may, but that are not be the named managing broker's principal~~primary~~ office ~~out of which the manager works.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.735 Employment Agreements

- a) Every sponsoring broker shall have a written employment agreement with every sponsored licensee. Sole proprietors shall not be required to have an employment

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~~agreement~~~~contract~~ with themselves, but shall have a written~~an~~ employment agreement with every sponsored licensee.

- b) The written employment agreement shall be dated and signed by the parties. The employment agreement shall include, at a minimum, the employment or independent contractor relationship terms, including, but not limited to, supervision, duties, compensation, duration and termination. The term "duration", as used in this subsection, is not intended to require a specific termination date, but rather to allow the parties to negotiate the term of the employment agreement, such as "at will" or a specific length of time, and how the employment agreement is renewed or terminated. These ~~terms~~provisions shall be included in the employment agreement.
- c) The sponsoring broker shall give a copy of the fully signed employment agreement and any modifications to every ~~sponsored licensee~~employee and independent contractor ~~a copy of the employment agreement and any modifications~~.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.740 Unlicensed Assistants

- a) Licensees under the Act may ~~employ, or otherwise~~ utilize the services of, unlicensed assistants to assist them with administrative, clerical or personal activities for which a license under the Act is not required. Compensation for unlicensed ~~personal~~ assistants cannot be transaction based.
- b) An unlicensed assistant, ~~on behalf of and~~ under the supervision~~direction~~ of a licensee, may engage in the following ~~administrative, clerical or personal~~ activities ~~without being in violation of the licensing requirements of the Act.~~ This~~The following~~ list is ~~intended to be illustrative and declarative of the Act and is not intended to increase or decrease the scope of licensed activities, for which a license is required under the Act. An unlicensed assistant of a licensee may:~~
- 1) answer the telephone, take messages and forward calls to a licensee;
 - 2) submit listings and changes to a multiple listing service;
 - 3) follow up on a transaction after a contract has been signed;

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- 4) assemble documents for a closing;
- 5) secure public information from a courthouse, sewer district, water district or other repository of public information;
- 6) have keys made for a ~~company~~ listing;
- 7) draft advertising copy and promotional materials for approval by a licensee;
- 8) place advertising;
- 9) record and deposit earnest money, security deposits and rents at the direction of, and with approval by, a licensee;
- 10) complete contract forms with business and factual information at the direction of and with approval by a licensee;
- 11) monitor licenses and personnel files;
- 12) compute commission checks and perform bookkeeping activities;
- 13) place signs on property;
- 14) order items of routine repair as directed by a licensee;
- 15) prepare and distribute flyers and promotional information under the direction of and with approval by a licensee;
- 16) act as a courier to deliver documents, pick up keys, etc.;
- 17) place routine telephone calls on late rent payments;
- 18) schedule appointments for the licensee (this does not include making phone calls, telemarketing or performing other activities to solicit business on behalf of the licensee);
- 19) respond to questions by quoting directly from published information;

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- 20) sit at a property for a broker tour that is not open to the public;
 - 21) gather feedback on showings;
 - 22) perform, manage or supervise maintenance, engineering, operations, security or other building trades work and answer questions about that work;
 - ~~23) provide security;~~
 - 2324) provide concierge services and other similar amenities to existing tenants;
and
 - ~~25) manage or supervise maintenance, engineering, operations, building trades and security; and~~
 - 2426) perform other administrative, clerical ~~or~~ and personal activities for which a license under the Act is not required.
- c) An unlicensed assistant of a licensee may not perform ~~licensed~~ the following activities, including but not limited to: for which a license under the Act is required. The following list is intended to be illustrative and declarative of the Act and is not intended to increase or decrease the scope of activities for which a license is required under the Act. An unlicensed assistant of a licensee may not:
- 1) host open houses, kiosks, or home show booths or fairs;
 - 2) show property;
 - 3) interpret information ~~regarding~~ listings, titles, financing, contracts, closings or other information relating to a transaction;
 - 4) explain or interpret a contract, listing, lease agreement or other real estate document for or with anyone outside the unlicensed assistant's real estate entity ~~licensee's company~~;
 - 5) negotiate or agree to any commission, commission split, management fee or referral fee on behalf of a licensee; or

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- 6) perform any other licensed activities~~activity for which a license under the Act is required.~~
- d) Any licensee who supervises~~employs~~ an unlicensed assistant shall be responsible for the ~~actions of the unlicensed assistant's actions~~assistant taken while under the supervision of, or at the direction of, the licensee. Any licensee who permits, aids, assists or allows an unlicensed assistant to perform any licensed activities shall be in violation of the Act.
- e) ~~Any licensee who is responsible for the actions of an unlicensed assistant by statute, regulation, contract or office policy and who permits, aids, assists or allows an unlicensed assistant to perform any activity for which a license under the Act is required shall be in violation of the Act.~~
- ef) Stenographic, clerical, maintenance, engineering, operations, building trades, security or office personnel not directly engaging~~engaged~~ in licensed activities~~the practice of real estate brokerage as defined in Section 1-10 of the Act~~ are not required to be licensed.
- fg) A licensee is prohibited from acting as an ~~unlicensed~~ assistant, as provided for in this Section, for any licensee other than the licensee's~~his or her~~ sponsoring broker or a licensee sponsored by the sponsoring broker.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.745 Corporation for Indirect Payment

- a) Every sponsored licensee who forms a corporation as set forth in~~pursuant to~~ Section 10-20(e) of the Act, for the purpose of receiving the sponsored licensee's compensation, shall submit to~~file with~~ the Licensing Section of the Division a copy of the certificate of incorporation issued by the Illinois Secretary of State.
- b) A corporation, formed as set forth in~~pursuant to~~ Section 10-20(e) of the Act, may only receive compensation earned by the licensee. The corporation may not:
- 1) be licensed under the Act;~~and shall not be used by the licensee to~~
 - 2) perform licensed~~real estate~~ activities;

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- 3) sponsor, employ or associate itself with other licensees; or;
 - 4) hold itself out to the public, or advertise to the public, under the corporation's name.
- c) A corporation, as set forth in ~~formed pursuant to~~ Section 10-20(e) of the Act, may receive compensation earned by the licensee arising out of activities unrelated to licensed activities ~~the practice of real estate~~.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.750 Special Accounts

- a) Escrow Moneys Defined
 - 1) "Escrow moneys" means all moneys, promissory notes or any other type or manner of legal tender or financial consideration deposited with any person for the benefit of the parties to the transaction. A transaction exists once an agreement has been reached and an accepted real estate contract is signed, or a lease is agreed to by the parties. Escrow moneys include without limitation earnest moneys and security deposits, except those security deposits in which the person holding the security deposit is also the sole owner of the property being leased or sold and for which the security deposit is being held.
 - 2) As set forth in ~~Pursuant to~~ the terms of a written agreement between a licensee and a client, such as a property management agreement, rent moneys paid to a licensee for transmittal to the licensee's client (e.g., the owner) shall not be considered to be "escrow moneys". In addition, other moneys held in a custodial account by a licensee for transmittal to a licensee's client, as set forth in ~~pursuant to~~ the terms of a written agreement, such as a contract for deed, shall not be subject to this Section ~~these escrow rules~~.
 - 3) Earnest money constitutes escrow moneys whether in the form of personal checks, cashier's checks, money orders, cash or any other forms of legal tender.

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- b) Escrow Accounts. ~~As set forth in~~Pursuant to Section 20-20(a)(17) of the Act, sponsoring brokers who accept escrow moneys shall maintain and deposit in a special account (hereinafter referred to as an escrow account), separate and apart from personal or other business accounts, all escrow moneys entrusted to ~~the sponsoring broker~~them while acting as ~~a licensee~~the real estate brokers, escrow agents or ~~as the~~temporary custodians of the funds of others.
- 1) ~~The~~Such escrow ~~accounts~~account shall be non-interest bearing, unless the character of the deposit is such that payment of interest on the escrow account is otherwise required by law or unless the principals to the transaction specifically require, in writing, that the deposit be placed in an interest bearing account.
 - 2) If an interest bearing account is required, the recipient of the interest shall be specifically indicated, in writing, by the principals of the transaction.
 - 3) A sponsoring broker may maintain more than one escrow account.
 - 4) ~~An escrow account must be maintained by a sponsoring broker who receives escrow moneys entrusted to him or her while acting as a real estate broker, or as escrow agent, or as temporary custodian of the funds of others.~~
 - 45) Every escrow account, whether interest bearing or non-interest bearing, shall be maintained at a federally insured depository.
 - 56) Commingling Prohibited. Each sponsoring broker shall deposit only escrow moneys received in connection with any real estate transaction in an escrow account. The sponsoring broker shall not deposit personal funds in an escrow account, except ~~the sponsoring broker~~he or she may deposit from ~~the sponsoring broker's~~his or her own personal funds, and keep in any escrow account, an amount sufficient to avoid incurring service charges relating to the escrow account. The sum shall be specifically documented as being for service charges and the sponsoring broker shall have proof available that the amount of ~~the sponsoring broker's~~his or her own funds in the escrow account does not exceed the minimum amount required by the depository to maintain the account without incurring service charges. Transfer of funds as ~~set forth~~provided for in subsection (i)(4) ~~of this Section~~ shall not constitute commingling.

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- c) The sponsoring broker shall provide a receipt to the payor of any cash constituting escrow funds and shall retain a copy of the receipt.
- d) Time of Deposit of Escrow Moneys:
- 1) All escrow moneys accepted by a sponsoring broker shall be placed in the sponsoring broker's escrow account ~~not~~ later than the next business day:
 - A) following the transaction, as defined in Section 1450.100; or
 - B) After receipt of the escrow money, per the terms of the contract.~~A transaction exists once an accepted real estate contract is signed or lease agreed to by the parties.~~
 - 2) If the funds are received on a day prior to a bank holiday, or any other day on which the bank ~~or savings and loan association~~ is closed, the funds shall then be deposited on the next business day ~~upon which~~ the depository is open.
- e) A sponsoring broker serving as escrow agent shall notify all principals in writing if:
- 1) a principal fails to tender escrow moneys; ~~when~~
 - 2) a principal's payment ~~of~~ as escrow moneys is dishonored by the financial institution on which it was drawn; or
 - 3) ~~it when there~~ from the signed on the face of the governing contract ~~that to be a deficiency in~~ the amount of escrow moneys deposited is ~~deficient on deposit.~~
- f) Maintenance of Escrow Moneys on Deposit in Escrow Account. The sponsoring broker shall keep all escrow moneys on deposit in an escrow account until a transaction is consummated or terminated, except to the extent that such escrow moneys, or any part of the escrow moneys, shall be disbursed according to the provisions set forth in subsection (g).

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- g) Disbursement of Escrow Moneys. Once the payor's depository has honored the deposit of escrow funds~~Pursuant to Section 20-20(a)(17) of the Act, the sponsoring broker shall disburse escrow moneys according to the following requirements, as set forth in Section 20-20(a)(17) of the Act; however, a sponsoring broker may not disburse funds until they have been honored by the payor's depository.~~
- 1) The sponsoring broker must disburse escrow moneys upon consummation or termination of the transaction. The actual terms of the contract regarding the release of the escrow moneys shall be adhered to by the sponsoring broker holding these escrow moneys. The~~Such~~ disbursement must be according to the terms of the contract and must be:
 - A) made not later than the next business day following the sponsoring broker's receipt of notice of the consummation or termination of the transaction; or
 - B) otherwise disbursed in accordance with the written direction of all principals to the transaction or their duly authorized agents.
 - 2A) Commissions and/or fees earned by a sponsoring broker in any transaction shall be disbursed by that sponsoring broker from the funds deposited in an escrow account no earlier than the day the transaction is consummated or terminated and not later than the next business day after the transaction is consummated or terminated; or otherwise in accordance with the written direction of all principals to the transaction or their duly authorized agents.
 - 3B) Authorized disbursements are those that are made on behalf of, and at the written direction of, all principals to the transaction or their duly authorized agents.
 - 4C) A sponsoring broker shall not withhold, for any period of time, an authorized disbursement of escrow moneys due to any claim for a commission or compensation to any licensee.
 - 5D) Transfer of escrow moneys to the closing agent for the transaction may be made up to 2 business days prior to the scheduled closing.

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- ~~62~~) ~~As set forth in~~Pursuant to Section 20-20(a)(17)(A)(i) of the Act, if, prior to the consummation or termination of the transaction, the sponsoring broker receives written direction from all of the principals to the transaction or their duly authorized agents agreeing to a disbursement of the escrow moneys, that sponsoring broker must disburse the escrow moneys according to the written directions. ~~The~~~~Such~~ disbursement must be made not later than the next business day following the sponsoring broker's receipt of the last required written direction.
- ~~73~~) The sponsoring broker may release escrow moneys as set forth in~~pursuant to~~ Section 20-20(a)(17)(A)(ii) of the Act that allows a sponsoring broker to disburse escrow moneys prior to the consummation or termination of the transaction in accordance with directions providing for the release, payment, or distribution of escrow moneys contained in any written contract signed by the principals to the transaction or their duly authorized agents. The actual terms of the contract regarding the release of the escrow moneys shall be adhered to by the sponsoring broker holding these escrow moneys. For example,~~An example of this would be the~~ parties to a transaction signing~~signing~~ a contract to purchase that includes language allowing the earnest money to be disbursed by the sponsoring broker if the~~the~~ transaction does not close as provided for in the contract if so long as~~if so long as~~ the sponsoring broker:
- A) provides written notice to the parties as required by the contract at least 14 days prior to the intended disbursement of the earnest moneys; ~~and~~
 - B) indicates how the sponsoring broker intends to disburse the earnest money; and
 - C) indicates the date that the sponsoring broker must receive the parties' by which any written objection~~objection from a party~~ to the proposed disbursement ~~must be received by the sponsoring broker.~~
 - B) ~~In any such case, the actual terms of the contract concerning the release of the escrow moneys shall be adhered to by the sponsoring broker holding these escrow moneys.~~

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- 84) ~~As set forth in~~Pursuant to Section 20-20(a)(17)(A)(iii) of the Act and notwithstanding any other requirements or responsibilities in this Part, if the sponsoring broker receives an order from a court of competent jurisdiction providing for the disbursement of the escrow moneys, that sponsoring broker must disburse the escrow moneys according to the terms of the court order.
- 95) For the purposes of this Section, "duly authorized agent" shall mean an attorney-in-fact, ~~an~~ attorney-at-law who represents ~~that he or she is acting on behalf of~~ one of the principals to the transaction, or any other person the licensee can prove was authorized to act on behalf of a principal to the transaction.
- h) Disputes Regarding Escrow Moneys
- 1) In the event of a dispute in writing over the return or forfeiture of any escrow moneys held by the sponsoring broker or if a sponsoring broker has actual knowledge that any party to a transaction contests or disagrees with an anticipated disbursement of escrow moneys held by that sponsoring broker, ~~the sponsoring broker~~he or she shall continue to hold the deposit in ~~the sponsoring broker's~~his or her escrow account until:
- A) ~~the sponsoring broker~~until he or she has a written release from all parties or their duly authorized agents consenting to the disposition, in which case the escrow moneys must be disbursed according to the terms of the written direction no later than the next business day after the sponsoring broker's receipt of the last required written release;
- B) ~~until~~ a civil action is filed, by either the sponsoring broker or one of the parties to the transaction, to determine its disposition, at which time ~~the escrow moneypayment~~ may be deposited with ~~them~~made into court;
- C) ~~until~~ the funds are turned over to the State Treasurer or such other appropriate State agency or officer designated ~~under~~pursuant to the Act or the Uniform Disposition of Unclaimed Property Act [765 ILCS 1025], because of inactivity of the account, ~~or~~ inability to locate the parties, or inability of the parties to reach a resolution.

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- 2) If the sponsoring broker files an interpleader-action ~~is filed by the sponsoring broker,~~ and the ~~broker is authorized by~~ real estate contract authorizes the sponsoring broker to withdraw from the escrow account ~~those amounts as may be necessary~~ to reimburse the sponsoring broker for costs and reasonable attorney's fees associated with the interpleader~~that~~ action, ~~excluding~~ costs and attorney's fees associated with that sponsoring broker's attempt to collect a commission or fee are excluded.
- i) Escrow Records. Each sponsoring broker who accepts ~~escrow earnest~~ money shall maintain, in the sponsoring broker's~~his or her~~ office or place of business, a bookkeeping system in accordance with sound accounting principles, ~~that and without limiting the foregoing, the system~~ shall consist of at least the following escrow records ~~as further described below~~:
 - 1) Journal. A journal shall be maintained for each escrow account. The journal shall show the chronological sequence in which funds are received and disbursed by the sponsoring broker.
 - A) For funds received, the journal shall include the date the funds were received, the name of the person on whose behalf the funds are delivered to that sponsoring broker and the amount of the funds ~~so~~ delivered.
 - B) For funds disbursed~~fund disbursement~~, the journal shall include the date of disbursement, the payee, the check number and the amount disbursed.
 - C) A running balance shall be shown after each entry for funds received or disbursed~~(receipt or disbursement)~~.
 - 2) Ledger. A ledger shall be maintained for each transaction. The ledger shall show the receipt and the disbursement of funds affecting a single ~~particular~~ transaction such as between buyer and seller, or landlord and tenant, or the respective parties to any other relationship. The ledger shall include the names of all parties to a transaction, the amount of funds received by the sponsoring broker and the date of receipt. The ledger shall show, ~~in connection with the disbursements of funds,~~ the date of any disbursement, the payee, the check number and the amount disbursed. The

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ledger shall segregate one transaction from another transaction. There shall be a separate ledger or separate section of each ledger, as the sponsoring broker shall elect, for each type of the various kinds of real estate transactions (e.g., lease). If the ledger and journal are computer generated from the same data entry from which the journal is generated, the sponsoring broker must maintain copies of the bank deposit slips, bank disbursement slips, or other bank receipts, to account for the data on the ledger.

- 3) Monthly Reconciliation Statement. Each sponsoring broker shall reconcile, within 10 days after receipt of the monthly bank statement, each escrow account maintained by the sponsoring broker, except when there has been no transactional activity during the previous month. Reconciliation shall include a written work sheet comparing the balances as shown on the bank or savings and loan association statement, the journal and the ledger, respectively, in order to insure agreement between the escrow account, and the journal and the ledger entries for with respect to the escrow account. Each reconciliation shall be kept for at least 5 years from the last day of the month covered by the reconciliation.
- 4) If escrow moneys are transferred from an escrow account to another account for disbursement, the sponsoring broker must maintain a copy of all records reflecting a disbursement from the other account.
- 5) Master Escrow Account Log. Each sponsoring broker shall maintain a Master Escrow Account Log identifying all escrow bank account numbers, and the name and address of the bank where the escrow accounts are located. The Master Escrow Account Log must specifically include all bank account numbers opened for individual transactions, even if account numbers fall under another umbrella account number.
- 6) A sponsoring broker may employ a more sophisticated bookkeeping system based on sound accounting principles, including a system of electronic data processing equipment. Any However, any such system must contain or produce printed records containing the information required by this Section, although it need not be in the same format as provided for in this Section.

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- 7) The Division ~~may provide~~ shall have available for distribution, on request, ~~samples of an~~ approved journal, ledger, monthly reconciliation statement and Master Escrow Account Log ~~samples~~.
- 8) ~~As set forth in~~ Pursuant to Section 20-20(a)(18) of the Act, the sponsoring broker shall make available to the ~~real estate enforcement personnel of the~~ Division ~~within 24 hours after a request~~ all escrow records and related documents maintained in connection with the practice of real estate and located in the office ~~as set forth in~~ pursuant to Section ~~1450.755~~ 1450.750(i)(10) ~~within 24 hours after a request~~.
- 9) Copies of all Escrow Money Instruments. Except as otherwise provided by law, the ~~sponsoring~~ broker shall retain copies of all escrow money instruments received from a principal as part of a transaction, including copies of all personal checks, cashier's checks, certified checks, money orders, promissory notes or other financial instruments. The ~~sponsoring~~ broker shall also retain copies and/or documentation of all ~~funds disbursed from disbursements~~ or ~~transferred in transfers into~~ or out of an escrow account.
- ~~10)~~ ~~Escrow records shall be retained for 5 years. The escrow records for the immediate prior 2 years shall be available in the office location and shall be produced within 24 hours after request pursuant to Section 1450.750(i)(8). The balance of the records can be available at another location and are subject to request by the Division pursuant to Section 20-20 (a)(19) of the Act as soon as available, but no later than within 30 days after the request per Section 1450.755(a)(2).~~
- ~~1014)~~ If escrow records are lost, stolen or destroyed due to fire, flood or any other circumstances, the ~~sponsoring~~ broker must:
- A) report the loss to the Division's enforcement division within 30 days by signature restricted delivery; ~~and~~.
- B) ~~The broker must also~~ immediately obtain copies of monthly bank statements, deposit and disbursement receipts, and any other available records; to reconstruct the loss of escrow records.

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- ~~11~~2) A sponsoring broker may delegate the bookkeeping duties under this Part to another qualified person, including a named managing broker, a bookkeeper, certified public accountant, unlicensed assistant, licensed assistant or sponsored licensee. ~~Compliance~~ However, compliance with ~~the~~ bookkeeping duties remains the responsibility of the sponsoring broker. The sponsoring broker is ultimately responsible for the proper administration of the escrow account pursuant to this Part.
- j) Sponsored Licensees. Sponsoring brokers shall institute a company policy~~office policies~~ to ensure that the sponsored licensees tender escrow moneys received in compliance with this Part. Sponsored licensees, whether managing brokers~~salespersons~~, brokers or leasing agents, may not maintain their own escrow accounts.
- k) Branch Offices. Branch offices may maintain escrow accounts in compliance with this Part or may transmit all escrow moneys received to the principal~~main~~ office, but not to another branch office, ~~for compliance with this Part.~~
- 1) If the branch office does maintain escrow accounts, all of the requirements of this Part apply, including maintaining all required escrow records, and submitting to the Division all required escrow forms.
 - 2) If the branch office does not maintain escrow accounts but instead transmits all escrow moneys received to the principal~~main~~ office, all escrow moneys must be transmitted by the branch office to the principal~~main~~ office ~~no not~~ later than the next business day following the transaction. A transaction exists once an agreement has been reached and an accepted real estate contract is signed, or a lease is agreed to, by the parties. ~~The~~ Even if the branch office transmits all escrow moneys received to the main office, the branch office must maintain records showing the date the escrow moneys were ~~transmitted~~transferred to the principal~~main~~ office. ~~Funds~~ The funds received ~~by~~at the principal~~main~~ office from a branch office shall be placed in the sponsoring broker's escrow account not later than the next business day following receipt of the funds from the branch office.
- l) Escrow Requirements for Property Management Activities. Security deposits shall be maintained in an escrow account for the duration of the lease, unless the tenant waives this requirement in writing and except if prohibited by State laws

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and local ordinances. The waiver, if included in the lease, shall appear in bold print.

- m) ~~Notice~~Notification to the Division of the Identity of All Escrow Accounts and the Consent to Examine and Audit All Accounts:
- 1) Each sponsoring broker shall, at the time of the original application for licensure and at the time of renewal of licensure, on forms provided by the Division, ~~provide file with the Division~~ the name of the banks, ~~savings and loan associations~~ or other recognized depositories in which each escrow account is maintained, ~~and~~ the name of each account, and the names of the persons authorized to withdraw funds from ~~those such~~ accounts, and shall, as a condition of licensure, consent ~~on those forms~~ to the examination and audit by the Division of all escrow accounts, ~~notwithstanding~~ whether or not the account is identified on the form, ~~by the Division~~.
 - 2) A new form shall be executed by the sponsoring broker and submitted ~~to filed with~~ the Division:
 - A) within 10 days after ~~the time of~~ a change of depository, method of doing business or persons authorized to make withdrawal; ~~and~~
 - B) ~~A new form shall also be executed~~ each time a new escrow account is opened. ~~A~~ However, a new form shall not be required each time a new escrow account is opened for an individual transaction and when the account falls under an umbrella account that has already been identified in a prior form. The identity of each of these individual escrow accounts, ~~however~~, must be included in the Master Escrow Account Log ~~required by pursuant to~~ subsection (i)(5).
- n) Violations. Any licensee who violates ~~any of the provisions of~~ this Part may be deemed to have endangered the public interest ~~under pursuant to~~ Section 20(a)(21) of the Act and may be subject to a temporary suspension as set forth ~~under pursuant to~~ Section 20-65 of the Act.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.755 Recordkeeping

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- a) A sponsoring broker shall keep, or cause to be kept, escrow records, transaction records, employment agreements and records reflecting the payment of compensation, as ~~set forth~~further described in this Section.
- 1) Escrow Records for Each Interest Bearing and Non-interest Bearing Escrow Account or Account ~~Whereinto which~~ Escrow Funds Have Been Deposited. These records shall include:
- A) Journals ~~required byas defined in~~ Section 1450.750(i)(1);-
- B) Monthly bank statements;-
- C) Ledgers ~~required byas defined in~~ Section 1450.750(i)(2);-
- D) Monthly reconciliations ~~required byas defined in~~ Section 1450.750(i)(3); ~~and~~;
- E) Master Log of Escrow Accounts ~~required byas defined in~~ Section 1450.750(i)(5).
- 2) The escrow records required by subsection (a)(1) shall be maintained for 5 years. The sponsoring broker shall ensure that the escrow records for the immediate prior 2 year period are maintained in the sponsoring broker's office ~~location~~ and shall be produced within 24 hours after a request by the Division as set forth in~~pursuant to~~ Section ~~1450.750(i)(8)~~1450.175(i)(8). The balance of the records can be available at another location and is subject to request by the Division as set forth in Section 20-20(a)(27) of the Act. Any escrow records more than 2 years old and stored at a location other than the sponsoring broker's office, whether in hard copy or electronically, shall be ~~made~~ available for inspection during normal business hours as soon as available, but no later than ~~within~~ 30 days after the Division's request.
- 3) Records relating to transactions shall be retained by the sponsoring broker ~~either~~ in hard copy or electronically.
- A) These records might include copies of the following:

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- i) Residential Property Transactions: Signed contracts, including offers and counteroffers, written release of escrow funds, Dual Agency Authorization, notices of designated agency or no agency, written direction for deposit into interest bearing special account, power of attorney, disclosures (e.g., lead paint, radon, seller disclosure), closing statements and other transaction records required to be retained by the Act.
 - ii) Property Management/Leasing: Any rental finding agreement, property management agreements, leases, periodic accounting or statement to the owner regarding the receipts and disbursements, and any other documents set forth~~referred to~~ in subsection (a)(3)(A)(i) that are relevant~~pertinent~~ to the transaction.
 - iii) Commercial Representation: Tenant or owner representation agreement, letters of intent, leases, any written modifications to an executed lease and any other documents set forth~~referred to~~ in subsection (a)(3)(A)(i) that are relevant~~pertinent~~ to the transaction.
- B) The documents set forth~~listed~~ in subsection (a)(3) are not intended to be all inclusive and; rather, they are intended to be examples of relevant~~pertinent~~ documents to be retained. Any similar documents pertinent to a particular transaction shall also be retained. Any information contained on the outside of a transaction file shall be considered part of that file.
- C) Transaction records shall be maintained for 5 years. The sponsoring broker shall ensure that any transaction records involving any active or pending transaction or representation, or any transaction in which escrow funds or moneys belonging to others were received and have not yet been disbursed for the immediate prior 2 years shall be maintained in the office ~~location~~. All transaction records maintained at the office ~~location~~ shall be made available for inspection and audit during normal business hours by the Division staff no later than 24 hours after a request for escrow records and related documents. Any transaction records

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stored at a location other than the office ~~whether, in~~ hard copy or ~~electronically~~~~electronic copy~~, shall be made available for inspection during normal business hours as soon as available within 30 days after the request.

- D) Sponsoring brokers may allow their sponsored licensees to maintain ~~a duplicate of the~~ transaction records.
- 4) Employment agreements, ~~as~~ required by Section 10-20 of the Act, shall be maintained for 5 years after the sponsored licensee is no longer ~~associated~~~~affiliated~~ with the sponsoring broker. The ~~sponsoring~~ broker shall maintain ~~at the~~ written employment agreement for every licensee who is employed by or ~~associated~~~~affiliated~~ with the sponsoring broker. A copy of the employment agreement for each sponsored licensee at a branch office shall be maintained at the respective branch office.
- 5) Records reflecting the payment of compensation for the performance of licensed activities shall be maintained for 5 years.
- b) All records may be kept ~~either~~ in hard copy or electronically. If the records are kept electronically, the sponsoring broker shall ensure that a back up is made at reasonable intervals, but at least once a month, so as to protect the data but no less frequent than monthly. Backups can be kept either at the sponsoring broker's office or offsite. The escrow journal shall be reduced to hard copy at least monthly and kept at the sponsoring broker's office ~~of the sponsoring broker~~ for 60 days.
- c) Any disclosure required by the Act or this Part can be made in a paper or, if agreed to by both parties, an electronic format and may use electronic signatures. Copies of all disclosures, whether in hard copy or electronically~~electronic or in paper~~, must be retained by the sponsoring broker.
- d) If escrow records are lost, stolen or destroyed due to fire, flood or any other circumstances, the sponsoring broker must:
- 1) report the loss to the Division's enforcement division within 30 days by signature restricted delivery; and

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- 2) immediately obtain copies of monthly bank statements, deposit and disbursement receipts and any other available records, to reconstruct the loss of escrow records.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.760 Disclosure of Compensation

As set forth in~~Pursuant to~~ Section 10-10(b) of the Act, a licensee shall disclose, in writing, any compensation the licensee expects to receive or that ~~he or she knows~~ the licensee's sponsoring broker will receive, arising out of a referral to any person or entity whose services are related to the transaction, including any financial institution, insurance broker, mortgage broker, home inspector or any other third party. The written disclosure shall indicate the relationship between the licensee or the licensee's sponsoring broker and the referred person or entity, and any interest greater than 1% (see Section 10-10(c) of the Act) that the licensee or the licensee's sponsoring broker ~~has may have~~ in the referred person or entity. Section 10-10(e) of the Act applies only to an Illinois licensee's payment of compensation.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.765 Disclosure of Licensee Status

A licensee who sells, leases or purchases~~is "selling, leasing or purchasing~~ any interest", directly or indirectly, for purposes of Section 10-27 of the Act, must disclose his or her licensee status when he or she~~the licensee~~:

- a) is selling, leasing or seeking to purchase real estate~~property~~ as sole owner;
- b) is selling, leasing or seeking to purchase real estate~~property~~ as a joint tenant or tenant by the entirety;
- c) holds a beneficial interest in a land trust selling, leasing or seeking to purchase an interest in the subject real estate~~property~~;
- d) is a ~~general~~ partner in a partnership, limited partnership or limited liability partnership selling, leasing or seeking to purchase an interest in the subject real estate~~property~~;
- e) is an officer, director, and/or~~majority or controlling~~ shareholder of a corporation,

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~~other than a publicly traded corporation,~~ selling, leasing or seeking to purchase an interest in the subject ~~real estate; property;~~ or

- f) is a manager or ~~majority or controlling~~ member of a limited liability company selling, leasing or seeking to purchase an interest in the subject real estate;
or property.
- g) has any direct or indirect interest in the subject real estate.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.770 Brokerage Agreements and Listing Agreements

- a) ~~Exclusive~~All-exclusive brokerage agreements, including ~~all~~ exclusive listing agreements and exclusive buyer brokerage agreements, shall be in writing and shall indicate the minimum services that must be provided as ~~set forth~~indicated in Section 15-75 of the Act. Failure to include language in a brokerage agreement providing for minimum services as ~~set forth~~specified in Section 15-75 of the Act or language in the brokerage agreement waiving those minimum services provided for in Section 15-75 of the Act will, under the definition of "exclusive brokerage agreement" in Section 1-10 of the Act, result in the brokerage agreement being considered to be non-exclusive.
- b) ~~Written~~All-written buyer brokerage agreements, whether exclusive or non-exclusive, shall contain the following:
- 1) ~~the~~ agreed basis or amount of compensation and time of payment;
 - 2) ~~the duration of the buyer brokerage agreement clearly set forth;~~
 - 3) ~~the~~ name of the sponsoring broker and the buyer;
 - 34) ~~the~~ signatures of the sponsoring broker and the buyer or buyers and an authorized signator on behalf of the buyer ~~or sponsoring broker;~~
 - 45) ~~the~~ duties of the buyer's broker; and-
 - 5) One of the following, clearly set forth:

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- A) the duration of the buyer brokerage agreement; or
- B) the client's right to terminate the agreement annually by giving no more than 30 days prior written notice.
- c) Written~~All-written~~ listing agreements, whether exclusive or non-exclusive, shall contain the following:
- 1) ~~the~~ list price;
 - 2) ~~the~~ agreed basis or amount of commission and the time of payment of the commission;
 - 3) ~~the duration of the listing agreement, with a definite termination date clearly set forth;~~
 - 34) ~~the~~ name of the sponsoring broker and seller;
 - 45) ~~the~~ identification of the real property involved (address or legal description);
 - 56) ~~the~~ signatures of the sponsoring broker and owner or owners and an authorized signator on behalf of the owner ~~or sponsoring broker;~~
 - 67) ~~the~~ duties of the listing broker; and-
 - 7) One of the following, clearly set forth:
 - A) the duration of the listing agreement; or
 - B) the client's right to terminate the agreement annually by giving no more than 30 days prior written notice.
- d) Pursuant to Section 10-25 of the Act, ~~any~~ licensee shall only obtain ~~any~~ written brokerage agreement that either provides for automatic expiration within a definite period of time or provides the client with a right to terminate the agreement annually by giving no more than 30 days prior written notice~~containing a clause automatically extending the period of the contract.~~ Any written

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brokerage agreement ~~not~~ containing ~~such~~ a provision ~~to the contrary~~ for automatic expiration shall be void.

- e) ~~Written~~ Every written brokerage ~~agreements~~ agreement shall expressly provide that no amendment or alteration to the terms, with respect to the amount of commission or with respect to the time of payment of commission, shall be valid or binding unless made in writing and signed by the parties.
- f) No licensee shall use real estate contract forms to change previously agreed commission payment terms.
- g) If a listing agreement ~~states~~ provides that, in the event of a default by a buyer, the ~~sponsoring~~ broker's full commission or fees will be paid out of an earnest money deposit, with the remainder of the earnest money to be paid to the seller, the provision shall appear in the listing agreement in letters larger than those generally used in the listing agreement.
- h) Each brokerage agreement shall clearly state that it is illegal for either the owner or ~~any licensee~~ the broker to refuse to ~~show,~~ display, ~~lease~~ or sell to any person because of one's membership in a protected class, e.g., race, color, religion, national origin, sex, ancestry, age, marital status, physical or mental ~~disability~~ handicap, familial status, sexual orientation, unfavorable discharge from the military service, ~~military status,~~ order of protection status or any other class protected by Article 3 of the Illinois Human Rights Act.
- i) Each brokerage agreement for a residential property of 4 units or less that provides for a protection period subsequent to its termination date shall also provide that no commission or fee will be due and owing pursuant to the terms of the brokerage agreement if, during the protection period, a valid, written brokerage agreement is entered into with another ~~sponsoring~~ licensed real estate broker.
- j) A ~~licensee~~ broker may discuss a possible future brokerage agreement with a consumer whose property is exclusively listed with another ~~sponsoring~~ broker or who is subject to a written exclusive buyer brokerage agreement only ~~if~~ under the following conditions:
 - 1) ~~when~~ the consumer initiates the contact; or

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- 2) ~~the following occurs: when the current broker, upon request, fails to provide, within 10 calendar days,~~
- A) ~~the licensee makes a request, in writing and mailed return receipt requested, of the broker or sponsoring broker who has the listing agreement for~~ the type and expiration date of the brokerage agreement between the consumer and the ~~broker or sponsoring broker who has the listing agreement;~~ current broker.
 - B) ~~the licensee who has the listing agreement fails to provide a response in writing, mailed return receipt requested, within 10 calendar days;~~
 - C) ~~The request and response shall be in writing and mailed return receipt requested. If the above information from the broker or sponsoring broker who has the listing agreement is not received within 14 calendar days; and,~~
 - D) ~~the requested broker may then contact the consumer only if this information cannot be obtained by the licensee from another source of shared broker information.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.780 Referral Fees and Affinity Relationships

- a) No licensee may pay a referral fee to an unlicensed person who is not a principal to the transaction. In order to meet the license requirement, the person receiving the referral fee must be duly licensed as a ~~leasing agent, real estate~~ broker or managing broker in Illinois or hold an equivalent license of another state or country of domicile. If the person's ~~equivalent~~ country of domicile does not have a licensing statute for ~~licensees real estate agents, then,~~ in order to receive a referral fee, the person must comply with the laws, if any, of ~~the his or her~~ country of domicile concerning the practice of real estate ~~brokerage business~~.
- b) Request of Referral Fee
 - 1) No licensee may request a referral fee unless reasonable cause for payment of the referral fee exists. Reasonable cause for payment of a

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referral fee means ~~that~~:

A) an actual introduction of a client ~~was has been~~ made to a licensee;
or

B) a contractual referral fee relationship exists with the licensee.

2) No leasing agent licensee may request, or be paid, a referral fee, except for a referral fee from a lease or rental of residential real estate.

32) The fact that reasonable cause to demand a referral fee exists does not necessarily mean that a legal right to the referral fee exists.

43) A licensee is prohibited from interfering with the agency relationship of another licensee or attempting to induce a client to break a listing or an exclusive representation agreement with another licensee for the purpose of replacing that agreement with a new listing or representation agreement in order to obtain a referral fee. For purposes of this Section, an agency relationship shall be deemed to exist when a written, exclusive agency agreement (either a listing or buyer representation agreement) is entered into. Interfering with the agency relationship of another licensee includes, but is not limited to:

A) demanding a referral fee from another licensee without reasonable cause;

B) threatening to take harmful action against the client of another licensee because of their existing agency relationship and in order to obtain a referral fee; or

C) counseling the client of another licensee on how to terminate or amend an existing agency contract in order to obtain a referral fee.

54) Any activities ~~involving that involve~~ the communication of corporate relocation policies or benefits to a transferring employee, as long as that communication does not involve advice or encouragement on how to terminate or amend an existing agency contract, shall not be considered interference under subsection (b)(~~43~~).

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(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.785 Rental Finding Services

- a) Definition ~~and~~– Application
- 1) A rental finding service is any business that finds, attempts to find or offers to find, for any person who pays or is obligated to pay a fee or other valuable consideration, a unit of rental real estate or a lessee to occupy a unit of rental real estate not owned or leased by the rental finding service~~business~~.
 - 2) Any person, corporation, limited liability company, partnership, ~~or limited partnership~~ or limited liability partnership that operates a rental finding service shall be considered a licensee~~broker or salesperson as defined in the Act~~, shall obtain the appropriate~~a~~ license ~~pursuant to the Act~~ and shall comply with ~~the provisions of~~ this Section.
 - 3) ~~This~~The provisions of this Section shall not apply to persons exempted by those exempted under Section 5-20 of the Act.
- b) Contract. A rental finding service shall, prior to accepting a fee or other valuable consideration for ~~the~~ services, enter into a written contract with the person for whom services are to be performed and deliver to the person~~individual~~ a copy of the contract. The contract shall include, in the case of a rental finding service that finds, offers or attempts to find a unit of rental real estate for a person~~an individual~~, at a minimum, the following ~~provisions~~:
- 1) The term of the contract;
 - 2) The total amount to be paid for the services to be performed and a clear designation of the amount paid in advance of the performance of the services;
 - 3) A statement regarding whether~~the refund or nonrefund of~~ the fee paid in advance is refundable or non-refundable, including the following in uniform type of a size larger than that used for the balance of the contract~~that shall include~~:

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- A) ~~the~~ precise conditions, if any, upon which a refund is based;
 - B) ~~the fact that~~ the conditions shall occur within 90 days from the date of the contract; and
 - C) ~~the fact that~~ the refund shall be paid no later than 10 days after demand, provided the payment of the fee~~check~~ has been honored;
- 4) ~~The statements required by subsection (b)(3) shall be uniform in type of a size larger than that used for the balance of the contract;~~
- 45) The type of rental unit desired, the geographical area requested, and the rent the prospective tenant is willing to pay;
- 56) A detailed statement of rental finding services to be performed by the licensee, which shall include, at a minimum, the delivery to the prospective tenant of all rental information set forth~~listed~~ in subsection (c);
- 67) A statement that the contract shall be null and void if information concerning possible rental units or locations furnished by the licensee is not current or accurate with respect to the type of rental unit desired and as set forth~~described~~ in subsection (b)(4)(~~5~~). A listing for a rental unit that has not been available for rent for over 2 days shall be prima facie proof of not being current;
- 78) A statement that information furnished by the licensee concerning possible rental units may be up to 2 days old; and
- 89) A statement requiring the licensee to refund all fees paid in connection with the contract if the contract is null and void for any reason. The licensee shall not impose any condition for the refund, and the contract shall state when the refund will be paid.
- c) Disclosure. As required by~~Pursuant to~~ subsection (b)(5)(~~6~~), the following ~~written~~ information for each rental unit shall be provided, in writing, to the person with whom the contract is entered:
- 1) The name, address and the telephone number of the owner of each rental unit or the owner's authorized agent;

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- 2) A description of the rental unit;
 - 3) The amount of rent requested;
 - 4) The amount of security deposit required;
 - 5) A statement describing utilities that are located in the rental unit and included in the rent;
 - 6) The occupancy date and the term of lease;
 - 7) A statement setting forth the source of the rental information (i.e., owner, owner's authorized agent); and
 - 8) All other information that may reasonably be expected to be of concern to the prospective tenant.
- d) Permission of Owner. A rental finding service shall not list or advertise any rental unit without the express written authority of the owner or owner's authorized agent of each unit.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.790 Broker Price Opinions and Comparative Market Analysis

- a) An individual who is a licensed managing broker or broker and also a licensed appraiser as set forth in the Real Estate Appraiser Licensing Act of 2002 [225 ILCS 458] must include the broker's or managing broker's name and license number, not the appraiser's license number, on the initial page of the broker price opinion or comparative market analysis.
- b) A broker or managing broker preparing a broker price opinion or comparative market analysis that does not comply with Section 10-45 of the Act is subject to discipline for:
 - 1) false, untruthful or misleading statements;

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- 2) inadequate or improper preparation of a broker price opinion or comparative market analysis; or
- 3) any violation set forth in Section 20-20 of the Act.

(Source: Added at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART H: AGENCY RELATIONSHIPS

Section 1450.810 Failure to Disclose Information Not Affecting Physical Condition of Real Estate

This Section is intended to apply to actions taken by the Division under the Act and as well as to all civil actions in Illinois. No cause of action shall arise against a licensee for the failure to disclose:

- a) that an occupant of the real estate~~that property~~ was afflicted with Human Immunodeficiency Virus (HIV) or any other medical condition;
- b) that the real estate~~property~~ was the site of an act or occurrence that had no effect on the physical condition of the property or its environment or the structures located on that real estate, as set forth in ~~property~~ (Section 15-20 of the Act). These acts shall include, but are not limited to, murder or suicide;
- c) fact situations regarding real estate~~on property~~ that is not the subject of the transaction; or
- d) physical conditions located on real estate~~property~~ that is not the subject of the transaction and that do not have a substantial adverse effect on the value of the real estate that is the subject of the transaction.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.820 Licensee Serving as a Dual Agency Prohibition~~Agent in a Transaction in Which a Licensee is a Party to the Transaction~~

A licensee shall not serve as a dual agent in any transaction when the licensee~~to which he or she~~, or an entity in which the licensee~~he or she~~ has or will have any~~an~~ ownership interest, is a party to the transaction.

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(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.830 Disclosure of Contemporaneous Offers

"Contemporaneous offers" under Section 15-15(b) of the Act shall be offers to purchase or lease on behalf of 2 or more clients represented by the same designated agent for the same real estate parcel or unit that the designated agent knows or ~~has known or~~ has reason to know will be taken under consideration by the owners or owners' representative at the same time. If there are contemporaneous offers from 2 or more clients of a designated agent, ~~the~~ written disclosure shall be provided to the clients of the designated agent and referrals ~~of clients made~~ to other designated agents shall be completed, if requested by the client.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART I: DISCIPLINE RULES AND PROCEDURES

Section 1450.900 Unprofessional Conduct

Conduct that constitutes dishonorable, unethical or unprofessional conduct of a character likely to deceive, defraud or harm the public includes, but is not limited to:

- a) Failure to act in the best interests of a client.
- b) Deliberately misleading a client as to the market value of ~~the~~ property.
- c) Failing to advertise the property as obligated by the listing agreement.
- d) Deliberately misrepresenting to prospective purchasers or their agents the condition of ~~the~~ property or the availability of access to show the property.
- e) Purchasing or transferring of ~~the~~ property through an intermediary in order to conceal the purchase by the licensee.
- f) Inducing a seller to list ~~the~~ property through false representations.
- g) Inducing a seller through false representations or false promises to transfer ~~the~~ property to the licensee.

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- h) Taking unfair advantage of a client's or customer's age, disability or lack of understanding of the English language.
- i) Engaging in licensed activities~~conduct~~ with the public or other real estate licensees ~~in the practice of real estate~~ in a manner that is abusive, harassing or lewd.
- j) Representing oneself as a sponsoring broker or named managing broker without providing ~~the~~ actual supervision and management of the real estate entity or licensees~~business~~.
- k) Failing to reasonably safeguard confidential information or improperly using confidential information.
- l) Obstructing an inspection, audit, investigation, examination or disciplinary proceeding.
- m) Violation of Section 1450.750, (Special Accounts).
- n) Assisting or inducing a licensee to violate the Act or this Part.
- o) Any conduct constituting that constitutes a breach of duty to the client causing and causes harm to the client in the future. In establishing harm, the Department need not prove actual economic damage to the client.
- p) Use of a managing broker license to permit or enable a broker, leasing agent or other individual to operate or manage a licensed real estate entity without actual participation in and control of that entity by the named managing broker.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.905 Temporary Suspension

The Secretary may temporarily suspend ~~at the~~ license ~~of a licensee~~ without a hearing, simultaneously with the institution of proceedings for a hearing provided for in Section 20-60 of the Act, if the Secretary finds ~~that the~~ evidence indicating indicates that the public interest, safety, or welfare imperatively requires emergency action. Emergency action is imperatively required when a licensee's conduct poses a threat that the public's or another licensee's money will be

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stolen or defalcated or that ~~the~~ continued licensure of a licensee will be a threat to the safety of the public or another licensee.

- a) The Division may consider any one or more of the acts committed by a licensee including, but not limited to:
 - 1) Failure to account for or to remit any moneys or documents that belong to others, as set forth in Section 20-20(a)(16) of the Act;
 - 2) Failure to maintain and deposit in a special or escrow account, separate and apart from personal and other business accounts, all escrow moneys belonging to others entrusted to a named managing broker or sponsoring broker ~~licensee~~ while acting as a licensee ~~real estate broker~~, escrow agent or temporary custodian of the funds of others, as set forth in Section 20-20(a)(17) of the Act;
 - 3) Failure to make escrow records and related documents for the immediately preceding 2 years and located in the sponsoring broker's office available, within 24 hours after request, to real estate enforcement personnel of the Division during normal business hours ~~all escrow records and related documents for the immediate prior 2 years and located in the office and maintained in connection with the practice of real estate, within 24 hours after a request for those documents by Division personnel~~, as set forth in Section 20-20(a)(18) of the Act and Section 1450.755. ~~This of this Part; however, this action~~ alone ~~in and of itself~~ shall not be sufficient grounds for a temporary suspension;
 - 4) Failure to make escrow records and related documents more than 2 years old that may not be located in the sponsoring brokers' office available, within 30 days after request, to real estate enforcement personnel of the Division during normal business hours ~~all escrow records more than 2 years old and stored in a location other than the office, whether, in hard copy or electronically, as soon as available, but no later than within 30 days after the request~~ as set forth in Section 20-20(a)(27) of the Act and Section 1450.755; and
 - 5) Commingling money or property of others with the licensee's own money or property, as set forth in Section 20-20(a)(22) of the Act.

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- b) A petition for temporary suspension shall:
- 1) State the statutory basis for the action petitioned;
 - 2) Allege facts, supported by sufficient evidence ~~or affidavit sufficient for temporary suspension~~; and
 - 3) Be presented to the Director either in person or by telephone and in the presence of a court reporter.
- c) An order for temporary suspension shall:
- 1) Contain sufficient notice regarding the basis for the action;
 - 2) Recite the statutory basis for the action;
 - 3) Demand immediate surrender of the license; and
 - 4) Be signed by the Director.
- d) A notice of temporary suspension shall accompany the order and shall:
- 1) Set a hearing date within 30 days after the date on which the order takes effect;
 - 2) Identify the location where the hearing will take place; and
 - 3) Provide information as to where the licensee may obtain the Division's Rules of Practice in Administrative Hearings (68 Ill. Adm. Code 1110).

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.910 Non-Disciplinary Action~~Otherwise Discipline~~

Non-disciplinary action may include, but is not limited to:

- a) Restricting a licensee's access to escrow funds;

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- b) Requiring the successful completion of ~~licensed any approved~~ real estate ~~course~~~~course~~, including courses for those licensees who would otherwise not be required to complete ~~CE required by continuing education pursuant to~~ Section 5-70 of the Act;
- c) Requiring the licensee to provide any report, record or document regarding ~~licensed activities~~~~real estate activity~~ the Division deems relevant and appropriate;
- d) Imposition of an administrative fee; or
- e) ~~Requiring~~~~Require~~ a mental or physical ~~examination required by exam pursuant to~~ Section 20-20 of the Act.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.915 ~~Dissolution: Effect of Suspension or Revocation of a Sponsoring Broker~~~~Brokers~~ or ~~Named Managing Broker License~~~~Brokers~~

- a) Suspension or Revocation of Sponsoring Broker
Upon the effective date of a ~~temporary or other~~ suspension or revocation of the license of a sponsoring broker ~~corporation, limited liability company, partnership~~ or sole ~~proprietorship, proprietorship and their respective principal or sponsoring broker,~~ unless an interim sponsoring broker or receiver is appointed by the ~~sponsoring broker, sole proprietor real estate brokerage company~~ or its representative, and subject to approval by the Division:
 - 1) The licenses of all respective sponsored licensees are automatically inoperative. Each ~~licensee broker~~ may resume ~~licensed activities~~~~the practice of real estate~~ only upon securing a properly completed 45 day sponsor card, signed either as a self-sponsored ~~managing~~ broker or by another sponsoring broker. Each ~~salesperson or~~ leasing agent may resume ~~leasing residential~~~~the practice of~~ real estate only upon securing a properly completed 45 day sponsor card signed by ~~an active~~ sponsoring broker.
 - 2) All brokerage agreements with the sponsoring broker, including listing agreements, are deemed expired ~~under~~~~pursuant to~~ Section 10-25 of the Act, ~~if unless~~ a new sponsoring broker is ~~not~~ named within 7 business days. ~~If Unless~~ a new sponsoring broker is named within 7 days, the suspended or revoked sponsoring broker shall notify, in writing, all clients

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~~who have with whom the sponsoring broker has~~ an active brokerage agreement ~~with the sponsoring broker, advising those clients and advise~~ that:

- A) the brokerage agreement expired ~~as of the date that is~~ 7 business days after the suspension or revocation; and
 - B) ~~that~~ the clients are legally authorized to enter into another brokerage agreement with ~~another sponsoring broker any active broker.~~
- 3) Suspensions or revocations of a sponsoring broker shall not have an effect on the enforceability of any pending, executed real estate contracts.
- A) The suspended or revoked sponsoring broker shall send a written notice to all clients with a pending, executed real estate contract explaining the suspensions or revocations, and that the suspensions or revocations shall not have an effect on the enforceability of the pending, executed real estate contracts. The notice shall also identify the name, address and telephone number of the person in control of the escrow money. To the extent ~~that the~~ clients require additional real estate services, the notice shall provide that the clients may seek ~~real estate those~~ services from another ~~sponsoring active~~ broker.
 - B) A suspension or revocation shall not preclude the receipt of any commission or other compensation earned by the suspended or revoked sponsoring broker or other formerly sponsored licensee prior to the effective date of ~~the~~ suspension or revocation of the sponsoring broker.
- 4) A broker shall not be entitled to compensation if the suspension or revocation directly relates to the transaction for which the compensation was earned. If the broker ~~has~~ already received compensation related to the transaction leading to the suspension or revocation of the license, the Department or Board may consider that fact in issuing ~~the~~ discipline ~~and/or fine~~.
- b) Suspension or Revocation of a Named Managing Broker

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In the event of a suspension or revocation of a named managing broker, ~~the offices and branch offices may operate for 15 days without~~managed by that managing broker may resume the practice of real estate upon securing a replacement named managing broker. Within 15 days after~~Consistent with Section 5-45(e) of the Act, if a replacement managing broker is unable to be secured immediately after~~ a suspension or revocation of the named managing broker, the sponsoring broker~~entity~~ may submit to the Department a written request for authorization to continue operation, provided a named managing broker assumes responsibility, in writing, for the operation of the office and agrees to personally supervise the operation of the office~~continue to practice real estate for the first 15 days after the suspension or revocation. Within~~If, after 15 days after a suspension or revocation of a managing broker, if, a replacement named managing broker has not been secured or a,~~the office may only continue to practice real estate upon securing the~~ written request for authorization to continue operation has not been submitted to~~of the Department, the offices or branch offices must cease licensed activities as provided for in Section 5-45(e) of the Act.~~

- e) ~~In the event of the voluntary retirement or the voluntary dissolution of a sponsoring broker, the sponsoring broker shall, at a reasonable time prior to the voluntary retirement or voluntary dissolution, provide written notice to all sponsored licensees to allow the sponsored licensees to secure new sponsoring brokers, and shall provide written notice to all active clients to allow the clients to secure brokerage agreements with new brokers.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.920 Inspections and Audits

- a) Inspections
- 1) The Division is authorized to inspect those areas of a sponsoring broker's office open and generally available to the public at any time during normal business hours, with or without the sponsoring broker's consent. With the sponsoring broker or named~~responsible~~ managing broker's consent or, without~~if no~~ consent, with at least~~is given, then upon~~ 24 hours notice, the Division may conduct a visual and physical inspection of the non-public areas of a sponsoring broker's office and interview any person, including any licensee or non-licensee, who may have knowledge or information

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about the licensee's ~~practice of~~ real estate practice. The licensee may have an attorney present ~~if he or she so chooses~~. The Division's action will not be postponed due to a licensee's attorney's ~~an~~ unreasonable delay ~~in the ability of the licensee's attorney to be present~~.

- 2) Except as otherwise allowed by ~~provided in~~ subsection (b), upon any written or oral request by the Division ~~personnel~~ for written documentation, a licensee shall produce the requested documentation within 30 days after the request.
- b) Escrow Audits
- The Division is authorized to audit special accounts, escrow records and documents related to any escrow accounts maintained by the licensee. Escrow audits may be conducted at any time with the sponsoring broker's consent or without consent with at least 24 hours notice. The licensee may have an attorney present ~~if he or she so chooses~~. The Division's action will not be postponed due to a licensee's attorney's ~~an~~ unreasonable delay ~~in the ability of the licensee's attorney to be present~~. Escrow audits may include:
- 1) A review and examination of all required, original escrow records as set forth in this Part.
 - 2) A review and examination of any document, including originals, related to a licensee's escrow accounts.
 - 3) Interviews of any person, including any licensee or non-licensee, who may have knowledge or information about the licensee's practices for maintaining and administering ~~his or her~~ escrow accounts.
- c) As set forth in ~~Pursuant to~~ Section 20-20(a)(18) and (27) of the Act, the Division is authorized to obtain a licensee's original records, ~~including which would include~~ hard copy or electronic records, for the purposes of inspection, audit and reproduction. The Division shall promptly return all original documents or records to the licensee.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.925 Audits of Special Funds by Outside Auditors

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- a) General Rule. The Division may cause audits of special accounts of sponsoring brokers ~~to be conducted by~~ licensed certified public accountants ~~under the circumstances and as set forth~~provided for in this Section.
- b) Basis for Audit. Upon receipt of a complaint from ~~one or more members of the~~ public, information from another regulatory or law enforcement agency, or other evidence ~~developed by the Division~~, any of which causes the Division to reasonably believe that escrow moneys required to be kept in a special account have been misappropriated, the Division may contract with a licensed certified public accountant to audit a sponsoring broker's ~~for the purpose of auditing the special accounts of the sponsoring broker responsible for the accounts in question.~~
- c) Definitions. For the purposes of~~The following terms shall have the meanings set forth in~~ this Section, these terms shall be defined as follows:
- 1) Reasonably Believe~~Reasonable Belief~~. The complaints, information or evidence available to the Division are of a nature or have sufficient credibility that a prudent person in the exercise of good judgment would reasonably rely or act upon that information or evidence.
 - 2) Misappropriated or Misappropriation. The use of escrow moneys for a purpose other than that for which the escrow moneys were deposited or that is permitted by the Real Estate License Act of 2000, this Part or the agreements regarding~~providing for the handling of the~~ escrow moneys. The mere failure to follow the provisions of Section 1450.750, dealing with the deposit and accounting for escrow moneys, shall not constitute misappropriation.
 - 3) Escrow Moneys. Shall have the same definition as set forth in Section 1-10 of the Act.
- d) Notice of Audit. The Division shall notify in writing the sponsoring broker responsible for the special accounts ~~to be audited~~ that an auditor has been retained to audit the~~those~~ special accounts, the identity of the auditor or auditing firm and the fact that the sponsoring broker shall submit all pertinent records for audit within 30 days after ~~receipt of~~ the written notice.
- e) Procedures for Audit. The auditor or the Division shall contact the sponsoring broker responsible for the special accounts to schedule~~for the purpose of~~

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~~scheduling~~ the audit of the special accounts. The sponsoring broker shall provide the records requested at the scheduled time and location or as otherwise agreed by the sponsoring broker and the auditor or the Division.

- f) Written Report. Any licensed certified public accountant performing an audit for the Division under the provisions of this Section and the Act shall provide a written report to the Division, with a copy to the sponsoring broker, detailing the findings of the auditor with specific reference to compliance with the special account requirements of the Act and this Part.
- g) Noncompliance and Cost of Audit. The sponsoring broker shall be liable for the cost of the audit if an order is issued by the Director, ~~as set forth in~~ pursuant to Section 20-60 of the Act, finding that escrow moneys were misappropriated by the sponsoring broker or ~~the sponsoring broker's his, her, or its~~ employees, independent contractors, agents or designees.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.930 Case File Review Committee

- a) The Department and the Board may appoint a Case File Review Committee that shall be composed of at least 2 voting members of the ~~Real Estate Administration and Disciplinary~~ Board, the Real Estate Coordinator, the Real Estate Chief of Investigations and the Real Estate Chief of Prosecutions or their designees. The Case File Review Committee members may take ~~the~~ action ~~as~~ set forth in this Section ~~without meeting~~ in person ~~or, but~~ through other means of communication.
- b) The Case File Review Committee may exercise the following duties and responsibilities:
 - 1) Recommend whether a case file be closed or refer the case file to Investigations or Prosecutions for further review and action.
 - 2) Recommend that cases of similar types of allegations be offered a standard disposition within a range recommended by the Board. A recommendation of an offer of standard disposition shall not restrict the Board from hearing an individual case at a hearing and issuing a recommendation based upon the individual facts and evidence in rebuttal, mitigation or aggravation in the individual matter nor shall a prior recommendation of standard

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disposition restrict the Case File Review Committee from recommending a different disposition in individual cases;

- 3) Review reports and files submitted to the Case File Review Committee;
 - 4) Request and review any investigation or prosecution files that the Department may have closed; and
 - 5) Meet, concurrently or independently on an as needed basis and at the discretion of the Department, with members of the regulatory staff or Board members of related professions, including but not limited to auctioneers, land sales, timeshare, appraisal, community association managers, home inspectors, mortgage loan originators or mortgage brokers~~Auctioneers or Land Sales, Time Share, Appraisal or Mortgage Brokers~~, to discuss interrelated professional matters as needed.
- c) The Division shall prepare a monthly report to be presented to the Case File Review Committee indicating the following information:
- 1) Number of investigation case files closed;
 - 2) Number of prosecution case files closed;
 - 3) Number of pending case files in the Division's Investigation Unit;
 - 4) Number of pending case files in the Division's Prosecution Unit;
 - 5) Number of reports and copies of any reports received from any peer review advisors used by the Division during the preceding month.
- d) The Case File Review Committee shall report a summary of its actions and findings at each ~~Real Estate Administration and Disciplinary~~ Board meeting.
- e) The Case File Review Committee in determining what action to recommend or take or whether to recommend that the Division proceed with a formal complaint, investigation and/or prosecution of a case file, shall consider factors including, but not limited to:
- 1) the effect on the public's health, safety and welfare;

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- 2) any indication of fraud;
 - 3) [any indication of](#) commingling or embezzlement;
 - 4) evidence of escrow account shortages or discrepancies;
 - 5) refusal to provide escrow account records or related documents within the required time period; or
 - 6) prosecutorial merit.
- f) Disqualification of a Case File Review Committee member:
- 1) A Case File Review Committee ~~Board~~-member shall be recused from consideration of a case file when a conflict of interest or prejudice would prevent that [Case File Review](#) Committee ~~Board~~-member from being fair and impartial.
 - 2) Participation in the initial stages of the handling of a case file, including participation on the Case File Review Committee and in informal conferences, shall not bar a Case File Review Committee ~~Board~~-member from later participating in decision making relating to that case file as a formal complaint ~~or prosecution~~.
- g) Any meetings of the Case File Review Committee are an exception to the Open Meetings Act and shall be closed to the public, in accordance with 5 ILCS 120/2(c)(15).
- h) Nothing in this Section shall require the Department to utilize the services of the Case File Review Committee to close any [case](#) file; however, the Department shall be required, as set forth in this Section, to advise the Case File Review Committee of such actions that are taken by the Department.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.935 Peer Review Advisor

- a) In accordance with Section 25-21 of the Act, the Department may, in its

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discretion, contract with a licensee to act as an advisor to the Department regarding public complaints and alleged violations forwarded by the Department to the Peer Review Advisor.

- b) The Department shall not be bound by any recommendation or advice provided by a Peer Review Advisor.
- c) The ~~Department Peer Review Advisor~~ shall only ~~refer~~be referred matters to the Peer Review Advisor by the Department that involve the actions of an unlicensed person or a licensee at the same or lower level of licensure held by the Peer Review Advisor.
- d) The Peer Review Advisor shall issue any recommendation or findings to the Department in writing unless expressly waived by the Department.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.940 Rules of Practice in Administrative Hearings

The Department of Professional Regulation Rules of Practice in Administrative Hearings (68 Ill. Adm. Code 1110) shall apply to all Division administrative hearings. All disciplinary hearings brought before the Board under Article 20 of the Act shall be conducted in accordance with the Rules of Practice in Administrative Hearings in 68 Ill. Adm. Code 1110.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.945 Real Estate Recovery Fund

- a) **Necessity of Notice**
When any person obtains a judgment in a circuit court or a United States District Court commences, in the civil courts, an action for a judgment that may result in collection from the Real Estate Recovery Fund, that person shall notify the Division of the judgment in writing within 30 days after the entry of the judgment at the time of commencement of the action.
- b) **Aggrieved Person**
"Aggrieved person", as used in Sections 20-85, 20-90 and 20-105 of the Act, means a person seeking or receiving licensed activities, including licensees who are a principal to the transaction but are not providing licensed activities in the

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~~transaction, as set forth in the Act. Time of Notice~~

~~"Time of the commencement of the action" shall be construed to mean within 7 days after:~~

- ~~1) the plaintiff in a civil action files a Complaint or an Amended Complaint in the Circuit Court or the Federal District Court; or~~
 - ~~2) the aggrieved party files a proof of claim or an adversary action regarding nondischargeability of the debt in a bankruptcy matter.~~
- c) Place and Manner of Notice
Notice required by Section 20-90 of the Act or by this Section shall be sent by certified mail, return receipt requested, or shall be delivered by hand, to the office of the Division in Chicago, Illinois, Attention: General Counsel/Docket Clerk.
- d) Contents of Notice
Every notice required by Section 20-90 of the Act or by this Section shall include:
- 1) ~~copies~~ a copy of the following Court documents~~document~~:
 - A) the complaint and any amended complaints showing the "Filed" stamp of the Clerk of the Court in which the complaint was filed;
~~or~~
 - B) the judgment order and any post-judgment orders entered by the Court; and proof of claim or an adversary complaint regarding nondischargeability in a bankruptcy matter.
 - C) any citation to discover assets or supplementary petitions or orders filed or entered in an attempt to collect the judgment.
 - 2) copies of relevant documents available to the claimant, including:
 - A) real estate sales contract, lease, closing statement, disbursement directions or other evidence of title to real property on which the claim is based, or if the claimant does not possess title, evidence of the interest in real property on which the claim is based (evidence includes documents such as title policy, deed or lease);

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- B) proof of any check or money order regarding earnest money or security deposit, other negotiable instruments or dishonored checks issued by the licensee;
- 3) an itemized statement of losses of actual cash money that the claimant alleges occurred as a result of conduct identified in Section 20-85 of the Act by any licensees, their employees or independent contractors~~a licensed broker, salesperson, leasing agent or unlicensed employee of a broker.~~ When no itemized statement is possible, the claimant must state under oath that the claimant's~~his or her~~ losses are estimated and that his or her~~the~~ calculation of estimated losses is as accurate as circumstances permit ~~him or her to make.~~
- e) Necessity of Natural Person as a Defendant
No notice of claim will be recognized or accepted when the underlying complaint and post-judgment order does not name at least one natural person (a licensee, its employees or independent contractors~~licensed broker, salesperson, leasing agent or unlicensed employee of a broker~~) as a defendant and judgment debtor.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.950 Automatic Revocation~~Termination~~ Upon Order for Payment~~to Pay Out~~ from the Real Estate Recovery Fund

A licensee who desires to contest an automatic revocation resulting from~~termination for~~ payment from~~out of~~ the Real Estate Recovery Fund pursuant to Section 20-90(i) of the Act must file the appropriate motion or appeal with the Court that ordered the payment from the Fund.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.955 Advisory Letters

- a) The Division may issue advisory letters on matters~~issues~~ dealing with the interpretation and application of the Real Estate License Act, pursuant to Section 25-14 of the Act of 2000 and this Part.
- b) ~~A licensee is entitled to rely upon an advisory letter from the Division and will not be disciplined by the Division for actions taken in reliance on the advisory letter. An advisory letter may only be relied upon by the licensee seeking the~~

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~~advisory letter. However, the Division may change its position prospectively, at which time the licensee who sought the advisory letter will have to meet the new position or policy of the Division.~~

- e) ~~Although not binding on the Division, licensees other than the licensee who sought the advisory letter may refer to an advisory letter issued by the Division as the reason for a licensee's acts or omissions that result in the Division considering disciplinary action against the licensee. The Division will consider these arguments but will not be bound by the advisory letter except as to the licensee who actually sought the advisory letter from the Division.~~
- bd) Requests for advisory letters shall be submitted in writing to the Division. The request shall include at a minimum the following:
- 1) the name of the licensee on whose behalf the advisory letter is sought;
 - 2) the factual situation or hypothetical factual situation on which the advisory letter is sought;
 - 3) citations to any provisions of the Act, rules or cases that the licensee or the licensee's advisor believes is relevant to the issue, as well as a discussion of the relevance of the cited material to the issue on which advice is sought; and
 - 4) a statement of the issue or issues on which advice is sought.
- e) ~~Because advisory letters will be available through the Freedom of Information Act and may also be published by the Division, the party requesting the advisory letter should indicate whether the name of the licensee should be disclosed in the advisory letter. If the request for the advisory letter includes a request to keep the name of the licensee or other parties in the letter confidential, then the person requesting the advisory letter shall submit, along with the request, a second letter using generic business names, for example, Licensee A, Company B, for the names to be kept confidential. If the Division receives such a request, then the published response will only use the generic names.~~
- f) ~~The Division shall respond to the licensee requesting the advisory letter within 60 days after receipt of the request by the Division. The response may be the advisory letter, an estimated time for providing an advisory letter, a request for~~

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~~clarification or additional information, or a statement that the Division declines to issue an advisory letter as requested with an indication of the reason for declining to issue the advisory letter. The Division shall provide a copy of all correspondence concerning a request for an advisory letter to the sponsoring broker, if any, of the licensee requesting the advisory letter.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART K: PRE-LICENSE SCHOOLS AND
CONTINUING EDUCATION ~~SCHOOLS~~ SCHOOLS PROVIDERS**Section 1450.1100 Application for Pre-License School License and Pre-License School Branch License and Other Requirements** ~~Schools~~

The Division may consider the recommendation of the Advisory Council regarding a pre-license school application and submitted documentation.

- a) ~~In accordance with Section 30-5(a) of the Act, any person or entity seeking approval to provide pre-license education, including the 30 hour post-license broker course needed to retain a broker license, shall submit; to the Division~~
- 1) a signed and completed pre-license school ~~an~~ application on forms provided by the Division; ~~along with~~
 - 2) the required ~~appropriate~~ fee set forth in Section 1450.130; ~~required by this Part.~~
 - 3) a course description, comprehensive timed outline, examination, and answer key for each course, an exam proctor policy; and any other information required by the Department;
 - 4) applications and fees for each pre-license course set forth in Section 1450.1105(a).

~~The Division shall, after review by the Advisory Council, approve a pre-license school if it meets certain minimum requirements and pays the required fee as provided in the Act and this Part.~~

- b) The education ~~program of education~~ for a pre-license school shall:

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- 1) Be approved by the school's governing and/or supervising body;
 - 2) ~~Only use~~Use instructors ~~with who have~~ a valid ~~license as a~~ pre-license instructor as set forth in the Act and Section 1450.1115;
 - 3) Have a curriculum that ~~meets the requirements~~~~conforms to the standards~~ of Section 1450.1105; ~~and~~
 - 4) Administer a final course examination as outlined in Section 1450.1105.
- c) Facilities
- 1) ~~Pre-license schools~~~~A pre-license school~~ must provide an office in Illinois for the maintenance of all records, office equipment and office space necessary for customer service.
 - 2) ~~Pre-license Schools~~~~A pre-license school~~ must provide ~~phone~~~~telephone~~ call assistance for customer service.
 - 3) The premises, equipment and facilities of the pre-license school shall comply with all applicable community fire codes, building codes and health and safety standards.
 - 4) ~~Pre-license Schools are~~~~The pre-license school is~~ subject to inspection prior to ~~licensure~~~~approval~~ or at any time thereafter by ~~authorized representatives~~ of the Division. The inspection shall be during regular business hours, with at least 24 hours advance notice of the inspection.
 - 5) No pre-license school shall be maintained in a private residence.
 - 6) Whenever a pre-license school intends to operate a branch location, an application shall be submitted to the Division for each branch location. Each application shall be accompanied by the fee as required by Section 1450.130. All school branches are subject to the requirements of this Part.
 - 7) ~~No pre-license school shall allow the school premises or classrooms to be used during class time by anyone to directly or indirectly recruit students~~

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~~to become affiliated with a licensee. Instructors and school administrators shall promptly report to the Division any efforts to recruit students.~~

d) Administration

- ~~1)~~ ~~Pre-license schools shall use only licensed pre-license instructors.~~
- ~~12)~~ No ~~licensed~~ pre-license school shall advertise that it is endorsed, recommended or accredited by the Division. The pre-license school, ~~however,~~ may indicate that the school is licensed by ~~and the course of study has been approved by~~ the Division.
- ~~23)~~ Every pre-license school shall submit to the Division, upon ~~it's~~ the Division's request, a schedule including location, date, time and name of each licensed pre-license instructor for each licensed pre-license course offered of all courses to be taught and when and where they will be taught. The ~~pre-license school~~ Division shall notify the Division~~be notified~~ of any changes to that schedule.
- 3) Pre-license schools shall specify in any advertising promoting pre-license courses the number of pre-license credit hours that may be earned toward Illinois pre-license requirements.
- 4) Prior to enrollment, the~~The~~ pre-license school shall provide a prospective student ~~prior to enrollment~~ with information that specifies:
 - A) the course of study to be offered;_;
 - B) the tuition to be charged;_;
 - C) the pre-license school's policy regarding refund of unearned tuition when a student is dismissed or withdraws voluntarily or through hardship;_;
 - D) any additional fee to be charged for supplies, materials or books that become the property of the student upon payment;_; and
 - E) other matters that are material to the relationship between the pre-license school and the student.

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- 5) Each pre-license school shall maintain for each student a record ~~including that shall include~~ the course of instruction undertaken, dates of attendance and areas of study satisfactorily completed ~~satisfactorily~~. Each student's record shall be maintained by the pre-license school for a period of 5 years and shall be available for inspection by the student or by the Division, or its designee, during regular business hours.
- 6) A ~~licensed~~ pre-license school shall certify on the initial application that ~~the~~ financial resources are available to equip and maintain the school, as documented by, for example, a current balance sheet, ~~or~~ an income statement or any similar evidence as required by the Division.
- 7) The pre-license school shall assure verified attendance at each pre-license course and examination. No licensee shall receive pre-license credit for time not actually spent attending the pre-license course or if a passing score of 75% on the examination is not achieved.
- 87) The Division shall be reimbursed by any out-of-state pre-license school for all reasonable expenses incurred by the inspector to inspect its facilities.
- e) The Division shall notify ~~administrative officials of~~ the applicant in writing of its decision ~~within 15 days after its approval or disapproval~~. In the event the ~~application~~ applicant is ~~denied~~ disapproved, the basis for denial ~~reasons~~ will be provided ~~detailed~~ and the applicant advised that the applicant may request a hearing as set forth ~~provided for~~ in Section 30-5 of the Act.
- f) The Division shall be notified of all proposed changes in ownership of a pre-license school, on forms provided by the Division, 30 days prior to the change in ownership.
- g) ~~Upon successful completion of a pre-license course, a~~ pre-license school shall issue a ~~student~~ transcript, on forms provided by the Division, upon a student's successful completion of a pre-license course. Each transcript shall be affixed with the school's seal.
- h) Pre-license schools offering a 30 hour real estate auction certification course must comply with Section 1450.1300.

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(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1105 Application Curriculum for Pre-License Courses and Curriculum Schools

The Division may consider the recommendation of the Advisory Council regarding a pre-license course application and submitted documentation.

- a) ~~Pre-license schools shall offer, at a minimum, the courses provided for in this Section.~~
- a**b**) A licensed pre-license school seeking to provide pre-license courses shall submit:
 - 1) a signed and completed pre-license courseThe application on forms provided by the Division;
 - 2) the required fee as set forth in Section 1450.130; and
 - 3) afor licensure as a pre-license school shall include a list of courses to be offered, an outline and course description, for each course along with a comprehensive timed outline, examination and answer key for each course, exam prorator policy, and any other information required by the Department. Each outline shall make reference to the textbook used and other material related to the course or subject matter, and shall conform to the standardized curriculum providedoutlines and syllabi prepared by the Division.
- e) ~~Prior to May 1, 2011, a pre-license school must provide the following courses:~~
 - 1) ~~Real Estate Transactions shall include a minimum of 45 class hours. The course shall include instruction in real estate law, types of interest and ownership in real estate, home ownership, legal descriptions, titles, liens, taxes, encumbrances, listing, advertising, appraisal, finance, closings and professional code of ethics. This course shall be mandatory for all salesperson candidates.~~
 - 2) ~~Brokerage Administration shall consist of a minimum of 15 class hours and shall be mandatory for all broker candidates. The course shall include~~

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~~instruction in Illinois real estate law and licensure, listings, title search, forms for closing, contract forms and the broker-salesperson relationship.~~

- 3) ~~Contracts and Conveyances shall consist of a minimum of 15 class hours and shall be mandatory for all broker candidates. The course shall include instruction in deeds, fixtures, contracts, real estate closings, foreclosure and redemption, land use controls, landlord/tenant relationship, cooperatives and condominiums.~~
 - 4) ~~Advanced Principles 2000 shall consist of a minimum of 15 class hours and shall be mandatory for all broker candidates and shall include agency, disclosure, environmental issues, escrow, license law and other topics approved by the Advisory Council and the Division.~~
- d) Prior to May 1, 2011, a pre-license school shall provide 2 or more of the following courses:
- 1) ~~Appraisal shall consist of a minimum of 15 class hours. The course shall include instruction in the appraisal process, real property and value, economic trends, depreciation and land value.~~
 - 2) ~~Property Management shall consist of a minimum of 15 class hours. The course shall include, but not be limited to, instruction in fundamentals of tenant-management relationship, property modernization, property maintenance, leases, real property insurance, commercial property, industrial property and advertising.~~
 - 3) ~~Financing shall consist of a minimum of 15 class hours. The course shall include instruction in types of financing, sources of financing, mortgages, mortgage documents, closing a mortgage, interest, liens, foreclosure, real property insurance, mortgage risk, principles of property value for mortgage credit, mortgage analysis and construction loans.~~
 - 4) ~~Sales and Brokerage shall consist of a minimum of 15 class hours. The course shall include instruction in qualifications and functions of a real estate broker; land utilization; appraisal principles and methods; office organization; selection, training and supervision of salespersons and office personnel; compensation of salesperson listings; prospects; real estate markets; financial control; and government regulations.~~

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- 5) ~~Farm Property Management shall include a minimum of 15 class hours. The course shall include instruction in inventorying assets, determining method of operation, tenants, budgeting, crop and livestock production, marketing, tax planning and depreciation, government programs and regulations, insurance and ethics.~~
 - 6) ~~Real Property Insurance shall include a minimum of 15 class hours. The course shall include instruction in risk, functions of insurance, insurance contracts, types and purposes of insurance.~~
 - 7) ~~Other courses as approved from time to time by the Division. If additional elective courses are developed, they shall be approved by the Division prior to implementation. The courses shall be approved upon determination that the course is at least 15 clock hours (one clock hour equals 50 minutes) in length and constitutes real estate related material.~~
- be) ~~Pre-license~~After April 30, 2011, ~~pre license~~ schools must provide the following pre-license broker courses:
- 1) A 75 credit hour course including, but not limited to, the following topics: Introduction to License Law, Real Property, State and Federal Law, Real Estate Transactions, and Real Estate Career Paths.
 - 2) A 15 credit hour Applied Real Estate Principles course presented in the classroom or by ~~other an~~ interactive delivery method consisting.~~The course shall consist~~ of any ~~or a combination~~ of the following: Situational and Case Studies and, Role Playing and Demonstration of Real Estate Activities primarily dealing with the application of the topics set forth in subsection (b)(1) listed above to the practice of licensed activities~~real estate brokerage~~.
- cf) ~~Pre-license~~After April 30, 2011, ~~pre license~~ schools must provide the following post-license broker courses ~~for brokers~~:
- 1) A 15 credit hour course covering License Law, State and ~~Federal~~ Laws and Agency and Real Estate Transactions.

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- 2) A 15 credit hour Applied Real Estate Practices course presented in the classroom or by ~~other~~ interactive delivery method consisting of any ~~or a combination~~ of the following: Situational and Case Studies ~~and~~; Role Playing and Demonstration of Real Estate Activities primarily dealing with the application of the topics ~~set forth in subsection (c)(1) listed above~~ to the practice of ~~licensed activities~~ real estate brokerage.
- dg) ~~Pre-license~~ ~~After April 30, 2011, pre-license~~ schools must provide the following ~~pre-license~~ managing broker courses:
- 1) A 30 credit hour Licensing, Operations, Escrow and Management course.
- 2) A 15 credit hour Applied Management and Supervision course presented in the classroom or by ~~other~~ interactive delivery method consisting of ~~any of the following: Situational and Case Studies. The course shall consist of any combination of the following:~~ Dispute Resolution Simulations, Supervision Situations, Escrow Procedures and Discipline Case Studies primarily dealing with the application of the topics set forth in subsection (d)(1) listed above to the practice of ~~licensed activities~~ real estate brokerage.
- ~~h) The course content of the 30 credit hour course in subsection (f) shall be used to comply with the transition education required for a salesperson transitioning to a broker license pursuant to Section 5-46(a)(1) of the Act. However, there shall not be a classroom or interactive delivery method requirement for the transition education.~~
- ~~i) The course content of the 45 credit hours required in subsection (g) shall be used to comply with the transition education required for a broker transitioning to a managing broker license pursuant to Section 5-47(a)(1) of the Act. However, there shall not be a classroom or interactive delivery method requirement for the transition education.~~
- ej) Examinations. Each course, ~~including transition courses~~, shall end in a mandatory proctored final examination prepared and provided by the ~~licensed~~ approved pre-license school consisting of at least 25 questions for ~~every~~ each 15 ~~credit~~ classroom hours for which the minimum passing score shall be no less than 75%. The examination shall be provided by the pre-license school ~~either~~ at the completion of ~~every~~ each 15 ~~credit~~ classroom hours, or ~~at~~ the conclusion of the course. The

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pre-license ~~school's registration material~~ ~~school~~ shall indicate to the student in writing in its registration material if the examination will be electronic provided electronically, or in paper format, or both. Credit hours exclude any time devoted to taking the examination.

- f) Attendance at all pre-license courses presented in a classroom or by other interactive delivery method ~~classes~~ is mandatory.;
- g) Each school shall provide time and facilities for conducting make-up classes for students absent from the regularly scheduled class. No more than however, credit for absences not to exceed 10% of the total credit class hours may include be made up by attendance at make-up credit hour classes as provided in subsection (l). Missing any class hours after having the opportunity to make up credit class hours as provided in subsection (l) shall result in failure of the course.
- l) ~~Each school shall provide time and facilities for conducting make-up classes for students who were absent from the regularly scheduled class period.~~
- m) ~~The Division will supply a recommended comprehensive timed outline for schools to use as a guide in establishing the new curriculum, as of May 1, 2011. The Division will seek input and recommendation of the Advisory Council in formulating this outline.~~
- h) The Advisory Council ~~shall consider and~~ may approve courses that incorporate additional various real estate topics brokerage disciplines in order to make courses such as the Managing Broker course or Post License course for Broker under this Section more pertinent and helpful to licensees engaged in various disciplines of the real estate brokerage industry.
- o) ~~One hour of approved classroom based pre-license education shall include at least 50 minutes of instruction and shall be exclusive of any time devoted to taking the examination as set forth in subsection (j).~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1110 Application for Pre-License School, Pre-License School Branch and Course License Expiration Date and Renewal Period for Pre-License Schools

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- a) ~~Pre-license~~Every pre-license school, ~~and~~ school branch ~~and~~ ~~license, as well as~~ ~~their~~ course ~~licenses~~ ~~approvals~~, shall expire on June 30 of each odd-numbered year.
- b) Licensed pre-license schools~~Each pre-license school~~ shall be responsible for submitting:
- 1) a renewal~~an~~ application ~~for renewal of the license~~ on forms provided by the Division;
 - 2) the required fee set forth in Section 1450.130; and
 - 3) a list of updated courses, course descriptions, comprehensive timed outlines, examinations and answer keys, excluding any clerical changes, and any other information required by the Department.
- c) Failure to receive a renewal form or failure to pay the renewal fee shall not constitute a valid reason for failure ~~to submit a renewal application or pay the renewal fee~~ or to renew ~~at the appropriate~~ license.
- e) ~~The applicable fees shall be those set forth in Section 1450.130.~~
- d) ~~As part of the renewal application, each pre-license school shall submit a list of courses, course outlines, course descriptions and examination answer keys for each course to be taught.~~
- de) Operation on an expired~~of a~~ pre-license school ~~on an expired or inoperative~~ license shall constitute unlicensed ~~or unauthorized~~ practice and may be grounds for discipline.
- ef) Any pre-license school or ~~school~~ branch ~~whose license under the Act has~~ expired for more than 2 years shall not be eligible for renewal ~~of that license~~. Any pre-license school or branch ~~whose license has been~~ expired for less than 2 years may be renewed~~renew the license only~~ after the pre-license school provides~~providing the Division with~~ evidence that all qualifications of Section 1450.1100 have been met and the required fees set forth in Section 1450.130 have been paid.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

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Section 1450.1115 Application for Pre-License Instructor License~~Instructors~~

The Division may consider the recommendation of the Advisory Council regarding a pre-license instructor application.

- a) A person seeking~~An applicant for a license as~~ a pre-license instructor license
shall~~must~~ meet the following criteria:
- 1) Pass an examination provided and approved by the Division with a minimum score of 75%~~;~~
 - 2) Demonstrate expertise by~~in the areas to be taught by virtue of~~:
 - A) holding an active~~being a~~ broker or managing broker license; or
 - B) being admitted to the practice of law by the Supreme Court of Illinois; or
 - C) prior teaching experience; or
 - D) professional background and experience; and~~.~~
 - 3) Complete~~After April 30, 2011, in addition to the requirements of subsections (a)(1) and (2), attend and successfully complete~~ a 12 hour instructor training program administered over 2 or more days, approved by the Advisory Council, and comprised of:
 - A) Six~~Six~~ hours, shall be~~shall be~~ devoted to instructor training and development; and
 - B) 6 hours shall be~~shall be~~ devoted to teaching the core~~core~~ content of the pre-license courses set forth in Section 1450.1105(b)(1), (c)(1) and (d)(1)~~classes to be taught~~.
- b) In order to renew a license, a pre-license instructor must have maintained a valid instructor's license, have no lapse in licensure greater than 2 years and either have taught at least one course during the period of licensure, or successfully completed the instructor training program approved by the Advisory Council.

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- be) No ~~licensed~~approved pre-license instructor shall ~~sit~~be seated for any ~~of the salesperson, broker or managing broker~~ licensure ~~examination~~examinations except for the purpose of securing a ~~salesperson, broker or managing broker~~ license. Nothing in this subsection shall prevent the Division from using pre-license instructors to monitor and evaluate the examination.
- c) The Division shall notify the applicant in writing of its decision. The Division, upon the advice of the Advisory Council, may restrict a pre-license instructor's license to teaching only certain pre-license courses or certain types of pre-license courses. In the event the application is denied, the basis for denial will be provided and the applicant advised that the applicant may request a hearing as set forth in Section 30-5 of the Act.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1120 Administration of Proficiency Examinations and Eligibility to Take the Proficiency Exam and Transition Courses (Repealed)

- a) Administration of Proficiency Examinations
- 1) The proficiency exams provided for in Sections 5-46 and 5-47 of the Act shall be prepared by the Department's real estate testing service and shall be administered and proctored by any approved pre-license school, either in electronic or paper format, acting in accordance with guidelines for delivery and security established by the testing service and the Department. The pre-license school shall indicate in its proficiency examination registration whether the proficiency examination will be provided electronically, or in paper format, or both.
 - 2) The examination shall be administered at the school's address of record or at a licensed school branch location. Schools may also administer and proctor the proficiency examination at an unlicensed location that has been pre-approved by the Department. Schools must comply with any terms and conditions set by the Department.
 - 3) Failure to comply with the requirements of subsections (a)(1) and (2) shall subject the school to discipline under the Act and this Part.

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- 4) ~~A licensee may only take one proficiency exam. The passing score for the proficiency exams shall be 75%.~~
- b) ~~Anyone licensed as a broker and eligible to be a managing broker on April 30, 2011 may, upon successful completion of the managing broker proficiency examination or the managing broker transition course, file an application to meet the requirements of Section 5-47 of the Act and this Part.~~
- e) ~~Proficiency exams shall be administered prior to March 16, 2012 in order to allow sufficient time for the exams to be scored and for results to be shared with licensees. Further, in the event that a licensee fails the exam, he or she will have the opportunity to complete the required coursework before the statutory deadline. After this date, transitioning licensees must take the applicable transition course required in Section 1450.1105.~~

(Source: Repealed at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1125 Pre-License Instructor License Renewal and Restoration~~Expiration Date and Renewal Period for Pre-License Instructors~~

- a) Pre-license instructor licenses shall expire on June 30 of each odd-numbered year.
- b) ~~Licensed~~~~Each licensed~~ pre-license ~~instructors~~~~instructor~~ shall be responsible for submitting:
- 1) ~~a renewal~~~~an~~ application ~~for renewal of the license~~ on forms provided by the Division;
 - 2) the required fee set forth in Section 1450.130; and
 - 3) certification of:
 - A) maintaining a valid pre-license instructor's license;
 - B) no lapse in licensure greater than 2 years; and
 - C) one of the following:
 - i) teaching at least one course during the period of licensure;

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or

- ii) successful completion of the 12 hour instructor training program set forth in Section 1450.1115(a)(3). The 12 hour instructor training program shall not count towards the required leasing agent, broker or managing broker CE requirements.

~~verifying that a pre-license course was taught during the pre-renewal period by the applicant or the applicant attended a Division approved instructor training program pursuant to Section 1450.1115(b) during the pre-renewal period.~~

- c) Failure to receive a renewal form or failure to pay the renewal fee shall not constitute a valid reason for failure to renew a license~~to submit the renewal form or pay the required renewal fee.~~
- e) ~~The applicable fees shall be those set forth in Section 1450.130.~~
- d) Teaching pre-license~~Instructing~~ courses on an expired pre-license instructor~~or inoperative~~ license shall constitute ~~the~~ unlicensed ~~or unauthorized~~ practice and may be grounds for discipline.
- e) Restoration
- 1) Any licensed pre-license instructor with an~~whose license under the Act has expired~~ license may~~is eligible to~~ renew the license without paying any lapsed renewal fees ~~or reinstatement fees~~ provided that the license expired while the pre-license instructor was:
- A) on active duty with the United States Army, United States Navy, United States Marine Corps, United States Air Force, United States Coast Guard or State Militia~~, the Illinois National Guard~~ called into the service or training ~~for~~of the United States; ~~or~~
- B) engaged in training or education under the supervision of the United States prior to induction into military service; or
- C) serving as ~~the Director or as~~ an employee of the Department~~Division~~.

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- 2) A pre-license instructor renewing ~~his or her~~ license as set forth in accordance with this subsection (e) may renew the license within a period of 2 years following the termination of service and is not required to ~~retest or reapply or complete any examination or instructor training to renew.~~
- f) Except as set forth~~otherwise provided~~ in this Section, any pre-license instructor whose license ~~under the Act~~ has expired for more than 2 years shall meet the new applicant requirements as set forth~~found~~ in Section 1450.1115.
- ~~g) Any pre-license instructor whose license has been expired for less than 2 years may renew the license only after providing the Division with a certification that all qualifications of Sections 1450.1115 and this Section have been met, that the instructor taught at least one course within the period of licensure or has completed a Division approved instructor training program and the required fee is paid.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1130 Application for Continuing Education School License and Other Requirements~~Schools~~

The Division may consider the recommendation of the Advisory Council regarding a CE school application and submitted documentation.

- a) ~~Approval of Continuing Education (CE) Schools. Those entities seeking approval as CE schools shall maintain an office in Illinois for maintenance of all records, office equipment and office space necessary for customers. The CE school must provide phone call assistance for customer service.~~
- 1) ~~The CE school's office may, at any time, be subject to inspection by authorized representatives of the Division during regular working hours and upon at least 24 hours notice when the Division has reason to believe that there is not full compliance with the Act or this Part and that this inspection is necessary to ensure full compliance.~~
- 2) ~~The Division shall be reimbursed by any out-of-state CE school for all reasonable expenses incurred by the inspector to inspect its facilities.~~

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- a3) ~~A person~~Entities seeking ~~a license as CE school licenses~~schools shall ~~submit; file~~
- 1) ~~a signed and completed CE school application, on forms provided by the Division; along with~~
 - 2) ~~the required fee set forth in Section 1450.130; and. The application shall include the following:~~
 - 3) ~~a course description, comprehensive timed outline, examination and answer key for each course, an exam proctor policy, and any other information required by the Department.~~
- b) The education program for a CE school shall:
- 1) Be approved by the school's governing and/or supervising body;
 - 2) Only use instructors with a valid CE instructor license as set forth in the Act and Section 1450.1145;
 - 3) Have a curriculum that meets the requirements set forth in Section 1450.1135; and
 - 4) Administer a final course examination as set forth in Section 1450.1135.
- A) ~~An agreement by the applicant that the applicant shall provide to the Division, upon request, a schedule including location, date, time and name of instructor of each CE course to be offered;~~
- B) ~~The CE school's certification that:~~
- i) ~~all CE courses offered by the CE school for CE credit will comply with the criteria in the Act and this Part;~~
 - ii) ~~the CE school will be responsible for verifying attendance at each CE course and providing a certificate of completion signed by the CE school;~~
 - iii) ~~the CE school will maintain its records for not less than 5 years and will make these records available for inspection~~

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- ~~by the Division or its designee during regular business hours;~~
- ~~iv) upon request by the Division, the CE school will submit evidence to establish compliance with this Section and Sections 30-15 through 30-25 of the Act;~~
 - ~~v) the CE school will only offer CE, other than distance education CE, in an environment that is conducive to learning (i.e., adequate lighting, seating) and does not jeopardize the health, safety and welfare of the attendees;~~
 - ~~vi) financial resources are available to equip and maintain its office in a manner necessary to enable the CE school to comply with Article 30 of the Act, this Section and this Part, documented by a current balance sheet, an income statement or any similar evidence as requested by the Division;~~
 - ~~vii) upon request the CE school will make available to a licensee who has taken one or more of the CE school's courses the records dealing with the licensee's participation in those courses; and~~
 - ~~viii) the CE school will provide a closed book exam (unless excused by the Advisory Council) and a proctor for the exam, or an electronic means of proctoring the exam.~~
- c4) Licensed~~Validly licensed~~ pre-license schools seeking to offer CE courses shall apply~~qualify~~ for a CE school license as set forth in this Section~~upon completion of the required application and submission of the required fee.~~
- d5) The Division shall ~~issue approval to the CE school or notify the applicant~~ CE school, in writing of its decision. In the event the application is denied, the basis for denial will be provided and the applicant advised that the applicant may request a hearing as set forth in Section 30-5 of the Act., why approval cannot be issued.
- eb) Facilities~~Licensed CE schools shall comply with the following:~~

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- 1) CE schools must provide an office in Illinois for the maintenance of all records, office equipment and office space necessary for customer service.
- 2) CE schools must provide phone call assistance for customer service.
- 3) The premises, equipment and facilities of the CE school shall comply with all applicable community fire codes, building codes and health and safety standards.
- 4) CE schools are subject to inspection prior to licensure or at any time thereafter by the Division. The inspection shall be during regular business hours, with at least 24 hours advance notice of the inspection.
- 5) No CE school shall be maintained in a private residence.
- ~~1) No licensed CE school shall allow the premises or classrooms utilized during CE courses to be used by anyone to directly or indirectly recruit students. CE schools and CE instructors shall report to the Division any efforts to recruit students.~~
- ~~2) No licensed CE school shall advertise that it is endorsed, recommended or accredited by the Division. The CE school, however, may indicate that the school and the CE course have been approved by the Division.~~
- ~~3) Licensed CE schools shall utilize, in the teaching of approved CE courses, only CE instructors who have been licensed by the Division.~~
- ~~4) Licensed CE schools shall specify in any advertising promoting CE courses the number of CE hours that may be credited toward Illinois CE requirements for license renewal. Further, licensed CE schools shall specify the number of core or elective CE course hours that may be earned by successfully completing the course.~~
- ~~5) Provide core CE courses according to the standardized syllabi provided by the Division with the approval of the Advisory Council.~~

fe) Administration

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- 1) No CE school shall advertise that it is endorsed, recommended or accredited by the Division. The CE school may indicate that the school and CE courses have been licensed by the Division.
- 2) Every CE school shall submit to the Division, upon the Division's request, a schedule including location, date, time and name of each licensed CE instructor for each licensed CE course offered. CE schools shall notify the Division of any changes to that schedule.
- 3) CE schools shall specify in any advertising promoting CE courses the number of CE credit hours that may be earned toward Illinois CE requirements, including the number of core or elective CE course hours that may be earned.
- 4) Each CE school shall maintain for each student a record including the course of instruction undertaken, dates of attendance and areas of study satisfactorily completed. Each student's record shall be maintained by the CE school for a period of 5 years and shall be available for inspection by the student or by the Division, or its designee, during regular business hours.
- 5) A CE school shall certify on the initial application that financial resources are available to equip and maintain the school, as documented by, for example, a current balance sheet, an income statement or any similar evidence required by the Division.
- 6) The CE school shall assure be responsible for assuring verified attendance at each CE course ~~and/or distance education~~ examination. No licensee ~~renewal applicant~~ shall receive CE credit for time not actually spent attending the CE course or ~~if~~ when a passing score of 70% on the examination ~~is~~ was not achieved.
- 7) The Division shall be reimbursed by any out-of-state CE school for all reasonable expenses incurred by the inspector to inspect its facilities.
- 4) All CE schools ~~shall seek a certificate of registration for all CE courses they plan to offer and shall not offer any CE course until the Division has issued a certificate of registration for that course. All requests for registration of courses shall include a course description, course outline,~~

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~~learning objectives, examination and answer key.~~

- 2) ~~Upon request all CE schools shall also notify the Division as to all CE instructors they plan to use.~~
- g4) Monthly Reports. Each licensed CE school shall submit to the Division, on or before the 15th of each month, a report of ~~those~~ licensees passing CE courses offered by ~~the CE school#~~ during the preceding calendar month.
- 1A) The monthly reports shall, at a minimum, include the following information for each licensee:
- Ai) the licensee's name, address and license number;
 - Bi) the CE school's name and license number;
 - Cii) the CE course name, course license number, course category (Core A, Core Beore or elective) and credit hours; and
 - Div) other information ~~as may be~~ required by the Division.
- 2B) If no courses were given by a CE school during the preceding calendar month, that CE school shall report in writing that no courses were given.
- 3C) The monthly reports shall be submitted on forms, or in a computer readable format, provided by the Division.
- 4D) There is no processing fee for a monthly report submitted in the computer readable format specified by the Division. Each monthly report, submitted on paper or in a format ~~other than that~~ specified by the Division, shall be accompanied by a processing fee of \$.50 per licensee, per course listed on the report, payable by check to the Department of Financial and Professional Regulation.
- 5E) A monthly report received by the Division with a postmark after ~~the day it is due~~ (the 15th day of the month) shall be accompanied by an administrative fee of \$200 ~~and in addition to~~ the fees set forth in subsection ~~(g)(4)(e)(4)(D)~~.

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- 6F) If a CE school fails to submit~~file~~ monthly reports and/or a statement~~saying that no CE courses were given, or fails~~ to pay the required fees for three~~3~~ successive months, then the courses offered by that school may be subject to discipline as set forth in Section 1450.1165~~disqualified pursuant to procedures set forth in Section 30-15 of the Act~~ until all delinquent reports, processing fees and administrative fees, as set forth in this Section, have been submitted to and are received by the Division. The Division shall send notice to the school of an informal conference, with a representative of the Advisory Council and the Division as set forth in~~and of pending disqualification pursuant to~~ Section 30-15(d) of the Act by certified or registered mail, return receipt requested, or by other signature restricted delivery service.
- h) A CE school shall issue a certificate of completion, on forms approved by the Division, upon a student's successful completion of a CE course. Each certificate of completion shall be signed or otherwise authenticated by the CE school.
- i) The Division shall be notified of all proposed changes in ownership of a CE school, on forms provided by the Division, 30 days prior to the change in ownership.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1135 Application Curriculum for Continuing Education Courses and Curriculum Schools and Course Registration Process

The Division may consider the recommendation of the Advisory Council regarding a CE course application and submitted documentation.

- a) A licensed CE school seeking to provide CE courses, including electives and distance education courses, shall submit:
- 1) a signed and completed CE course application on forms provided by the Division;
 - 2) the required fee set forth in Section 1450.130; and
 - 3) a course description, comprehensive timed outline, course objectives, examination and answer key for each course, exam proctor policy, written

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proctor agreement, materials to be provided to the students, and any other information required by the Department. Each outline shall make reference to the textbook used and other material related to the course or subject matter and shall conform to a standardized curriculum approved by the Division.

- ba) ~~CE~~The Division, with the advice of the Advisory Council, shall designate core (mandatory) courses for each cycle and shall comply withprovide a standardized curriculum provided by the Division with the advice of the Advisory Council.syllabus to be used by the CE schools for those courses. This shall be effective for the broker prerenewal cycle beginning May 1, 2010.
- b) Elective courses must be approved by the Division, through its Advisory Council.
- e) Credit hours may be earned for distance education programs approved by the Advisory Council.
- cd) A licensee may earn credit for a specific CE course only once during the renewalprerenewal period.
- e) The Division shall issue certificates of registration for approved CE courses upon successful completion of the following process:
- 1) The person or entity seeking approval for the CE course completes and submits the application approved by the Division for a certificate of registration;
 - 2) The CE description, comprehensive timed outline, learning objectives, examination and answer key and any other course and examination materials requested by the Division or the Advisory Council is submitted along with the application;
 - 3) The fee required by Section 1450.130 is submitted; and
 - 4) The Advisory Council approves the application for registration of the CE course.
- f) One hour of approved CE shall include at least 50 minutes of classroom instruction and shall be exclusive of any time devoted to taking the examination

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~~as set forth in subsection (h).~~

- ~~d~~g) Each CE course shall include one or more subjects from either the core category, as set forth in Sections 1450.450(b)(3)(A) and 1450.540(b)(3)(A), or elective category, as set forth in Sections (see Section 1450.340(b)(3)(A) or (b)(3)(B); 1450.450(b)(3)(A) or (b)(3)(B) and, or 1450.540(b)(3)(A) or (b)(3)(B)), regardless of whether students are in a classroom, attending via other interactive delivery method ~~actual attendance~~ or participating in a distance education course ~~coursework~~. All CE courses shall be a minimum of 3 credit hours and shall be offered in 3 hour increments. Each 3 hour increment shall be a course approved by the Advisory Council. The CE school shall clearly indicate on the certificate of completion the number of credit hours earned from each CE course and identify whether the ~~completed~~ course was from the Core A, Core B ~~or~~ or elective category.
- e) All CE courses shall:
- 1) Contribute to the advancement, integrity, extension and enhancement of professional skills and knowledge in the practice of licensed activities; and
 - 2) Provide experiences that contain subject matter and course materials relevant to that set forth in Section 5-70 of the Act.
- ~~f~~h) Each CE course shall end in a mandatory proctored exam prepared and provided by the licensed CE school consisting of at least 25 questions for every 3 credit hours for which the minimum passing score shall be no less than 70% ~~include the successful completion of an examination that measures the attendee's understanding of the course material. A score of at least 70% is required on the examination for successful completion of any CE course.~~ The CE school's registration material shall indicate to the student in writing if the examination will be electronic, in paper format or both. Credit hours exclude any time devoted to taking the examination.
- 1) Pursuant to Section 5-70(j) of the Act, no more than 6 hours of CE credit may be taken or earned in one calendar day. The exam for a CE course or courses may be given at the end of each individual course or group of courses. For example, a licensee, who intends to take 12 hours of CE may complete the exams and earn CE credit for the courses at the end of each individual course, or group of courses, provided the licensee does not

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~~exceed the 6 hour limit of instruction per calendar day referenced in Section 5-70(j) of the Act and Section 1450.1155(f) and (g) of this Part. The examination shall be given on site immediately following any CE course. When a sequence of courses is offered, the examination may be given either at the end of each individual course or it may be given at the end of the sequence of courses so long as the examination covers all aspects of the course material.~~

- 2) ~~All examinations, including distance education examinations and retake examinations, shall be proctored pursuant to an exam proctor policy. Proctors must be impartial third parties (i.e., not a licensee's sponsoring broker, managing broker, any relative, etc.) as defined in Section 1450.100 by a representative of the approved CE school, or shall provide a means of electronic proctoring approved by the Division. All examinations shall include at least 25 questions for each 3-hour increment of CE earned and shall be a closed book exam unless waived by the Advisory Council due to the complexity of the course material and exam.~~
 - 3) ~~If a student failed a CE examination twice, the student must successfully retake the CE course and pass the examination in order to receive credit. No credit for CE shall be given to any licensee unless the examination is successfully completed. The CE school shall allow the attendee one retake within 30 days after a failed examination in order to receive credit for CE. No more than one retake shall be allowed. A licensee failing a retake shall not receive credit for that CE course unless the entire course is retaken and the examination is successfully completed.~~
 - 4) ~~The CE school will provide a closed book examination, unless waived by the Advisory Council due to the complexity of the course material and examination.~~
- i) ~~Distance education CE shall comply with all of the requirements of this Section, except that:~~
- 1) ~~Verified attendance is only required for taking the examination.~~
 - 2) ~~Classroom instruction is not required for distance education CE, as the intent is for the licensees to review and learn the material on their own.~~

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- 3) ~~Acceptable distance education course materials include, but are not limited to, reading material and audio or video content.~~
- 4) ~~The examination site for distance education CE shall be determined by the CE school, and it shall be proctored by a representative of the approved sponsor. An approved instructor is not required to proctor the examination.~~
- j) ~~All CE courses shall:~~
 - 1) ~~Contribute to the advancement, integrity, extension and enhancement of professional skills and knowledge in the practice of real estate;~~
 - 2) ~~Provide experiences (e.g., role playing, lectures, films) that contain subject matter and course materials relevant to that set forth in Section 5-70 of the Act; and~~
 - 3) ~~Be developed and presented by persons with education and/or experience in the subject matter of the CE course.~~
- k) ~~Nothing shall prohibit an approved CE school and its instructors from utilizing audio visual aides or electronic communications with 2-way voice interaction in assisting in the presentation of CE courses.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

**Section 1450.1140 Application for Continuing Education School and Course License
Renewal Expiration Date and Renewal Period for Continuing Education Schools**

- a) ~~Every CE school and course licenses~~ license shall expire on June 30 of each even-numbered year.
- b) ~~Every certificate of registration of a CE course shall expire on June 30 of each even-numbered year.~~
- be) ~~Licensed~~ Each licensed CE ~~schools~~ school shall be responsible for submitting:
 - 1) a renewal application of the license on forms provided by the Division;:-
 - 2) the required fee set forth in Section 1450.130; and

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- 3) a list of updated courses, course descriptions, comprehensive timed outlines, examinations, and answer keys and exam proctor policies, excluding any clerical changes, and any other information required by the Department.
- c) Failure to receive a renewal form shall not constitute a valid reason for failure to submit the proper application for renewal.
- d) ~~The applicable fees shall be those set forth in Section 1450.130.~~
- e) ~~Each CE school shall submit the renewal application along with the proper fee and a list of courses to be taught. If the course has been updated, the school shall submit the updated course descriptions, course outlines, examinations and answer keys with the renewal applications.~~
- df) ~~Operation of a CE school on an expired CE school or inoperative license shall constitute unlicensed or unauthorized practice and shall be grounds for discipline or non-disciplinary action under the Act.~~
- eg) ~~Any CE school whose license under the Act has been expired for more than 2 years shall not be eligible for renewal of that license. Any CE school whose license has been expired for less than 2 years may be renewed renew the license after the CE school provides providing the Division with evidence that all qualifications of Section 1450.1130 have been met and the required proper renewal fees set forth in Section 1450.130 have been paid.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1145 Application for Continuing Education Instructor License~~Instructors~~

The Division may consider the recommendation of the Advisory Council regarding a CE instructor applicant.

- a) A person~~An applicant~~ seeking ~~approval from the Division to become a licensed~~ CE instructor license shall submit:
- 1) a signed and completed application, on forms provided by the Division;

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- 2) ~~along with the~~ required fee ~~set forth in~~required by Section 1450.130; and
 - 3) ~~and~~ a certification that the applicant has attended and successfully completed a ~~one-day~~, 6 hour, instructor development course. This course may be the same as the 6 hour instructor training and development course set forth~~program provided for pre-license instructors~~ in Section 1450.1115(a)(3)(A). If you are currently a licensed pre-license instructor, attendance~~(b). Attendance~~ at the 12 hour pre-license instructor training program set forth in Section 1450.1115(a)(3)~~development 12-hour courses~~ will satisfy this requirement for CE instructor licensees. The 6 hour instructor training and development course shall not count towards leasing agent, broker, managing broker CE or pre-license instructor renewal requirements.
- b) Certification of an~~An~~ individual applying to become a licensed CE instructor shall meet at least one of the following criteria:
- 1) be licensed~~Licensed~~ and active in practice~~as a real estate broker or managing broker~~ for at least the immediately preceding~~last~~ 3 years; ~~or~~
 - 2) be~~Is~~ currently admitted to practice law and for the immediately preceding 3 years has been engaged in real estate related work as part of the~~his or her~~ active practice of law or has taught pre-licensure~~real estate pre-licensed~~ courses; ~~or~~
 - 3) be~~Is~~ a properly~~properly~~-credentialed real estate course instructor ~~of real estate courses who is or has been~~ engaged in the practice of teaching for the immediately preceding~~at least~~ 3 years; ~~or as evidenced by~~
 - 4) hold a professional designation, including~~such as~~, but not limited to, a designated real estate instructor (DREI); ~~or~~
 - 5) be approved to teach by a college's or university's governing body to teach ~~in a~~ real estate degree program; ~~or~~
 - 6) be~~Is~~ properly licensed or certified to engage in the business of appraisal, finance ~~and/or~~ related real estate occupations (not including real estate salespersons or leasing agents or real estate auction certification holders)

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~~and for the immediately preceding at least 3 years has been engaged in that practice; or~~

- ~~75) Is~~ qualified by experience or education as ~~set forth outlined~~ in Section 30-15(b)(9) of the Act. In determining whether a person is qualified to teach CE under that Section, the ~~Division may~~ Director shall consider ~~the following:~~
- ~~A) The individual's~~ teaching experience;
 - ~~B) The individual's~~ real estate experience; ~~and~~
 - ~~C) any~~ Any real estate, business or legal education, ~~of the individual;~~
 - ~~D) The results of a personal interview with the individual. The personal interview may be conducted via telephone if it would be overly burdensome and unreasonable for the applicant to personally appear for the interview (e.g., applicant living out of state); and~~
 - ~~E) The recommendation of the Advisory Council. The Advisory Council shall make a recommendation to the Director for approval or disapproval of the applicant as a CE instructor.~~
- c) ~~Licensed Individuals validly licensed to teach salesperson, broker and managing broker pre-license instructors courses, pursuant to Section 1450.1115, are qualified as CE instructors if as long as they submit a CE instructor an application to the Division for licensure as a CE instructor and pay the required fee set forth in Section 1450.130.~~
- d) The Division shall notify the applicant in writing of its decision within 15 days ~~after its approval or disapproval~~. The Division, upon the advice of the Advisory Council, may can restrict a CE instructor's license to teaching only certain CE courses or certain types of CE courses. In the event the ~~application applicant~~ is ~~denied disapproved~~, the reasons will be ~~provided detailed~~ and the applicant advised that the applicant may request a hearing as provided for in Section 30-5 of the Act ~~and 68 Ill. Adm. Code 1100.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

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Section 1450.1150 Continuing Education Instructor License Renewal and Restoration~~Expiration Date and Renewal Period for Continuing Education Instructors~~

- a) ~~Every~~ CE instructor ~~licenses~~license shall expire on June 30 of each even-numbered year.
- b) ~~Licensed~~Each licensed CE ~~instructors~~instructor shall be responsible for submitting:
 - 1) a renewal application of the license on forms provided by the Division;
 - 2) the required fee set forth in Section 1450.130; and
 - 3) one of the following:
 - A) certification of teaching at least 2 CE courses during the last 6 years; or
 - B) successful completion of the 6 hour instructor training and development course set forth in Section 1450.1145(a).
- c) Failure to receive a renewal form or failure to pay the renewal fee shall not constitute a valid reason ~~for failure to renew a license submit the proper application for renewal and for failure to pay the proper renewal fee.~~
- e) ~~The applicable fees shall be those set forth in Section 1450.130.~~
- d) Teaching CE courses on an expired license shall constitute unlicensed ~~or unauthorized~~ practice and shall be grounds for discipline or non-disciplinary action.
- e) Restoration
 - 1) ~~Any licensed~~ CE instructor with an expired whose license ~~may under the Act has expired is eligible to~~ renew the license without paying any lapsed renewal fees ~~or reinstatement fees~~ provided that the CE license expired while the instructor was:

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- A) on active duty with the United States Army, United States Navy, United States Marine Corps, United States Air Force, United States Coast Guard, or ~~State Militia~~the Illinois National Guard called into the service or training ~~for~~of the United States; ~~or~~
- B) engaged in training or education under the supervision of the United States prior to induction into military service; or
- C) serving as the Director or as an employee of the ~~Department~~Division.
- 2) A CE instructor renewing ~~his or her~~ license as set forth in accordance with this subsection (e) may renew the license within a period of 2 years following the termination of service and is not required to reapply or complete any examination or instructor training to renew.
- f) ~~Any~~ CE instructor whose license ~~is under the Act has been~~ expired for more than 2 years shall meet the new application requirements set forth in Section 1450.1145 ~~not be eligible for renewal of that license. Any CE instructor whose license has been expired for less than 2 years may renew the license only after providing the Division with evidence that all qualifications of Section 1450.1145 have been met and the proper renewal fee is paid.~~
- g) ~~Any CE instructor applying for renewal must verify he or she has taught at least 2 courses during the last 6 years, or successfully completed the instructor training program approved by the Advisory Council.~~

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1155 Distance Education Courses

The Division may consider the recommendation of the Advisory Council regarding distance education. Distance education courses are non-interactive courses in which students review and learn material through self-study, without any mandatory interaction with a licensed instructor. ~~Distance education courses are courses in which instruction does not take place in a traditional face to face classroom situation but rather when instruction takes place through other media.~~ Distance education programs include, but are not limited to, ~~courses~~those that are presented through the internet and on-line courses, interactive classrooms, video conferencing, print media (i.e., audio tape recording, written materials ~~print media, video tape recording, CD or~~

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~~DVD)compact disks and interactive computer. Distance education courses shall be licensed to an approved pre-license or CE school and meet the curriculum requirements set forth in Sections 1450.1100, 1450.1105, 1450.1130, and/or Section 1450.1135, as applicable.~~

- a) The following are not eligible for distance education:
- 1) the 12 hour broker management CE course set forth in Section 5-70(b) of the Act;
 - 2) 15 hours of the 30 hour broker post-license course set forth in Section 5-50(b) of the Act;
 - 3) the 15 hour Applied Real Estate Principle course set forth in Section 5-27(a)(5) of the Act and Section 1450.1105(b)(2); and
 - 4) the 15 hour Applied Management and Supervision course set forth in Section 5-28(a)(5) of the Act and Sections 1450.1105(d)(2).
- b) Distance education courses shall be licensed to a licensed pre-license or CE school and meet the requirements set forth in Sections 1450.1100, 1450.1105, 1450.1110, 1450.1130, 1450.1135 and 1450.1140 as must meet all requirements for pre-license or CE courses, whichever is applicable, and any additional requirements established by the Act and this Part, except:-
- 1) Verified attendance is only required for taking examinations. The identity of each student must be verified by valid and unexpired photo identification (i.e., driver's license, state identification card, passport, etc.) prior to the start of the examination.
 - 2) Classroom instruction or other interactive delivery method is not permitted for distance education as the intent is for the licensees to review and learn the material on their own.
 - 3) The examination site for distance education shall be determined by the school and shall be proctored by a representative of the school or by means of electronic proctoring. A licensed instructor is not required to proctor an examination. Proctors must be impartial third parties (i.e., not a licensee's sponsoring broker, managing broker, any relative, etc.).

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- cb) Students must be provided with complete information on the nature and the specifics of the distance education course. A student enrolled in a distance education course shall receive the following prior to beginning the course, as applicable:~~Distance education courses shall be submitted to the Division for review and approval as provided for in Section 1450.1105 or Section 1450.1135, whichever is applicable.~~
- 1) Faculty contact information (telephone, email, voicemail, address, etc.);
 - 2) Homework assignments;
 - 3) Testing information (sites, proctors, etc.);
 - 4) Schedules and deadlines;
 - 5) List of student material required (software, specialized internet services, etc.);
 - 6) Grading and course credit information;
 - 7) Procedures for missed technology sessions;
 - 8) Resource information;
 - 9) Toll free numbers;
 - 10) Registration and withdrawal periods;
 - 11) Fees;
 - 12) Americans with Disabilities Act information, including special needs;
 - 13) Mailing procedures;
 - 14) Technology support services available to students; and
 - 15) Issuance of certificates of completion to students upon completion of distance education courses.

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- d) ~~Licensed pre-license~~Pre-license or CE schools providing distance education courses shall establish written ~~policies and~~ procedures for proctoring and grading examinations and lessons, which shall include provisions for instructor comments, suggestions and written correction of errors. There shall also be written course objectives for each course and written procedures for the prompt return of materials, if required. Copies of these ~~procedures~~policies shall be provided to the Division upon request. Proctors must be impartial third parties (i.e., not a licensee's sponsoring broker, managing broker, any relative, etc.) as defined in Section 1450.100.
- e) ~~Schools providing distance education courses shall establish performance objectives for each course.~~
- f) ~~Pre-license schools offering distance education courses shall maintain an average passing rate of at least 50% for all students who take the licensure examination for the first time over a 6 month period, either January through June or July through December.~~
- g) ~~Licensed pre-license or CE schools~~Schools providing distance education courses shall provide for a ~~valid~~licensed instructor and technical support to be available during normal business hours to answer student questions.
- h) ~~Each school offering distance education courses shall submit for approval by the Division the general plans for proctoring exams for distance education courses and each school shall be responsible for the security and integrity of course final examinations and the suitability of the sites and proctors utilized by the school.~~
- i) ~~Each school offering distance education shall provide appropriate technical support throughout the period the courses are offered.~~
- j) ~~Distance~~Approved distance education courses shall require the same amount of time to complete as~~the student to spend the same time completing the course as it would take them to complete~~ a classroom course. For each distance education course initial application ~~licensed, pre-license~~Pre-license or CE schools shall include a comprehensive timed outline consistent with course hour requirements for each distance education course initial application.

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- gj) ~~Licensed pre-license~~Pre-license or CE schools shall not administer a distance education course final ~~examination~~exam to a student until the student has had adequate time to complete the course.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1160 Recruitment ~~at Test Center~~

- a) Licensees shall not recruit test takers to become ~~associated~~affiliated with a licensee at test facilities where the Illinois Real Estate Licensing Examinations ~~are~~Examination is being conducted before, during, or after the examination.
- b) No licensed pre-license or CE school shall allow the school premises or classrooms to be used during class time by anyone to directly or indirectly recruit students to become associated with a licensee. Schools and instructors shall promptly report any efforts to recruit students to the Division.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1165 Discipline of Schools, ~~or~~ Instructors or Courses

- a) The Advisory Council, after notice, can conduct an informal conference to review a school, instructor or course's~~for the purpose of reviewing a school's or instructor's~~ compliance with the Act and this Part. The Advisory Council may make a recommendation to the Board based upon its findings and conclusions resulting from that conference.
- b) Upon written recommendation of the Board to the Director, the Division may refuse to issue or renew a license ~~or certificate of registration~~, reprimand, fine, ~~withdraw approval~~, place on probation, suspend, or revoke any license or otherwise discipline any license ~~or certificate of registration~~, of any pre-license school, pre-license school branch, pre-license instructor, pre-license course, CE school, CE instructor, CE course, or an applicant for any~~the~~ license ~~or certificate of registration~~ when, ~~at any time~~:
- 1) The quality of the course, instruction or program fails to meet the established criteria as set forth in the Act and this Part;
 - 2) There is fraud or misrepresentation in applying for a~~If the~~ license ~~approval~~

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~~was based upon false or deceptive information;~~

- 3) ~~Any~~ If any other professional license, accreditation or certification of the instructor, ~~or school~~ or course is suspended, revoked or otherwise disciplined;
- 4) There is dismissal of students, without good cause, from a course that results in required hours not being met;
- 5) There is failure to adhere to approved course materials;
- 6) The licensee or applicant conducts a course while the license is nonrenewed, expired, suspended, revoked or surrendered;
- 7) There is plagiarism of course material;
- 8) A course is not conducted in the manner represented to the Division at the time licensure was requested or a course no longer complies with the criteria for licensure;
- 9) The licensee or applicant does not enforce policies relating to courses, instructor qualifications, student attendance or course scheduling;
- 10) The licensee misrepresents any material fact relating to a course;
- 11) The licensee fails to maintain, for a period of at least 5 years, accurate records of students' course completion or to fill, within 14 days, student or Department requests for course completion certificates;
- 4) ~~When the applicant or licensee has:~~
- 12A) The licensee or applicant subverted or attempted to subvert the integrity of an examination ~~any exam~~ or course, including through improper reproduction of an examinaiton ~~exam~~, providing, orally or in writing, any questions or answers ~~an answer key~~ to an examination ~~exam~~, cheating, bribery or otherwise aiding and abetting ~~aids and abets~~ an applicant or licensee to subvert the integrity of an examination ~~any exam~~ or course;
- 13B) The license or applicant ~~made any substantial misrepresentation,~~

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misleading or untruthful advertising, including without limitation guaranteeing success or a "pass score" on any examination, exam or in any course or using any trade name or insignia of membership in any educational or any real estate organization of which the applicant or licensee is not a member;

14C) The license or applicant taught real estate courses without being qualified, including, but not limited to, being unapproved by the Division, being unlicensed, having a nonrenewed license or being uncertified, or aids and abets an unqualified individual to teach a real estate course;

15D) The licensee or applicant failed to provide information to the Division as required under any provision of the Act or this Part;~~or~~

16E) The licensee or applicant disregarded or violated any provision of the Act or this Part;~~or~~

17S) A licensed~~Any approved~~ pre-license school fails to maintain an average passing rate of at least 50% for all students who take ~~at the~~ licensure examination for the first time over a 6 month period, either January through June or July through December; ~~or~~

18) A licensed pre-license or CE instructor fails to advise a licensed pre-license or CE school as to a license restriction set forth in Sections 1450.1115(d) and 1450.1145(d).

- c) Disciplinary proceedings shall be conducted ~~by the Board~~ as set forth~~provided for~~ in the Act and ~~Subpart I of~~ this Part.
- d) The Division may temporarily suspend a pre-license or CE course license without hearing ~~the certificate of registration for a licensed CE school's courses~~ for failure to comply with the Act or this Part upon recommendation of the Advisory Council. No pre-license or CE credit shall be granted to any licensee for completing a pre-license or CE course for which the course license~~certificate of registration~~ has been temporarily suspended.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1170 Real Estate Education Advisory Council

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The Coordinator shall not ~~count~~~~be counted~~ as a member of the Advisory Council for the purpose of determining whether a quorum is present.

(Source: Amended at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART L: CONTINUING EDUCATION TRANSITIONAL PROVISIONS

Section 1450.1200 Continuing Education Requirements for Transitioned Licensees
(Repealed)

- a) ~~The CE requirement for April 30, 2012 renewal for salespersons who transitioned to brokers by passing the proficiency examination shall be 18 hours of CE courses taken pursuant to Section 1450.340. The 18 hour requirement shall consist of a minimum of 9 hours of courses approved as core and a maximum of 9 hours of courses approved as elective.~~
- b) ~~Salespersons who transitioned to brokers by successfully completing the 30 hour transition courses are not required to take CE for the April 30, 2012 renewal.~~
- e) ~~The CE requirement for April 30, 2013 for brokers who transitioned to managing brokers by passing the proficiency exam shall be 18 hours of CE courses and the 12 hour broker management CE course taken pursuant to Section 1450.540. The 18 hour requirement shall consist of a minimum of 9 hours of courses approved as core and a maximum of 9 hours of courses approved as elective.~~
- d) ~~The CE requirement for April 30, 2013 for brokers who transitioned to managing brokers by completing the 45 hour transition courses shall be 18 hours of courses taken pursuant to Section 1450.540. The 18 hour requirement shall consist a minimum of 9 hours of courses approved as core and a maximum of 9 hours of courses approved as elective.~~

(Source: Repealed at 40 Ill. Reg. 12588, effective September 2, 2016)

SUBPART M: REAL ESTATE AUCTION CERTIFICATION**Section 1450.1300 Real Estate Auction Pre-Certification Education**

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- a) The 30 hour real estate certification course set forth in Section 32(a)(2) of the Act shall include the following:
- 1) 18 hours relating to real estate including the following topics:
 - A) Illinois and federal statutes and rules governing real estate;
 - B) agency;
 - C) real estate advertising; and
 - D) any other subject matter recommended by the Department.
 - 2) 12 hours relating to auctions including the following topics:
 - A) Illinois and federal statutes and rules governing auctions;
 - B) auction advertising; and
 - C) any other subject matter recommended by the Department.
- b) The 30 hour real estate auction certification course may be completed in a classroom or by other interactive delivery.
- c) The Department may consider the recommendation of the Advisory Council regarding 30 hour real estate auction certification courses.

(Source: Added at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1310 Application for Real Estate Auction Certification

To obtain a real estate auction certification, an applicant must:

- a) Submit a signed and completed real estate auction certification application on forms provided by the Division;
- b) Hold a valid auctioneer license under the Auction License Act [225 ILCS 407];
- c) Pay the required fee set forth in Section 1450.130(d)(1); and

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- d) Complete a 30 hour real estate auction certification course set forth in Section 1450.1320, including passing the mandatory proctored final course exam.

(Source: Added at 40 Ill. Reg. 12588, effective September 2, 2016)

Section 1450.1320 Real Estate Auction Certification Activities

- a) A licensed auctioneer with a real estate auction certification, who is not otherwise exempt from holding a broker or managing broker license under Section 5-20(13) of the Act, performing activities related to the auction of real estate shall be limited to:
- 1) Establishing the time of the real estate auction;
 - 2) Establishing the place of the real estate auction;
 - 3) Establishing the method of the real estate auction;
 - 4) Placing proper advertisements regarding the real estate auction as set forth in Sections 1450.715 and 1450.720; and
 - 5) Crying or calling the real estate auction.
- b) A licensed auctioneer exempt from holding a broker or managing broker license under Section 5-20(13) of the Act who is performing activities related to the auction of real estate shall be limited to:
- 1) Establishing the time of the real estate auction;
 - 2) Establishing the place of the real estate auction;
 - 3) Establishing the method of the real estate auction;
 - 4) Placing proper advertisements regarding the real estate auction as set forth in Sections 1450.715 and 1450.720;
 - 5) Crying or calling the real estate auction; and

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- 6) Selling or leasing real estate at auction.
- c) As set forth in Section 5-32 of the Act, the Department may revoke, suspend or otherwise discipline the real estate auction certification of a licensed auctioneer who violates Section 5-32 of the Act or Section 20-15 of the Auction License Act [225 ILCS 407].

(Source: Added at 40 Ill. Reg. 12588, effective September 2, 2016)

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- 1) Heading of the Part: Video Gaming (General)
 - 2) Code Citation: 11 Ill. Adm. Code 1800
 - 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
1800.440	New Section
1800.690	Amendment
1800.790	Amendment
 - 4) Statutory Authority: Authorized by the Video Gaming Act [230 ILCS 40], specifically Section 78 (a) (3) of that Act [230 ILCS 40/78 (a)(3)]
 - 5) Effective Date of Rules: August 19, 2016
 - 6) Does this rulemaking contain an automatic repeal date? No
 - 7) Does this rulemaking contain an incorporation by reference? No
 - 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office and is available for public inspection.
 - 9) Notice of Proposal published in the *Illinois Register*: 40 Ill. Reg. 5753; April 8, 2016 and 40 Ill. Reg. 7275; May 13, 2016
 - 10) Has JCAR issued a Statement of Objection to this rulemaking? No
 - 11) Differences between Proposal and Final Version: In new Section 1800.440(c) (Undue Economic Concentration), the final version adds, as a criterion for determining undue concentration, "the current and projected financial condition of the terminal operator".
 - 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
 - 13) Will this rulemaking replace any emergency rule currently in effect? No
 - 14) Are there any rulemakings pending on this Part? Yes
- | | | |
|-------------------------|--------------------------|-------------------------------------|
| <u>Section Numbers:</u> | <u>Proposed Actions:</u> | <u>Illinois Register Citations:</u> |
| 1800.110 | Amendment | 40 Ill. Reg. 9024; July 8, 2016 |

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1800.430 Amendment 40 Ill. Reg. 9024; July 8, 2016

- 15) Summary and Purpose of Rulemaking: The rulemaking does the following:

Undue economic concentration: Section 25 (i) of the Video Gaming Act [230 ILCS 40/25] provides in pertinent part that:

The Board shall adopt rules concerning economic concentration with respect to the operation of video gaming terminals in Illinois. The rules shall include, but not be limited to, (i) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and (ii) guidelines on the discontinuation of operation of any such video gaming terminals the Board determines will cause undue economic concentration.

In conformity with this statutory mandate, the proposed rulemaking adds a new Section 1800.440 entitled "Undue Economic Concentration." Under the proposed rulemaking, the Board shall consider whether undue economic concentration will result from the granting or renewal of a terminal operator license. If the Board determines that undue economic concentration will occur, it shall not grant the license or renewal.

"Undue economic concentration" is defined to mean that an individual or entity, individually or in combination with others, has such actual or potential domination of video gaming in Illinois as to either:

Substantially impede or suppress competition among holders of terminal operator licenses;

Adversely affect the economic stability of the video gaming industry in Illinois; or

Negatively impact the purposes of the Video Gaming Act, including collection of revenues and development of the video gaming industry.

In determining whether the issuance or renewal of a terminal operator license will lead to undue economic concentration, the IGB shall consider the following factors:

The percentage share of the Illinois market owned or controlled by the applicant or licensee in terms of number of licensed video gaming locations, number of video gaming terminals, total net terminal income, and total amount wagered;

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The relative position of other individuals or entities that own or control terminal operator licenses in Illinois;

Current and projected financial condition of the video gaming industry;

Current market conditions, including proximity and level of competition, consumer demand, market concentration, and other relevant market characteristics;

Whether the applicant or licensee has a common organizational or financial structure with other licensees;

Projected impact on development and growth of the video gaming industry; the communities in which licenses are located, and the State of Illinois;

Barriers to entry into the video gaming industry;

Whether issuance of the license will adversely affect consumer interests;

Whether a restriction or denial of license is necessary for competition in video gaming operations;

The current and projected financial condition of the terminal operator; and

Any other information deemed relevant by the Board.

The rulemaking gives the Illinois Gaming Board authority to place any restrictions or qualifications on a terminal operator license that it deems necessary to eliminate undue economic competition. An applicant or licensee has the right to a hearing to contest these restrictions or qualifications.

The rulemaking is consistent with other comparable undue economic concentration provisions found elsewhere in regulatory law. In particular, the language is similar to that contained in the Riverboat Gambling Part of the Illinois Administrative Code [86 Ill. Admin. Code 3000.232 (Undue Economic Concentration)]. The rulemaking follows statute, takes into account the entire view of the market related to terminal operators, and does not create barriers to entry from an antitrust perspective.

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Filing of exceptions: The rulemaking allows parties to file exceptions to the findings of fact, conclusions of law, and recommendations of an Administrative Law Judge. The rulemaking applies to hearings on denials of applications for licensure as well as hearings on disciplinary actions against licensees.

Any party to a hearing may file exceptions with the Board no later than 14 days after receipt of the recommended decision. Exceptions shall specify each finding of fact and conclusion of law to which exception is taken. There shall be no oral argument on exceptions. The Board's review of the record before issuing a final order shall include a review of any exceptions filed.

- 16) Information and questions regarding these adopted rules may be addressed to:

Agostino Lorenzini
General Counsel
Illinois Gaming Board
160 North LaSalle Street
Chicago IL 60601

fax: 312/814-7253

The full text of the Adopted Amendments begins on the next page:

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TITLE 11: ALCOHOL, HORSE RACING, LOTTERY, AND VIDEO GAMING
SUBTITLE D: VIDEO GAMING
CHAPTER I: ILLINOIS GAMING BOARD

PART 1800
VIDEO GAMING (GENERAL)

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SUBPART B: DUTIES OF LICENSEES

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1800.210	General Duties of All Video Gaming Licensees
1800.220	Continuing Duty to Report Information
1800.230	Duties of Licensed Manufacturers
1800.240	Duties of Licensed Distributors
1800.250	Duties of Licensed Video Terminal Operators
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1800.320	Minimum Standards for Use Agreements
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1800.410	Coverage of Subpart
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1800.440 Undue Economic Concentration

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1800.520	Applications
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1800.540	Application Fees
1800.550	Consideration of Applications by the Board
1800.555	Withdrawal of Applications and Surrender of Licenses
1800.560	Issuance of License
1800.570	Renewal of License
1800.580	Renewal Fees and Dates
1800.590	Death and Change of Ownership of Video Gaming Licensee

SUBPART F: DENIALS OF APPLICATIONS FOR LICENSURE

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1800.610	Coverage of Subpart
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1800.630	Discovery
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1800.640	Motions for Summary Judgment
1800.650	Proceedings
1800.660	Evidence
1800.670	Prohibition on Ex Parte Communication
1800.680	Sanctions and Penalties
1800.690	Transmittal of Record and Recommendation to the Board
1800.695	Status of Applicant for Licensure Upon Filing Request for Hearing

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Section

1800.710	Coverage of Subpart
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1800.725	Appearances
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1800.740	Subpoenas
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1800.760	Evidence
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1800.780	Sanctions and Penalties
1800.790	Transmittal of Record and Recommendation to the Board
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LICENSED VIDEO GAMING LOCATIONS

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1800.810	Location and Placement of Video Gaming Terminals
1800.820	Measurement of Distances from Locations
1800.830	Waivers of Location Restrictions

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1800.930	Prior Registration

SUBPART J: TRANSPORTATION, REGISTRATION,
AND DISTRIBUTION OF VIDEO GAMING TERMINALS

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1800.1060	Placement of Video Gaming Terminals
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1800.1070 Disposal of Video Gaming Terminals

SUBPART K: STATE-LOCAL RELATIONS

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1800.1110 State-Local Relations

SUBPART L: FINGERPRINTING OF APPLICANTS

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1800.1210 Definitions

1800.1220 Entities Authorized to Perform Fingerprinting

1800.1230 Qualification as a Livescan Vendor

1800.1240 Fingerprinting Requirements

1800.1250 Fees for Fingerprinting

1800.1260 Grounds for Revocation, Suspension and Denial of Contract

SUBPART M: PUBLIC ACCESS TO INFORMATION

Section

1800.1310 Public Requests for Information

SUBPART N: PAYOUT DEVICES AND REQUIREMENTS

Section

1800.1410 Ticket Payout Devices

1800.1420 Redemption of Tickets Following Removal or Unavailability of Ticket Payout Devices

SUBPART O: NON-PAYMENT OF TAXES

Section

1800.1510 Non-Payment of Taxes

SUBPART P: CENTRAL COMMUNICATIONS SYSTEM

Section

1800.1610 Use of Gaming Device or Individual Game Performance Data

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AUTHORITY: Implementing and authorized by the Video Gaming Act [230 ILCS 40].

SOURCE: Adopted by emergency rulemaking at 33 Ill. Reg. 14793, effective October 19, 2009, for a maximum of 150 days; adopted at 34 Ill. Reg. 2893, effective February 22, 2010; emergency amendment at 34 Ill. Reg. 8589, effective June 15, 2010, for a maximum of 150 days; emergency expired November 11, 2010; amended at 35 Ill. Reg. 1369, effective January 5, 2011; emergency amendment at 35 Ill. Reg. 13949, effective July 29, 2011, for a maximum of 150 days; emergency expired December 25, 2011; amended at 36 Ill. Reg. 840, effective January 6, 2012; amended by emergency rulemaking at 36 Ill. Reg. 4150, effective February 29, 2012, for a maximum of 150 days; amended at 36 Ill. Reg. 5455, effective March 21, 2012; amended at 36 Ill. Reg. 10029, effective June 28, 2012; emergency amendment at 36 Ill. Reg. 11492, effective July 6, 2012, for a maximum of 150 days; emergency expired December 2, 2012; emergency amendment at 36 Ill. Reg. 12895, effective July 24, 2012, for a maximum of 150 days; amended at 36 Ill. Reg. 13178, effective July 30, 2012; amended at 36 Ill. Reg. 15112, effective October 1, 2012; amended at 36 Ill. Reg. 17033, effective November 21, 2012; expedited correction at 39 Ill. Reg. 8183, effective November 21, 2012; amended at 36 Ill. Reg. 18550, effective December 14, 2012; amended at 37 Ill. Reg. 810, effective January 11, 2013; amended at 37 Ill. Reg. 4892, effective April 1, 2013; amended at 37 Ill. Reg. 7750, effective May 23, 2013; amended at 37 Ill. Reg. 18843, effective November 8, 2013; emergency amendment at 37 Ill. Reg. 19882, effective November 26, 2013, for a maximum of 150 days; emergency amendment suspended by the Joint Committee on Administrative Rules at 38 Ill. Reg. 3384, effective January 14, 2014; suspension withdrawn at 38 Ill. Reg. 5897; emergency repeal of emergency amendment at 38 Ill. Reg. 7337, effective March 12, 2014, for the remainder of the 150 days; amended at 38 Ill. Reg. 849, effective December 27, 2013; amended at 38 Ill. Reg. 14275, effective June 30, 2014; amended at 38 Ill. Reg. 19919, effective October 2, 2014; amended at 39 Ill. Reg. 5401, effective March 27, 2015; amended at 39 Ill. Reg. 5593, effective April 1, 2015; amended at 40 Ill. Reg. 2952, effective January 27, 2016; amended at 40 Ill. Reg. 8760, effective June 14, 2016; amended at 40 Ill. Reg. 12762, effective August 19, 2016.

SUBPART D: LICENSING QUALIFICATIONS

Section 1800.440 Undue Economic Concentration

- a) In addition to considering all other requirements under the Act and this Part, the Board shall consider, in deciding whether to issue or renew a terminal operator license, whether the issuance or renewal will result in undue economic concentration. No terminal operator license shall be issued or renewed if the Board determines that the issuance or renewal will result in undue economic

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concentration in the direct or indirect ownership, control or operation of video gaming terminals in Illinois.

- b) For purposes of this Section, "undue economic concentration" means that an individual or entity, independently or in coordination or aligned combination with one or more individuals or entities, would have such actual or potential domination of video gaming in Illinois as to:
- 1) substantially impede or suppress competition among holders of terminal operator licenses;
 - 2) adversely impact the economic stability of the video gaming industry in Illinois; or
 - 3) negatively impact the purposes of the Act, including collection of State and local government revenues and development of the video gaming industry in Illinois.
- c) In determining whether the issuance or renewal of a terminal operator license will result in undue economic concentration, the Board shall consider the following criteria:
- 1) The percentage share of the market presently owned or controlled by the applicant or licensee in each of the following categories:
 - A) number of licensed video gaming locations in Illinois;
 - B) number of video gaming terminals in Illinois;
 - C) total net terminal income; and
 - D) total amount wagered.
 - 2) The relative position of other individuals or entities that own or control terminal operator licenses in Illinois, as evidenced by the market shares of each terminal operator license in the categories in subsection (c)(1).
 - 3) The current and projected financial condition of the video gaming industry.

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- 4) Current market conditions, including proximity and level of competition, consumer demand, market concentration, and any other relevant characteristics of the market.
 - 5) Whether the terminal operator licensee or applicant has a common or related organizational or financial structure, or common or related assets, obligations, or ownership with other licensees.
 - 6) The potential impact on the projected future growth and development of the video gaming industry, the local communities in which licenses are located, and the State of Illinois.
 - 7) The barriers to entry into the video gaming industry, including the licensure requirements of the Act and this Part, and whether the issuance or renewal of a terminal operator license will operate as a barrier to new entities and individuals desiring to enter the market as terminal operators or in any of the other licensed categories under the Act.
 - 8) Whether the issuance or renewal of the terminal operator license will adversely affect consumer interests, or whether that issuance or renewal is likely to result in enhancing the quality and customer appeal of products and services offered by terminal operators and other licensees under the Act in order to maintain or increase their respective market shares.
 - 9) Whether a restriction or denial of the issuance or renewal of a terminal operator license is necessary in order to encourage and preserve competition in video gaming operations.
 - 10) The current and projected financial condition of the terminal operator.
 - 11) Any other information deemed relevant by the Board.
- d) The Board has authority to place any restrictions or qualifications on the terms of a terminal operator license that it deems necessary to prevent or eliminate undue economic concentration, including, but not limited to, setting a limit on the maximum amount of use agreements a terminal operator may have. Any terminal operator licensee shall have the ability to contest a Board order under this subsection in accordance with Subpart G. Any hearing concerning such an order

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shall be limited to the reasonableness of the restrictions or qualifications placed on the terminal operator license to avert undue economic concentration.

(Source: Added at 40 Ill. Reg. 12762, effective August 19, 2016)

SUBPART F: DENIALS OF APPLICATIONS FOR LICENSURE

Section 1800.690 Transmittal of Record and Recommendation to the Board

- a) The record shall consist of the following:
 - 1) The notice of denial, the request for hearing and all motions and rulings;
 - 2) All evidence received;
 - 3) A statement of matters officially noticed;
 - 4) Offers of proof, objections and rulings;
 - 5) The recommendation and any findings of fact and conclusions of law made by the Administrative Law Judge.
- b) Oral proceedings or any part of the proceedings involving contested issues shall be recorded stenographically or by such other means as to adequately insure the preservation of such testimony or oral proceedings and shall be transcribed on request of any party. The transcript shall be paid for by the requesting party.
- c) Upon conclusion of the hearing, the Administrative Law Judge shall issue to the Board written findings of fact and conclusions of law and his/her recommendations. Findings of fact shall be based exclusively on the evidence and on matters officially noticed.
- d) Any party to the hearing may file exceptions to the recommendations of the Administrative Law Judge with the Board no later than 14 days after receipt of the recommended decision. Exceptions shall specify each finding of fact and conclusion of law to which exception is taken. There shall be no oral argument on exceptions.
- ~~e~~) Final Board Order

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- 1) The Board shall review the entire record, including any exceptions filed, and shall render a written order including the bases for its decision.
- 2) Copies of the final Board order shall be served on petitioner by personal delivery, certified mail or overnight express mail to petitioner's last known address.
- 3) A final ~~Board~~ order shall become effective upon personal delivery to a party or upon posting by certified or overnight express mail to petitioner's last known address.

(Source: Amended at 40 Ill. Reg. 12762, effective August 19, 2016)

SUBPART G: DISCIPLINARY ACTIONS AGAINST LICENSEES

Section 1800.790 Transmittal of Record and Recommendation to the Board

- a) The record shall consist of the following:
 - 1) The notice of proposed disciplinary action, the response and all motions and rulings on motions;
 - 2) All evidence received;
 - 3) A statement of matters officially noticed;
 - 4) Offers of proof, objections and rulings on those offers and objections;
 - 5) The recommendation and any findings of fact and conclusions of law made by the Administrative Law Judge.
- b) Oral proceedings or any part of the oral proceedings involving contested issues shall be recorded stenographically or by such other means as to adequately insure the preservation of the testimony or oral proceedings and shall be transcribed on request of any party. The transcript shall be paid for by the requesting party.
- c) Upon conclusion of the hearing, the Administrative Law Judge shall issue to the Board written findings of fact and conclusions of law and his/her

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recommendations. Findings of fact shall be based exclusively on the evidence and on matters officially noticed.

d) Any party to the hearing may file exceptions to the recommendations of the Administrative Law Judge with the Board no later than 14 days after receipt of the recommended decision. Exceptions shall specify each finding of fact and conclusion of law to which exception is taken. There shall be no oral argument on exceptions.

e) Final Board Order

- 1) The Board shall review the entire record, including any exceptions filed, and shall render a written order including the bases for its decision.
- 2) Copies of the final Board order shall be served on the licensee by personal delivery, certified mail or overnight express mail to the licensee's last known address.
- 3) A final ~~Board~~ order shall become effective upon personal delivery to a party or upon posting by certified or overnight express mail to the party's last known address.

(Source: Amended at 40 Ill. Reg. 12762, effective August 19, 2016)

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- 1) Heading of the Part: Riverboat Gambling
- 2) Code Citation: 86 Ill. Adm. Code 3000
- 3) Section Number: 3000.440 Adopted Action:
Amendment
- 4) Statutory Authority: Authorized by the Riverboat Gambling Act [230 ILCS 10], specifically Section 5 (c) (1), (2), and (3) [230 ILCS 10/5 (c) (1), (2), and (3)]
- 5) Effective Date of Rule: August 19, 2016
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain an incorporation by reference? No
- 8) A copy of the adopted rules, including any material incorporated by reference, is on file in the principal office and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 40 Ill. Reg. 7285; May 13, 2016
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Differences between Proposal and Final Version: None
- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? There have been no changes.
- 13) Will this rulemaking replace any emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this part? No
- 15) Summary and Purpose of Rulemaking: The rulemaking allows parties to file exceptions to the findings of fact, conclusions of law, and recommendations of an Administrative Law Judge. Any party to a hearing may file exceptions with the Board no later than 14 days after receipt of the recommended decision. Exceptions shall specify each finding of fact and conclusion of law to which exception is taken. There shall be no oral argument on exceptions. The Board's review of the record before issuing a final order shall include a review of any exceptions filed.

ILLINOIS GAMING BOARD

NOTICE OF ADOPTED AMENDMENT

- 16) Information and Questions regarding this adopted rule may be addressed to:

Agostino Lorenzini
General Counsel
Illinois Gaming Board
160 North LaSalle Street
Chicago IL 60601

fax: 312/814-7253

The full text of the Adopted Amendment begins on the next page:

ILLINOIS GAMING BOARD

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TITLE 86: REVENUE
CHAPTER IV: ILLINOIS GAMING BOARDPART 3000
RIVERBOAT GAMBLING

SUBPART A: GENERAL PROVISIONS

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3000.100	Definitions
3000.101	Invalidity
3000.102	Public Inquiries
3000.103	Organization of the Illinois Gaming Board
3000.104	Rulemaking Procedures
3000.105	Board Meetings
3000.110	Disciplinary Actions
3000.115	Records Retention
3000.120	Place to Submit Materials
3000.130	No Opinion or Approval of the Board
3000.140	Duty to Disclose Changes in Information
3000.141	Applicant/Licensee Disclosure of Agents
3000.150	Owner's and Supplier's Duty to Investigate
3000.155	Investigatory Proceedings
3000.160	Duty to Report Misconduct
3000.161	Communication with Other Agencies
3000.165	Participation in Games by Owners, Directors, Officers, Key Persons or Gaming Employees
3000.170	Fair Market Value of Contracts
3000.180	Weapons on Riverboat

SUBPART B: LICENSES

Section	
3000.200	Classification of Licenses
3000.210	Fees and Bonds
3000.220	Applications
3000.221	Other Required Forms
3000.222	Identification and Requirements of Key Persons
3000.223	Disclosure of Ownership and Control

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3000.224	Economic Disassociation
3000.225	Business Entity and Personal Disclosure Filings
3000.230	Owner's Licenses
3000.231	Distributions
3000.232	Undue Economic Concentration
3000.234	Acquisition of Ownership Interest By Institutional Investors
3000.235	Transferability of Ownership Interest
3000.236	Owner's License Renewal
3000.237	Renewed Owner's Licenses, Term and Restrictions
3000.238	Appointment of Receiver for an Owner's License
3000.240	Supplier's Licenses
3000.241	Renewal of Supplier's License
3000.242	Amendment to Supplier's Product List
3000.243	Bankruptcy or Change in Ownership of Supplier
3000.244	Surrender of Supplier's License
3000.245	Occupational Licenses
3000.250	Transferability of Licenses
3000.260	Waiver of Requirements
3000.270	Certification and Registration of Electronic Gaming Devices
3000.271	Analysis of Questioned Electronic Gaming Devices
3000.272	Certification of Voucher Systems
3000.280	Registration of All Gaming Devices
3000.281	Transfer of Registration (Repealed)
3000.282	Seizure of Gaming Devices (Repealed)
3000.283	Analysis of Questioned Electronic Gaming Devices (Repealed)
3000.284	Disposal of Gaming Devices
3000.285	Certification and Registration of Voucher Validation Terminals
3000.286	Contracting Goals for Owners Licensees

SUBPART C: OWNER'S INTERNAL CONTROL SYSTEM

Section	
3000.300	General Requirements – Internal Control System
3000.310	Approval of Internal Control System
3000.320	Minimum Standards for Internal Control Systems
3000.330	Review of Procedures (Repealed)
3000.340	Operating Procedures (Repealed)
3000.350	Modifications (Repealed)

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SUBPART D: HEARINGS ON NOTICE OF DENIAL,
RESTRICTION OF LICENSE, PLACEMENT ON BOARD EXCLUSION LIST OR
REMOVAL FROM BOARD EXCLUSION LIST OR SELF-EXCLUSION LIST

Section	
3000.400	Coverage of Subpart
3000.405	Requests for Hearings
3000.410	Appearances
3000.415	Discovery
3000.420	Motions for Summary Judgment
3000.424	Subpoena of Witnesses
3000.425	Proceedings
3000.430	Evidence
3000.431	Prohibition on Ex Parte Communication
3000.435	Sanctions and Penalties
3000.440	Transmittal of Record and Recommendation to the Board
3000.445	Status of Applicant for Licensure or Transfer Upon Filing Request for Hearing

SUBPART E: CRUISING

Section	
3000.500	Riverboat Cruises
3000.510	Cancelled or Disrupted Cruises

SUBPART F: CONDUCT OF GAMING

Section	
3000.600	Wagering Only with Electronic Credits, Approved Chips, Tokens and Electronic Cards
3000.602	Disposition of Unauthorized Winnings
3000.605	Authorized Games
3000.606	Gaming Positions
3000.610	Publication of Rules and Payout Ratio for Live Gaming Devices
3000.614	Tournaments, Enhanced Payouts and Give-aways
3000.615	Payout Percentage for Electronic Gaming Devices
3000.616	Cashing-In
3000.620	Submission of Chips for Review and Approval
3000.625	Chip Specifications
3000.630	Primary, Secondary and Reserve Sets of Gaming Chips
3000.631	Tournament Chips

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3000.635	Issuance and Use of Tokens for Gaming
3000.636	Distribution of Coupons for Complimentary Chips, Tokens, Vouchers, Cash and Electronic Credits
3000.640	Exchange of Chips, Tokens, and Vouchers
3000.645	Receipt of Gaming Chips or Tokens from Manufacturer or Distributor
3000.650	Inventory of Chips
3000.655	Destruction of Chips, Tokens, and Vouchers
3000.660	Minimum Standards for Electronic Gaming Devices
3000.661	Minimum Standards for Voucher Systems
3000.665	Integrity of Electronic Gaming Devices
3000.666	Bill Validator Requirements
3000.667	Integrity of Voucher Systems
3000.670	Computer Monitoring Requirements of Electronic Gaming Devices
3000.671	Computer Monitoring Requirements of Voucher Systems

SUBPART G: EXCLUSION OF PERSONS

Section	
3000.700	Organization of Subpart
3000.701	Duty to Exclude
3000.705	Voluntary Self-Exclusion Policy (Repealed)
3000.710	Distribution and Availability of Board Exclusion List
3000.720	Criteria for Exclusion or Ejection and Placement on the Board Exclusion List
3000.725	Duty of Licensees
3000.730	Procedure for Entry of Names
3000.740	Petition for Removal from the Board Exclusion List
3000.745	Voluntary Self-Exclusion Policy
3000.750	Establishment of a Self-Exclusion List
3000.751	Locations to Execute Self-Exclusion Forms
3000.755	Information Required for Placement on the Self-Exclusion List
3000.756	Stipulated Sanctions for Failure to Adhere to Voluntary Self-Exclusion
3000.760	Distribution and Availability of Confidential Self-Exclusion List
3000.770	Duties of Licensees
3000.780	Request for Removal from the IGB Self-Exclusion List
3000.782	Required Information, Recommendations, Forms and Interviews
3000.785	Appeal of a Notice of Denial of Removal
3000.786	Duties of Owner Licensees to Persons Removed from the Self-Exclusion List
3000.787	Placement on the Self-Exclusion List Following Removal
3000.790	Duties of the Board

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SUBPART H: SURVEILLANCE AND SECURITY

Section

3000.800	Required Surveillance Equipment
3000.810	Riverboat and Board Surveillance Room Requirements
3000.820	Segregated Telephone Communication
3000.830	Surveillance Logs
3000.840	Storage and Retrieval
3000.850	Dock Site Board Facility
3000.860	Maintenance and Testing

SUBPART I: LIQUOR LICENSES

Section

3000.900	Liquor Control Commission
3000.910	Liquor Licenses
3000.920	Disciplinary Action
3000.930	Hours of Sale

SUBPART J: OWNERSHIP AND ACCOUNTING RECORDS AND PROCEDURES

Section

3000.1000	Ownership Records
3000.1010	Accounting Records
3000.1020	Standard Financial and Statistical Records
3000.1030	Annual and Special Audits and Other Reporting Requirements
3000.1040	Accounting Controls Within the Cashier's Cage
3000.1050	Procedures for Exchange of Checks Submitted by Gaming Patrons and Granting Credit
3000.1060	Handling of Cash at Gaming Tables
3000.1070	Tips or Gratuities
3000.1071	Admission Tax and Wagering Tax
3000.1072	Cash Reserve Requirements

SUBPART K: SEIZURE AND DISCIPLINARY HEARINGS

Section

3000.1100	Coverage of Subpart
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3000.1105	Duty to Maintain Suitability
3000.1110	Board Action Against License or Licensee
3000.1115	Complaint
3000.1120	Appearances
3000.1125	Answer
3000.1126	Appointment of Hearing Officer
3000.1130	Discovery
3000.1135	Motions for Summary Disposition
3000.1139	Subpoena of Witnesses
3000.1140	Proceedings
3000.1145	Evidence
3000.1146	Prohibition of Ex Parte Communication
3000.1150	Sanctions and Penalties
3000.1155	Transmittal of Record and Recommendation to the Board

AUTHORITY: Implementing and authorized by the Riverboat Gambling Act [230 ILCS 10].

SOURCE: Emergency rule adopted at 15 Ill. Reg. 11252, effective August 5, 1991, for a maximum of 150 days; adopted at 15 Ill. Reg. 18263, effective December 10, 1991; amended at 16 Ill. Reg. 13310, effective August 17, 1992; amended at 17 Ill. Reg. 11510, effective July 9, 1993; amended at 20 Ill. Reg. 5814, effective April 9, 1996; amended at 20 Ill. Reg. 6280, effective April 22, 1996; emergency amendment at 20 Ill. Reg. 8051, effective June 3, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 14765, effective October 31, 1996; amended at 21 Ill. Reg. 4642, effective April 1, 1997; emergency amendment at 21 Ill. Reg. 14566, effective October 22, 1997, for a maximum of 150 days; emergency amendment at 22 Ill. Reg. 978, effective December 29, 1997, for a maximum of 150 days; amended at 22 Ill. Reg. 4390, effective February 20, 1998; amended at 22 Ill. Reg. 10449, effective May 27, 1998; amended at 22 Ill. Reg. 17324, effective September 21, 1998; amended at 22 Ill. Reg. 19541, effective October 23, 1998; emergency amendment at 23 Ill. Reg. 8191, effective July 2, 1999 for a maximum of 150 days; emergency expired November 28, 1999; amended at 23 Ill. Reg. 8996, effective August 2, 1999; amended at 24 Ill. Reg. 1037, effective January 10, 2000; amended at 25 Ill. Reg. 94, effective January 8, 2001; amended at 25 Ill. Reg. 13292, effective October 5, 2001; proposed amended at 26 Ill. Reg. 9307, effective June 14, 2002; emergency amendment adopted at 26 Ill. Reg. 10984, effective July 1, 2002, for a maximum of 150 days; adopted at 26 Ill. Reg. 15296, effective October 11, 2002; amended at 26 Ill. Reg. 17408, effective November 22, 2002; emergency amendment at 27 Ill. Reg. 10503, effective June 30, 2003, for a maximum of 150 days; amended at 27 Ill. Reg. 15793, effective September 25, 2003; amended at 27 Ill. Reg. 18595, effective November 25, 2003; amended at 28 Ill. Reg. 12824, effective August 31, 2004; amended at 31 Ill. Reg. 8098, effective June 14, 2007; amended at 32 Ill. Reg. 2967,

ILLINOIS GAMING BOARD

NOTICE OF ADOPTED AMENDMENT

effective February 15, 2008; amended at 32 Ill. Reg. 3275, effective February 19, 2008; amended at 32 Ill. Reg. 7357, effective April 28, 2008; amended at 32 Ill. Reg. 8592, effective May 29, 2008; amended at 32 Ill. Reg. 8931, effective June 4, 2008; amended at 32 Ill. Reg. 13200, effective July 22, 2008; amended at 32 Ill. Reg. 17418, effective October 23, 2008; amended at 32 Ill. Reg. 17759, effective October 28, 2008; amended at 32 Ill. Reg. 17946, effective November 5, 2008; amended at 34 Ill. Reg. 3285, effective February 26, 2010; amended at 34 Ill. Reg. 3748, effective March 11, 2010; amended at 34 Ill. Reg. 4768, effective March 16, 2010; amended at 34 Ill. Reg. 5200, effective March 24, 2010; amended at 34 Ill. Reg. 15386, effective September 23, 2010; amended at 36 Ill. Reg. 13199, effective July 31, 2012; amended at 37 Ill. Reg. 12050, effective July 9, 2013; amended at 37 Ill. Reg. 18255, effective November 1, 2013; amended at 38 Ill. Reg. 2808, effective January 8, 2014; amended at 38 Ill. Reg. 21471, effective October 29, 2014; amended at 39 Ill. Reg. 4362, effective March 10, 2015; amended at 39 Ill. Reg. 12312, effective August 18, 2015; amended at 40 Ill. Reg. 12776, effective August 19, 2016.

SUBPART D: HEARINGS ON NOTICE OF DENIAL, RESTRICTION OF LICENSE,
PLACEMENT ON BOARD EXCLUSION LIST OR REMOVAL FROM BOARD
EXCLUSION LIST OR SELF-EXCLUSION LIST

Section 3000.440 Transmittal of Record and Recommendation to the Board

- a) The record shall consist of the following:
 - 1) The Notice of Denial or Notice of Exclusion, the Request for Hearing and all motions and rulings thereon;
 - 2) All evidence received;
 - 3) A statement of matters officially noticed;
 - 4) Offers of proof, objections and rulings thereon;
 - 5) The recommendations and any findings of fact and conclusions of law made by the hearing officer.
- b) Oral proceedings or any part thereof involving contested issues shall be recorded stenographically or by such other means as to adequately insure the preservation of such testimony or oral proceedings and shall be transcribed on request of any party. ~~The Said~~ transcript shall be paid for by the requesting party.

ILLINOIS GAMING BOARD

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- c) Upon conclusion of the hearing, the hearing officer shall issue to the Board written findings of fact and conclusions of law and his or her recommendations. Findings of fact shall be based exclusively on the evidence and on matters officially noticed.
- d) Any party to the hearing may file exceptions to the recommendations of the hearing officer with the Board no later than 14 days after receipt of the recommended decision. Exceptions shall specify each finding of fact and conclusion of law to which exception is taken. There shall be no oral argument on exceptions.
- e) Final Board Order
- 1) The Board shall review the entire record, including any exceptions filed, and shall render a written order including the bases for its decision.
 - 2) Copies of the final Board order shall be served on petitioner by personal delivery, certified mail or overnight express mail.
 - 3) A final Board order shall become effective upon personal delivery to a party or upon posting by certified or overnight express mail.

(Source: Amended at 40 Ill. Reg. 12776, effective August 19, 2016)

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENT

- 1) Heading of the Part: Licensing of Public Adjusters
- 2) Code Citation: 50 Ill. Adm. Code 3118
- 3) Section Number: 3118.35 Adopted Action:
Amendment
- 4) Statutory Authority: Implementing Articles XXXI³/₄ and XLV and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/Art. XXXI³/₄ and XLV and 401]
- 5) Effective Date of Rule: August 16, 2016
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) A copy of the adopted rule, including any material incorporated by reference, is on file in the principal office of the Department of Insurance and is available for public inspection.
- 9) Notice of Proposal published in the *Illinois Register*: 40 Ill. Reg. 5813; April 8, 2016
- 10) Has JCAR issued a Statement of Objection to this Rulemaking? No
- 11) Difference between Proposal and Final Version: None
- 12) Have all changes agreed upon by the Agency and JCAR been made as indicated in the agreements issued by JCAR? None were made.
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending on this Part? No
- 15) Summary and Purpose of Rulemaking: This amendment will provide insurance companies and insureds the ability to assert that public adjuster contracts that have not been filed and approved by the Director are void.
- 16) Information and questions regarding this adopted rule shall be directed to:

Robert Rapp

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENT

Property and Casualty Complaints Unit
Illinois Department of Insurance
320 West Washington
Springfield IL 62767

217/785-1680

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENT

TITLE 50: INSURANCE
CHAPTER I: DEPARTMENT OF INSURANCE
SUBCHAPTER ii: INSURANCE PRODUCERS, LIMITED INSURANCE
REPRESENTATIVES AND BUSINESS ENTITIES

PART 3118
LICENSING OF PUBLIC ADJUSTERS

Section

3118.10	Authority
3118.20	Purpose and Scope
3118.25	Definitions
3118.30	Engaged in the Business of Adjusting Insurance Claims (Repealed)
3118.35	License Required
3118.40	Valuable Consideration (Repealed)
3118.45	Application for License
3118.50	Records Material
3118.60	Grandfather License Provisions (Repealed)
3118.65	Resident License
3118.70	Nonresident Public Adjusters (Repealed)
3118.80	Contract Between Public Adjuster and Insured
3118.85	Client Disclosure
3118.90	Charges for Services
3118.95	Required Disclosure
3118.100	Maintenance of Records (Repealed)
3118.110	Performance Standards Applicable to All Public Adjusters (Repealed)
3118.115	Performance Standards Applicable to All Public Adjusters
3118.120	Hearings
3118.130	Severability

AUTHORITY: Implementing Articles XXXI³/₄ and XLV and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/Art. XXXI³/₄ and XLV and 401].

SOURCE: Adopted and codified at 6 Ill. Reg. 14622, effective November 16, 1982; amended at 14 Ill. Reg. 17978, effective October 18, 1990; amended at 30 Ill. Reg. 19367, effective November 29, 2006; recodified from the Department of Financial and Professional Regulation to the Department of Insurance pursuant to Executive Order 2009-04 at 38 Ill. Reg. 24069; amended at 39 Ill. Reg. 1528, effective January 9, 2015; amended at 40 Ill. Reg. 12786, effective August 16, 2016.

DEPARTMENT OF INSURANCE

NOTICE OF ADOPTED AMENDMENT

Section 3118.35 License Required

All contracts entered into by anyone violating Section 1515 [or Section 1575](#) of the Code are void.

(Source: Amended at 40 Ill. Reg. 12786, effective August 16, 2016)

OFFICE OF THE STATE FIRE MARSHAL

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Hazardous Materials Emergency Response Reimbursement Standards
- 2) Code Citation: 41 Ill. Adm. Code 270
- 3)

<u>Section Numbers:</u>	<u>Adopted Actions:</u>
270.10	Amendment
270.20	Amendment
270.30	Amendment
270.40	Repealed
270.50	Amendment
270.60	Amendment
270.70	Amendment
270.80	Repealed
270.Appendix A	New Section
- 4) Statutory Authority: Implementing and authorized by Section 5 of the Hazardous Materials Emergency Response Reimbursement Act [430 ILCS 55/5]
- 5) Effective Date of Rules: August 18, 2016
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? Yes
- 8) A copy of the adopted rules, including any matter incorporated by reference, is on file in the Office of the State Fire Marshal, 1035 Stevenson Drive, Springfield, Illinois, and is available for public inspection at that location.
- 9) Notice of Proposed published in the *Illinois Register*: 40 Ill. Reg. 6661; April 22, 2016.
- 10) Has JCAR issued a Statement of Objection to this rulemaking? No
- 11) Changes made between the Proposed and Adopted Versions: Three changes were made to conform the language in the regulations to the statute: 1) 5 percent was changed to 2 percent in Section 270.30(c); 2) ", mass care or assistance to displaced persons" was added after "technical rescue teams" in Section 270.10; and 3) "or a private contractor" was added to Section 270.70(b).

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In Section 270.20(b)(1)(A), "if necessary" was moved to the beginning of the last sentence and "incurred or discovered after submission of the application to OSFM" was added for clarity.

In Section 270.50(a) "promulgated by OSFM in" was added after "form" and "see" and the parentheses were deleted.

In Section 270.70(a), subsections (a)(1) and (a)(2) were combined into a single subsection (a) to provide clarity. A few minor typographical errors were also corrected.

- 12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? None were made.
- 13) Will this rulemaking replace an emergency rule currently in effect? No
- 14) Are there any rulemakings pending to this Part? No
- 15) Summary and Purpose of Rulemaking: The amendments make updates to 41 Ill. Adm. Code Part 270 as a result of PA 98-692 (effective July 1, 2014) that eliminated the Panel tasked with reviewing reimbursement applications and gave the Panel's responsibilities to the Fire Advisory Commission. The amendments also reflect the fact that PA 98-692 dissolved the Hazardous Material Emergency Response Reimbursement Fund and transferred the monies into the Fire Prevention Fund. The reimbursement form promulgated by the Agency has been included in a new Appendix A. The rulemaking also changes the percentage of the Emergency Response Agency's budget that must be expended to qualify for reimbursement from 5 percent to 2 percent. Finally, the amendments update the incorporation by reference and make other minor formatting and typographical changes.
- 16) Information and questions regarding these adopted rules shall be directed to:

Deborah J. Williams
Division of Legal Counsel
Office of the State Fire Marshal
1035 Stevenson Drive
Springfield IL 62703

217/785-0978

OFFICE OF THE STATE FIRE MARSHAL

NOTICE OF ADOPTED AMENDMENTS

The full text of the Adopted Amendments begins on the next page:

OFFICE OF THE STATE FIRE MARSHAL

NOTICE OF ADOPTED AMENDMENTS

TITLE 41: FIRE PROTECTION
CHAPTER I: OFFICE OF THE STATE FIRE MARSHAL

PART 270

HAZARDOUS MATERIALS EMERGENCY RESPONSE REIMBURSEMENT STANDARDS

Section

270.10	Definitions
270.20	Application for Reimbursement
270.30	Eligible Costs for Reimbursement
270.40	Local Budgets (Repealed)
270.50	Review Process
270.60	Reimbursement to the Emergency Response Agency by Other Sources
270.70	Reimbursement to the Fund by Other Sources
270.80	Panel (Repealed)

[270.APPENDIX A Application for Reimbursement Form](#)

AUTHORITY: Implementing the Hazardous Materials Emergency Response Reimbursement Act [430 ILCS 55] and authorized by Section 5 of the Act.

SOURCE: Adopted at 16 Ill. Reg. 6842, effective April 13, 1992; amended at 40 Ill. Reg. 12790, effective August 18, 2016.

Section 270.10 Definitions

"Act:" ~~Act~~ means the Hazardous Materials Emergency Response Reimbursement Act [[430 ILCS 55](#)], ~~Ill. Rev. Stat. 1989, ch. 127½, par. 1001 et seq.~~

"Annual Budget:" ~~means the~~ *means the* cost to operate an Emergency Response Agency, excluding personnel costs (~~which include~~ *including, but not limited to,* salary, benefits, and training expenses) and costs to acquire capital equipment (~~including, but not limited to, buildings, vehicles, and other such major capital cost items~~).

"Chairman" ~~means the Chair of the Illinois Fire Advisory Commission created by Section 3 of the State Fire Marshal Act [20 ILCS 2905/3].~~

"Emergency Action:" ~~means any~~ *means any* action taken at or near the scene of a

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~~hazardous materials~~Hazardous Materials ~~emergency~~ incident to prevent or minimize harm to human health, to property, or to the environment from the ~~unintentional~~ release ~~or threatened release of a hazardous material~~Hazardous Materials.

"Emergency Response Agency:" ~~means a~~A unit of local government, ~~or~~ volunteer fire protection organization, ~~or the American Red Cross~~ that provides ~~or procures~~ firefighting services, emergency rescue services, emergency medical services, ~~hazardous materials~~Hazardous Materials response teams, technical rescue teams, mass care or assistance to displaced persons or civil defense.

"Expended Materials" ~~Expended Materials~~ includes those replacement items, materials, or supplies that have been utilized, damaged, or destroyed (such as foam, absorbents, protective clothing, hoses, or other goods) in the mitigation of a ~~hazardous materials~~Hazardous Materials incident.

"Fund" means the Fire Prevention Fund created by Section 13.1 of the Fire Investigation Act [425 ILCS 25].

"Hazardous ~~Material~~Materials:" ~~means a~~A substance or material in a quantity and form determined by the United States Department of Transportation to be capable of posing an unreasonable risk to health and safety or property when transported in commerce. These materials are listed in 49 CFR ~~171 and~~172 (~~2015~~1994); no later additions or amendments are included.

~~"Panel." The Panel appointed by the State Fire Marshal or his designee (who shall serve as Chairman) that is responsible for reviewing Applications for Reimbursement from the Fund.~~

"Person:" ~~Person~~ means an individual, a corporation, a partnership, an unincorporated association, or any unit of federal, ~~State~~state, or local government.

"Responsible Party:" ~~means a person~~A Person who:

owns or has custody of ~~hazardous materials~~Hazardous Materials involved in an incident requiring ~~emergency action~~Emergency Action by an ~~emergency response agency~~Emergency Response Agency; or

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~~a Person who~~ owns or has custody of bulk or non-bulk packaging or a transport vehicle that contains ~~hazardous materials~~ Hazardous Materials involved in an ~~emergency response incident~~ requiring emergency action by an emergency response agency; ~~and~~ a Person

~~who causes or substantially contributes to the cause of~~ the incident requiring emergency action ~~an Emergency Action~~. (Section 3 of the Act) This term includes the plural.

"Office:" or "OSFM" means the Office of the State Fire Marshal.

(Source: Amended at 40 Ill. Reg. 12790, effective August 18, 2016)

Section 270.20 Application for Reimbursement

An emergency response agency ~~Emergency Response Agency~~ requesting reimbursement shall meet the following criteria:

- a) The emergency response agency ~~Emergency Response Agency~~ must attempt to contact the responsible party ~~Responsible Party~~ in writing for reimbursement prior to applying for reimbursement from the Fund.
- b) If, ~~after~~ 14 days ~~after~~ from the date the notification was mailed to the responsible party ~~Responsible Party~~, the emergency response agency ~~Emergency Response Agency~~ has not been reimbursed by the responsible party ~~Responsible Party~~, or the responsible party ~~Responsible Party~~ is not expeditiously cooperating or providing a reasonable effort to reimburse an emergency response agency ~~Emergency Response Agency~~, or if no responsible party ~~Responsible Party~~ can be identified, the emergency response agency ~~Emergency Response Agency~~ with jurisdiction over the location of the incident requiring emergency action may apply for reimbursement by submitting ~~submit~~ the following information to OSFM ~~the Office~~:
 - 1) The Application for Reimbursement form ~~Form~~ prescribed by OSFM ~~the Office~~ in Appendix A.
 - A) Only ~~More than~~ one Application for Reimbursement may be filed per incident by the emergency response agency with jurisdiction over the location of the incident requiring emergency action and

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~~for different costs but~~ reimbursement is limited to the amount specified in Section 270.30(e). The application may be amended by the applicant, if necessary, to add additional eligible costs incurred or discovered after submission of the application to OSFM.

- B) Reimbursement costs for separate incidents may not be filed on the same form.
- C) An emergency response agency with jurisdiction over the location of the incident requiring emergency action may apply for reimbursement of eligible costs incurred by other emergency response agencies in responding to the same incident if the emergency response agencies have entered into a written mutual aid agreement.
- 2) No later than 90 days after the date of the incident, the Application for Reimbursement form and documentation required ~~by Appendix A in these rules and these~~ regulations shall be submitted to OSFM the Office at 1035 Stevenson Drive, Springfield, Illinois 62703-4259. ~~Applications for Reimbursement which have been filed in a timely manner may be amended at the discretion of the Panel.~~
- c) Applications~~For incidents after July 1, 1992, applications~~ for reimbursement will not be processed if received more than 90 days after the incident.

(Source: Amended at 40 Ill. Reg. 12790, effective August 18, 2016)

Section 270.30 Eligible Costs for Reimbursement

Eligible costs for reimbursement are subject to the following limitations:

- a) Replacement of ~~expended materials~~Expended Materials, including, but not limited to:
- 1) Specialized firefighting foam or; absorbents.
 - 2) Damaged hoses, protective clothing; or other damaged equipment.

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- 3) ~~Other~~~~Or other~~ reasonable and necessary equipment and/or supplies that have been used, expended, contracted for, damaged, or chemically contaminated, and includes disposal or costs for equipment, supplies, or materials.
- b) Repair or decontamination of equipment.
- c) The cost of the incident to the ~~emergency response agency~~~~Emergency Response Agency~~ must exceed ~~25~~ percent of the ~~emergency response agency's annual budget~~~~Emergency Response Agency's Annual Budget~~.
- d) A minimum of \$500 must have been expended.
- e) A maximum of \$10,000 may be reimbursed per incident.
- f) *The response was made to an incident involving ~~hazardous materials~~~~Hazardous Materials~~ facilities such as rolling stock ~~that~~~~which~~ are not in a terminal and ~~that~~~~which~~ are not included on the property tax ~~rolls~~~~roles~~ for the jurisdiction where the incident occurred. (Section 5 of the Act)*
- g) A copy of the approved budget or appropriation ordinance must be submitted with the application and the head the emergency response agency must attest to the accuracy of the information provided.
- h) If the application for reimbursement includes costs incurred by an emergency response agency other than the applicant, a copy of the mutual aid agreement between the two emergency response agencies must be submitted.

(Source: Amended at 40 Ill. Reg. 12790, effective August 18, 2016)

Section 270.40 Local Budgets (Repealed)

- a) ~~The amount of reimbursed cost of supplies must exceed 5 percent of the Emergency Response Agency's Annual Budget for the fiscal year in which the incident occurred or commenced.~~
- b) ~~It is recognized that a single equipment purchase in a given year may not accurately portray a typical annual commodity or equipment line. The Emergency Response Agency may elect to use the average of the current year and two~~

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~~previous years' budgets.~~

- e) ~~The chief fiscal officer of the Emergency Response Agency shall attest to the budgetary information provided. A certified copy of the tax levy and appropriation ordinance, audits, or similar documentation filed with a governmental agency should be submitted.~~

(Source: Repealed at 40 Ill. Reg. 12790, effective August 18, 2016)

Section 270.50 Review Process

The procedure to reimburse ~~emergency action~~Emergency Action costs:

- a) ~~The emergency response agency with jurisdiction over the location of the incident requiring emergency action must submit a completed Application for Reimbursement form promulgated by OSFM in Appendix A.~~
- b) Upon receipt of an Application for Reimbursement, ~~OSFM the Office will shall~~ begin a preliminary review of the application and documentation within five working days. If deficiencies are found, ~~OSFM the Office will shall~~ contact the applicant to resolve the problem.
- ~~cb)~~ If no deficiencies exist or the ~~emergency response agency~~Emergency Response Agency does not submit additional information, ~~OSFM the Office will shall~~ forward the Application for Reimbursement to the Chairman for review.
- ~~de)~~ The Chairman, or his or her designee, shall send a copy of the Application for Reimbursement to the Illinois Fire Advisory Commission (see 20 ILCS 2905/3) Panel members for review. ~~At the next scheduled meeting, the Fire Advisory Commission shall and arrange a conference call within ten working days to discuss each Application for Reimbursement and~~ vote to approve or disapprove the request ~~to expedite processing~~. A quorum of members must exist. If necessary, the Chairman has discretion to call an emergency meeting of the Fire Advisory Commission to consider the application. The Fire Advisory Commission will be responsible for:
- 1) Reviewing claims made against the Fund and determining reasonable and necessary expenses to be reimbursed to an emergency response agency~~A meeting may be called upon the request of two or more members.~~

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- 2) Affirming that the emergency response agency has made a reasonable effort to recover expended costs from responsible parties.~~If approved, the Office shall process reimbursement to the Emergency Response Agency from the Fund.~~
 - 3) Advising the State Fire Marshal as to those claims against the Fund that merit reimbursement.~~If an Emergency Response Agency disagrees with the decision, it may request a hearing before the Panel within 30 days after the decision. The Panel shall give the approved Agency notice of the date and time of the hearing at least ten days in advance. The hearing shall be governed by the Illinois Administrative Procedure Act.~~
 - 4) ~~Any reimbursement amount not in dispute will be processed by the Office for payment.~~
- d) ~~If Applications for Reimbursement are received within 30 calendar days before a scheduled Panel meeting, Application for Reimbursement may be held for formal action at the scheduled meeting.~~
 - e) The State Fire Marshal shall either accept or reject the Fire Advisory Commission's recommendations as to a claim's eligibility. The eligibility decision of the State Fire Marshal shall be a final administrative decision reviewable under the Administrative Review Law [735 ILCS 5/Art. III].
 - f) If the reimbursement is approved, OSFM will process the reimbursement to the emergency response agency from the Fund. If a partial reimbursement is approved, OSFM will process the reimbursement of the amount approved to the emergency response agency from the Fund.

(Source: Amended at 40 Ill. Reg. 12790, effective August 18, 2016)

Section 270.60 Reimbursement to the Emergency Response Agency by Other Sources

In the event the emergency response agency~~Emergency Response Agency~~ receives payment from any responsible party~~Responsible Party~~ or the federal government for all or part of any reimbursement, the emergency response agency~~Emergency Response Agency~~ shall repay the Fund for the amount of that such payment or the amount paid by the Fund.

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- a) ~~The~~ Such repayment shall be made by check or money order, made payable to the "Office of the State Fire Marshal Hazardous Materials Emergency Response Reimbursement Fund".
- b) Repayment shall be made within 30 days after the date the payment from the other source was received.
- c) If the local emergency response agency~~Emergency Response Agency~~ receives payment from the responsible party~~Responsible Party~~ while the Application for Reimbursement is being processed by OSFM~~the Office~~, the emergency response agency~~Emergency Response Agency~~ shall immediately notify OSFM~~the Chairman~~.
- d) If the emergency response agency~~Emergency Response Agency~~ is reimbursed by the responsible party~~Responsible Party~~ for a part of the mitigation costs during the time in which OSFM ~~the Office~~ is processing an application, the emergency response agency~~Emergency Response Agency~~ shall immediately notify OSFM~~the Chairman~~.

(Source: Amended at 40 Ill. Reg. 12790, effective August 18, 2016)

Section 270.70 Reimbursement to the Fund by Other Sources

- a) In the event reimbursement is to be made to OSFM, ~~that payment the Office:~~
1) ~~Payment~~ shall be made by check or money order payable to the "Office of the State Fire Marshal Hazardous Materials Emergency Response Reimbursement Fund".
2) ~~Payment may be made directly by the Responsible Party.~~
- b) *A voluntary contribution to the Fund, or directly to an emergency response agency or a private contractor~~Emergency Response Agency~~, does not constitute an admission of responsibility relative to ~~the~~this Act, or to any other State~~state~~ or federal laws or regulations. (Section 6 of the Act)*
- c) If no party to the incident provides reimbursement to the emergency response agency~~Emergency Response Agency~~ or to the Fund, the State Fire Marshal may request the Attorney General to initiate a civil action to recover costs.

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(Source: Amended at 40 Ill. Reg. 12790, effective August 18, 2016)

Section 270.80 Panel (Repealed)

- a) ~~The Panel shall convene at quarterly intervals and, at the discretion of the Chairman, more often. The Chairman shall notify all Panel members of the meeting date, time, and location by U.S. Mail.~~
- b) ~~The Panel shall be responsible for:~~
 - 1) ~~Reviewing Applications for Reimbursement from the Fund to determine whether they were reasonable or necessary expenses.~~
 - 2) ~~Reviewing, on a per incident basis, whether the Emergency Response Agency has made a reasonable effort to receive expended cost from responsible parties.~~
- e) ~~Each Application for Reimbursement shall be examined on a case by case basis.~~

(Source: Repealed at 40 Ill. Reg. 12790, effective August 18, 2016)

OFFICE OF THE STATE FIRE MARSHAL

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Section 270.APPENDIX A Application for Reimbursement Form

Hazardous Materials Emergency Response Reimbursement Application

SECTION 1 – APPLICANT INFORMATION

Organization Name _____

Address _____ Phone Number _____

Tax Identification Number _____ Fax Number _____

SECTION 2 – CONTACT INFORMATION

Name _____

Title _____ Work Phone _____

E-Mail _____ Cell Phone _____

SECTION 3 – RESPONSIBLE PARTY

If the responsible party is unknown, please check this box

Name _____

Address _____ Phone Number _____

_____ Fax Number _____

Date Notification for Reimbursement Provided to Responsible Party _____

SECTION 4 – INCIDENT NARRATIVE

Incident Date _____

(Application must be submitted within 90 days after the incident date)

OFFICE OF THE STATE FIRE MARSHAL

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SECTION 5 – INCIDENT EXPENSES

You may claim expenses for a mutual aid responder if you have a mutual aid agreement. Indicate expenses of mutual aid responders in the column provided below and attach a copy of the mutual aid agreement to this application.

<u>Itemized List of Expenses</u>	<u>Mutual Aid Expense (Y or N)</u>	<u>Qty</u>	<u>Amount</u>
<u>TOTAL</u> (Must equal or exceed \$500. If not you are not eligible to apply)			

SECTION 6 – REIMBURSEMENT CALCULATION

Line 1: Total Annual Budget* _____

Line 2: Multiply Line 1 by 2% (Line 1 x 2% = Line 2) _____

Line 3: Cost of Incident Response (from Section 5) _____

If Line 3 is less than Line 2, STOP. You are not eligible to apply.

Line 4: Enter the amount from Line 3. If Line 3 is greater than \$10,000, then enter \$10,000. This is your reimbursement claim. _____

* Exclude personnel costs (i.e., salary, benefits, training expenses and any other personnel costs) and costs to acquire capital equipment (i.e., buildings, vehicles and other major capital cost items). A copy of your approved budget or appropriation ordinance must be attached to this application.

SECTION 7 – ATTESTATION AND SIGNATURES

OFFICE OF THE STATE FIRE MARSHAL

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I attest that the information contained in this application is true and accurate to the best of my knowledge. (Signature should be from the head of the organization.)

Signature

Title

Date

Print Name

You MUST attach the following documentation to your application:
Copy of an approved budget or appropriation ordinance for your agency
Copy of mutual aid agreements (if applicable)

(Source: Added at 40 Ill. Reg. 12790, effective August 18, 2016)

JOINT COMMITTEE ON ADMINISTRATIVE RULES

MICHAEL A. BILANDIC BUILDING
ROOM 600C
CHICAGO, ILLINOIS
SEPTEMBER 6, 2016
11:00 A.M.

***NOTICE:** It is the policy of the Committee to allow only representatives of State agencies to testify orally on any rule under consideration at Committee hearings. If members of the public wish to express their views with respect to a proposed rule, they should submit written comments to the Office of the Joint Committee on Administrative Rules at the following address:*

*Joint Committee on Administrative Rules
700 Stratton Office Building
Springfield, Illinois 62706*

RULEMAKINGS SCHEDULED FOR JCAR REVIEW

The following rulemakings are scheduled for review at this meeting. JCAR staff may be proposing action with respect to some of these rulemakings. JCAR members may have questions concerning, and may initiate action with respect to, any item scheduled for JCAR review and any other issues within the Committee's purview.

PROPOSED RULEMAKINGSAgriculture

8-850-16-08880 BT

1. Motor Fuel and Petroleum Standards Act (8 Ill. Adm. Code 850)
 - First Notice Published: 40 Ill. Reg. 8880 – 7/8/16
 - Expiration of Second Notice: 10/7/16

8-1100-16-05741 BT

2. Industrial Hemp Pilot Program (8 Ill. Adm. Code 1100)
 - First Notice Published: 40 Ill. Reg. 5741 – 4/8/16
 - Expiration of Second Notice: 9/28/16

Central Management Services

74-900-16-06891 MR

3. Joint Rules of the Comptroller and the Department of Central Management Services: Prompt Payment (74 Ill. Adm. Code 900)
-First Notice Published: 40 Ill. Reg. 6891 – 5/6/16
-Expiration of Second Notice: 10/5/16

Community College Board

23-1501-16-06923 BT

4. Administration of the Illinois Public Community College Act (23 Ill. Adm. Code 1501)
-First Notice Published: 40 Ill. Reg. 6923 – 5/6/16
-Expiration of Second Notice: 9/14/16

Comptroller

74-330-16-07519 MR

5. Joint Rules of the Comptroller and the Department of Central Management Services: Prompt Payment (74 Ill. Adm. Code 330)
-First Notice Published: 40 Ill. Reg. 7519 – 5/20/16
-Expiration of Second Notice: 10/8/16

Gaming Board

11-1800-16-09024 AC

6. Video Gaming (General) (11 Ill. Adm. Code 1800)
-First Notice Published: 40 Ill. Reg. 9024 – 7/8/16
-Expiration of Second Notice: 10/7/16

Natural Resources

17-750-16-08690 BT

7. Salvage Permits for Deer (17 Ill. Adm. Code 750)
-First Notice Published: 40 Ill. Reg. 9024 – 7/8/16
-Expiration of Second Notice: 10/7/16

17-760-16-08545 BT

8. Crossbow and Standing Vehicle Hunting Authorizations (17 Ill. Adm. Code 760)
-First Notice Published: 40 Ill. Reg. 8545 – 6/24/16
-Expiration of Second Notice: 10/2/16

Revenue

86-100-16-07522 ES

9. Income Tax (86 Ill. Adm. Code 100)
-First Notice Published: 40 Ill. Reg. 7522 – 5/20/16
-Expiration of Second Notice: 9/22/16

Secretary of State

44-2000-16-07043 MR

10. Secretary of State Standard Procurement (44 Ill. Adm. Code 2000)
-First Notice Published: 40 Ill. Reg. 7043 – 5/6/16
-Expiration of Second Notice: 9/18/16

92-1030-16-08039 ES

11. Issuance of Licenses (92 Ill. Adm. Code 1030)
-First Notice Published: 40 Ill. Reg. 8039 – 6/10/16
-Expiration of Second Notice: 10/5/16

Transportation

92-16-16-07544 ES

12. Airport Hazard Zoning (92 Ill. Adm. Code 16)
-First Notice Published: 40 Ill. Reg. 7544 – 5/20/16
-Expiration of Second Notice: 9/30/16

92-64-16-07550 ES

13. Marshall County Airport Hazard Zoning Regulations (Repealer) (92 Ill. Adm. Code 64)
-First Notice Published: 40 Ill. Reg. 7550 – 5/20/16
-Expiration of Second Notice: 9/30/16

Treasurer

44-1400-16-07602 MR

14. Procurement (44 Ill. Adm. Code 1400)
-First Notice Published: 40 Ill. Reg. 7602 – 5/27/16
-Expiration of Second Notice: 9/29/16

EMERGENCY RULEMAKING

Public Health

77-946-16-10992E AC

15. Compassionate Use of Medical Cannabis Patient Registry (77 Ill. Adm. Code 946)

-First Notice Published: 40 Ill. Reg. 10992 – 8/12/16

PEREMPTORY RULEMAKING

Central Management Services

80-310-16-11207P EMS

16. Pay Plan (80 Ill. Adm. Code 310)

-First Notice Published: 40 Ill. Reg. 11207 – 8/19/16

EXEMPT RULEMAKING

Pollution Control Board

35-731-16-06991X JE

17. Underground Storage Tanks (35 Ill. Adm. Code 731)

-First Notice Published: 40 Ill. Reg. 6991 – 7/29/16

AGENCY RESPONSE

Racing Board

11-1413-16-02907 AC

18. Entries, Subscriptions, and Declarations (11 Ill. Adm. Code 1413)

-First Notice Published: 40 Ill. Reg. 2907 – 2/16/16

-Agency Response: Agreement

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received during the period of August 16, 2016 through August 22, 2016. The rulemakings are scheduled for review at the Committee's September 6, 2016 meeting. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rulemaking should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

<u>Second Notice Expires</u>	<u>Agency and Rule</u>	<u>Start of First Notice</u>	<u>JCAR Meeting</u>
9/29/16	<u>Office of the Treasurer</u> , Procurement (44 Ill. Adm. Code 1400)	5/27/16 40 Ill. Reg. 7602	9/6/16
9/30/16	<u>Department of Transportation</u> , Marshall County Airport Hazard Zoning Regulations (Repealer) (92 Ill. Adm. Code 64)	5/20/16 40 Ill. Reg. 7550	9/6/16
9/30/16	<u>Department of Transportation</u> , Airport Hazard Zoning (92 Ill. Adm. Code 16)	5/20/16 40 Ill. Reg. 7544	9/6/16
10/2/16	<u>Department of Natural Resources</u> , Crossbow and Standing Vehicle Hunting Authorizations (17 Ill. Adm. Code 760)	6/24/16 40 Ill. Reg. 8545	9/6/16
10/2/16	<u>Department of Natural Resources</u> , Salvage Permits for Deer (17 Ill. Adm. Code 750)	7/1/16 40 Ill. Reg. 8690	9/6/16
10/5/16	<u>Secretary of State</u> , Issuance of Licenses (92 Ill. Adm. Code 1030)	6/10/16 40 Ill. Reg. 8039	9/6/16

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

1. Statute requiring agency to publish information concerning Private Letter Rulings and General Information Letters in the *Illinois Register*:

Name of Act: Illinois Department of Revenue Sunshine Act

Citation: 20 ILCS 2515/1

2. Summary of information:

Index of Department of Revenue Sales and Miscellaneous Tax Private Letter Rulings and General Information Letters issued for all of 2014. Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Private letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. (See 2 Ill. Adm. Code 1200.110) General information letters are issued by the Department in response to written inquiries from taxpayers, taxpayer representatives, business, trade, industrial associations or similar groups. General information letters contain general discussions of tax principles or applications. General information letters are designed to provide general background information on topics of interest to taxpayers. General information letters do not constitute statements of agency policy that apply, interpret, or prescribe tax laws administered by the Department. *General information letters may not be relied upon by taxpayers in taking positions with reference to tax issues and create no rights for taxpayers under the Taxpayers' Bill of Rights Act.* (See 2 Ill. Adm. Code 1200.120)

The letters are listed numerically, are identified as either a General Information Letter or a Private Letter Ruling and are summarized with a brief synopsis under the following subjects:

Aircraft Use Tax	Hotel Operators' Tax
Computer Software	Leasing
Construction Contractors	Local Taxes
Delivery Charges	Manufacturing Machinery & Equipment
Electricity Excise Tax	Medical Appliances
Exempt Organizations	Miscellaneous
Farm Machinery & Equipment	Motor Vehicles
Financial Institutions	Nexus
Food	Rolling Stock Exemption
Gross Receipts	Use Tax
Sale for Resale	
Sale of Service	

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

Telecommunications Excise Tax
Tobacco Products Tax Act

Copies of the ruling letters themselves are available for inspection and may be purchased for a minimum of \$1.00 per opinion plus 50¢ per page for each page over one. Copies of the ruling letters may be downloaded free of charge from the Department's World Wide Web site at www.tax.illinois.gov/.

The annual index of Sales and Excise Tax letter rulings (all four quarters) is available for \$3.00.

3. Name and address of person to contact concerning this information:

Beverly Langenfeld
Legal Services Office
101 West Jefferson Street
Springfield IL 62794

217/782-2844

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

2014 ANNUAL SALES & MISCELLANEOUS TAX SUNSHINE INDEX

AIRCRAFT USE TAX

ST 14-0026-GIL 04/30/14 The Aircraft Use Tax Law applies to non-retail transactions, gifts, or transfers of aircraft. See 86 Ill. Adm. Code 152.101.

COMPUTER SOFTWARE

ST 14-0017-GIL 04/04/14 This letter discusses the taxability of computer software licenses and maintenance agreements. See 86 Ill. Adm. Code 130.1935 and 86 Ill. Adm. Code 140.301.

ST 14-0004-PLR 07/24/14 This letter discusses the taxability of computer software licenses. See 86 Ill. Adm. Code 130.1935.

ST 14-0034-GIL 07/29/14 This letter discusses the taxability of computer software licenses. See 86 Ill. Adm. Code 130.1935.

ST 14-0052-GIL 12/18/14 This letter discusses the taxability of computer software licenses. See 86 Ill. Adm. Code 130.1935.

CONSTRUCTION CONTRACTORS

ST-14-0003-GIL 03/03/14 This letter discusses the tax liability of construction contractors. See 86 Ill. Adm. Code.

ST-14-0007-GIL 03/07/14 This letter discusses the rules regarding sales of tangible personal property to construction contractors for incorporation into real estate in an Illinois Enterprise Zone and the requirements for using "E" numbers. See 86 Ill. Adm. Code 130.1940, 35 ILCS 120/5k, and 86 Ill. Adm. Code 130.2075(d).

ST 14-0029-GIL 05/05/14 As end users of such tangible personal property, construction contractors incur Use Tax liability for such purchases based upon the cost price of the tangible personal property. See 86 Ill. Adm. Code 130.1940 and 86 Ill. Adm. Code 130.2075.

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DELIVERY CHARGES

ST-14-0004-GIL 03/04/14 Charges designated as delivery or transportation charges are not taxable if it can be shown that they are both agreed to separately from the selling price of the tangible personal property which is sold and that such charges are actually reflective of the costs of shipping. See 86 Ill. Adm. Code 130.415.

ELECTRICITY EXCISE TAX

ST 14-0011-GIL 04/03/14 The purchase price on which a self assessing purchaser must pay tax under the Electricity Excise Tax Law includes charges for transmission or any other service related to the sale or delivery of the electricity. See 35 ILCS 640/2-4(a) and 86 Ill. Adm. Code 511.110(c).

EXEMPT ORGANIZATIONS

ST 14-0010-GIL 03/10/14 This letter discusses the rules regarding sales to exempt purchasers and certificates of resale. See 86 Ill. Adm. Code 130.210, 86 Ill. Adm. Code 130.1415, and 86 Ill. Adm. Code 130.2005.

ST 14-0036-GIL 07/29/14 In order for an organization to qualify for tax exempt status in Illinois, the organization must hold a valid e-number from the Illinois Department of Revenue or present a valid tax exempt card issued by the U.S. Department of State and identified in 86 Ill. Adm. Code 130.Illustration A. See 86 Ill. Adm. Code 130.2007 and 86 Ill. Adm. Code 130.2080.

ST 14-0040-GIL 08/08/14 This letter is rescinded by letter ruling ST 14-0048-GIL. Exclusively charitable hospitals that have an exempt identification "E" number from the Department do not incur Retailers' Occupation Tax on its sales of food and medicine to their patients or on their sales of food from a cafeteria operated for the benefit of its employees, patients' visitors, physicians, volunteer

DEPARTMENT OF REVENUE

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workers and staff and not open to the public. See 86 Ill. Adm. Code 130.2005(b)(1)(A).

ST 14-0048 GIL 10/08/14 This letter rescinds General Information Letter ST 14-0040. This letter clarifies that hospitals that meet the criteria for an exemption under Section 2-9 of the Retailers' Occupation Tax Act (35 ILCS 120/2-9) do not incur Retailers' Occupation Tax on its sales of food and medicine to their patients or on their sales of food from a cafeteria operated for the benefit of its employees and are not open to the public.

ST 14-0051-GIL 12/02/14 The State of Illinois or any local governments in Illinois, or any agency or instrumentality of any such government body, incurs Retailers' Occupation Tax Liability when it engages in the selling of tangible personal property at retail to the public other than in the performance of a governmental function." See 86 Ill. Adm. Code 130.2055.

FARM MACHINERY & EQUIPMENT

ST 14-0014-GIL 04/04/14 Nursery stock is not considered equipment under the farm machinery and equipment exemption. See 86 Ill. Adm. Code 130.305.

FINANCIAL INSTITUTIONS

ST 14-0035-GIL 07/29/14 Lending agencies or finance companies may be subject to Retailers' Occupation Tax liability on the sale of repossessed tangible personal property. See 86 Ill. Adm. Code 130.1960(a) and 86 Ill. Adm. Code 130.110.

FOOD

ST 14-0013-GIL 04/04/14 This letter discusses the State tax rates applicable to sales of food. See 86 Ill. Adm. Code 130.310.

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- ST 14-0016-GIL 04/04/14 This letter discusses the applicable sales tax rates for food and candy. *See* 86 Ill. Adm. Code 130.310.
- ST 14-0019-GIL 04/04/14 This letter discusses the applicable sales tax rates for food. *See* 86 Ill. Adm. Code 130.310. (This is a GIL.)

GROSS RECEIPTS

- ST 14-0018-GIL 04/04/14 This letter discusses the rules regarding handling and installation charges. *See* 86 Ill. Adm. Code 130.410. *See also* 86 Ill. Adm. Code 130.415 and 86 Ill. Adm. Code 130.450.
- ST 14-0021-GIL 04/08/14 Costs of doing business are an element of the retailer's gross receipts subject to tax even if separately stated on the bill to the customer. *See* 86 Ill. Adm. Code 130.410.
- ST 14-0039-GIL 08/07/14 Costs of doing business are an element of the retailer's gross receipts subject to tax even if separately stated on the bill to the customer. *See* 86 Ill. Adm. Code 130.410.

HOTEL OPERATORS' TAX

- ST 14-0045-GIL 08/18/14 This letter discusses the Hotel Operators' Tax Act. *See* 86 Ill. Adm. Code 480.101(b)(3).

LEASING

- ST 14-0023-GIL 04/11/14 This letter discusses the taxability of various items which are the subject of a lease. *See* 86 Ill. Adm. Code 130.220 and 86 Ill. Adm. Code 130.2010.
- ST 14-0006-PLR 10/20/14 This letter discusses the alternative definition of "selling price" added to the Retailers' Occupation Tax Act and Use Tax Act by Public Act 98-628 as it relates to sales of certain motor vehicles for lease. *See* 35 ILCS 120/1.

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

LOCAL TAXES

ST 14-0050-GIL 10/31/14 This letter explains how to determine the local tax rate applicable to conditional sales leasing transactions. (See 86 Ill. Adm. Code 220.115.)

MANUFACTURING MACHINERY & EQUIPMENT

ST 14-0001-PLR 01/02/14 The manufacturing machinery and equipment exemption includes chemicals or chemicals acting as catalysts but only if the chemicals or chemicals acting as catalysts effect a direct and immediate change upon a product being manufactured or assembled for sale or lease. See 86 Ill. Adm. Code 130.330(c)(6).

ST-14-0006-GIL 03/07/14 This letter discusses the manufacturing, machinery & equipment exemption, the manufacturer's purchase credit, claims for credit, and the rules for obtaining E numbers. See 86 Ill. Adm. Code 130.330 and 86 Ill. Adm. Code 130.331. See also 86 Ill. Adm. Code 130.1501 and 86 Ill. Adm. Code 130.2007.

ST 14-0027-GIL 04/30/14 Machinery used to shred and bale paper could qualify for the exemption if such equipment is used primarily in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease. See 86 Ill. Adm. Code 130.330(b).

ST 14-0002-PLR 06/26/14 Post-production storage facilities do not generally qualify for the manufacturing machinery and equipment exemption. However, a refrigeration or freezer facility maintained at a specific temperature which is required in order to preserve a manufactured product, can qualify for the exemption. See 86 Ill. Adm. Code 130.330.

MEDICAL APPLIANCES

ST 14-0005-PLR 08/12/14 Diagnostic equipment does not qualify as a medical appliance. See 86 Ill. Adm. Code 130.311(d)(5).

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

MISCELLANEOUS

- ST 14-0031-GIL 05/12/14 The electronic download of a book is not subject to Retailers' Occupation Tax, Use Tax, Service Occupation Tax or Service Use Tax. See 86 Ill. Adm. Code 130.2105(a)(3).
- ST 14-0044-GIL 08/12/14 This letter responds to an annual survey.
- ST-14-0049-GIL 10/14/14 The Department will not approve the accuracy of private legal publications.

MOTOR VEHICLES

- ST-14-0005-GIL 03/04/14 With regard to modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, the tax is imposed at the rate of 1%. See 86 Ill. Adm. Code 130.311(f).
- ST 14-0053-GIL 12/29/14 This letter discusses sales of motor vehicles to nonresidents. See 86 Ill. Adm. Code 130.605.

NEXUS

- ST 14-0002-GIL 01/02/14 This letter discusses nexus. See *Quill Corp. v. North Dakota*, 112 S.Ct. 1904 (1992).
- ST 14-0020-GIL 04/07/14 This letter discusses nexus. See *Quill Corp. v. North Dakota*, 112 S.Ct. 1904 (1992).
- ST 14-0025-GIL 04/24/14 This letter discusses nexus. See *Quill Corp. v. North Dakota*, 112 S.Ct. 1904 (1992).
- ST 14-0028-GIL 04/04/14 This letter responds to a questionnaire regarding nexus. See *Quill Corp. v. North Dakota*, 112 S.Ct. 1904 (1992).

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ROLLING STOCK EXEMPTION

- ST 14-0015-GIL 04/04/14 This letter concerns the rolling stock exemption. See 86 Ill. Adm. Code Section 130.340.
- ST 14-0041-GIL 08/08/14 This letter concerns the rolling stock exemption. See 86 Ill. Adm. Code Section 130.340. (This letter is rescinded by letter ruling ST 14-0046-GIL.)
- ST 14-0046-GIL 09/04/14 This letter rescinds General Information Letter ST 14-0041-GIL. This letter concerns the rolling stock exemption. See 86 Ill. Adm. Code Section 130.340.

SALE FOR RESALE

- ST-14-0008-GIL 03/07/14 This letter addresses the requirements for a certificate of resale. See 86 Ill. Adm. Code 130.1405.
- ST 14-0024-GIL 04/24/14 This letter is a response to a survey regarding drop shipments. For information regarding drop shipments, see the Department's regulation entitled "Drop Shipments," found at 86 Ill. Adm. Code 130.225.
- ST 14-0037-GIL 08/05/14 This letter addresses sales for resale. See 86 Ill. Adm. Code 130.1405.

SALE OF SERVICE

- ST 14-0033-GIL 07/10/14 If no tangible personal property is transferred to the customer, then no Illinois Retailers' Occupation Tax or Service Occupation Tax would apply. See 86 Ill. Adm. Code Parts 130 and 140.

SERVICE OCCUPATION TAX

- ST-14-0009-GIL 03/10/14 Sellers of special order machines are considered to be engaged primarily in a service occupation, rather than being engaged in the

DEPARTMENT OF REVENUE

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business of selling tangible personal property, if the test set out in 86 Ill. Adm. Code 130.2115(b) is met. See 86 Ill. Adm. Code 130.2115.

- ST 14-0012-GIL 04/03/14 Membership fees are generally considered intangibles and are not subject to Retailers' Occupation Tax or Use Tax. If a membership charge entitles the customer to receive an item of tangible personal property or to receive a service and tangible personal property is transferred incident to the service, the charge may result in Retailers' Occupation Tax liability, Service Occupation Tax liability, or Use Tax liability. See 86 Ill. Adm. Code 130.401(d) and 86 Ill. Adm. Code 140.101.
- ST 14-0032-GIL 07/07/14 The Service Occupation Tax is a tax imposed upon servicemen engaged in the business of making sales of service in this State, based on the tangible personal property transferred incident to sales of service. See 86 Ill. Adm. Code Part 140.

TELECOMMUNICATIONS EXCISE TAX ACT

- ST 14-0022-GIL 04/08/14 This letter provides an overview of items subject to the Telecommunications Excise Tax Act. *See* 35 ILCS 630.
- ST 14-0003-PLR 06/26/14 In the event this may not be a defined location, as in the case of mobile phones, paging systems, and maritime systems, service address means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. 35 ILCS 630/2(n).
- ST 14-0043-GIL 08/11/14 This letter provides an overview of items subject to the Telecommunications Excise Tax Act. *See* 35 ILCS 630.
- ST 14-0047-GIL 09/09/14 This letter discusses allowable deductions and nontaxable sales under the Telecommunications Excise Tax. *See* 35 ILCS 630.

TOBACCO PRODUCTS TAX

DEPARTMENT OF REVENUE

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- ST 14-0038-GIL 08/06/14 The federal excise tax is imposed on the manufacturer, is a cost of doing business of the manufacturer and is included in the manufacturer's wholesale price of tobacco products sold to distributors for purposes of calculating the Tobacco Products Tax. 35 ILCS 143/10-5. This letter is rescinded by letter ruling ST 14-0046-GIL.
- ST 14-0042-GIL 08/11/14 This letter rescinds General Information Letter ST 14-0038. This letter clarifies that federal excise tax is imposed on the manufacturer, is a cost of doing business of the manufacturer and is included in the manufacturer's wholesale price of tobacco products sold to distributors for purposes of calculating the Tobacco Products Tax. 35 ILCS 143/10-5.

USE TAX

- ST 14-0030-GIL 05/05/14 For watercraft or aircraft, if the period of demonstration use or interim use by the retailer exceeds 18 months, the retailer shall pay Use Tax on the original cost price of the aircraft or watercraft, and no credit for that tax is permitted if the aircraft or watercraft is subsequently sold by the retailer. See 86 Ill. Adm. Code 150.306.

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

1. Statute requiring agency to publish information concerning Private Letter Rulings and General Information Letters in the *Illinois Register*:

Name of Act: Illinois Department of Revenue Sunshine Act

Citation: 20 ILCS 2515/1

2. Summary of information:

Index of Department of Revenue Sales and Miscellaneous Tax Private Letter Rulings and General Information Letters issued for the Second Quarter of 2015. Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Private letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. (See 2 Ill. Adm. Code 1200.110) General information letters are issued by the Department in response to written inquiries from taxpayers, taxpayer representatives, business, trade, industrial associations or similar groups. General information letters contain general discussions of tax principles or applications. General information letters are designed to provide general background information on topics of interest to taxpayers. General information letters do not constitute statements of agency policy that apply, interpret, or prescribe tax laws administered by the Department. *General information letters may not be relied upon by taxpayers in taking positions with reference to tax issues and create no rights for taxpayers under the Taxpayers' Bill of Rights Act.* (See 2 Ill. Adm. Code 1200.120)

The letters are listed numerically, are identified as either a General Information Letter or a Private Letter Ruling and are summarized with a brief synopsis under the following subjects:

Claims for Credit	Medical Appliances
Construction Contractors	Miscellaneous
Delivery Charges	Nexus
Exempt Organizations	Sale for Resale
Farm Machinery & Equipment	Service Occupation Tax
Governmental Bodies	Tax Collection
Gross Receipts	Telecommunications Excise Tax
Leasing	Use Tax
Liquor Tax	
Manufacturing Machinery & Equipment	

DEPARTMENT OF REVENUE

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Copies of the ruling letters themselves are available for inspection and may be purchased for a minimum of \$1.00 per opinion plus 50¢ per page for each page over one. Copies of the ruling letters may be downloaded free of charge from the Department's World Wide Web site at www.tax.illinois.gov/.

The annual index of Sales and Excise Tax letter rulings (all four quarters) is available for \$3.00.

3. Name and address of person to contact concerning this information:

Beverly Langenfeld
Legal Services Office
101 West Jefferson Street
Springfield IL 62794

217/782-2844

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

2015 SECOND QUARTER SALES & MISCELLANEOUS TAX SUNSHINE INDEX

CLAIMS FOR CREDIT

ST 15-0039-GIL 06/24/2015 This letter provides a general discussion of claim for credit procedures. See 86 Ill. Adm. Code 130.1501.

CONSTRUCTION CONTRACTORS

ST 15-024-GIL 04/30/2015 Construction contractors are deemed end users of tangible personal property purchased for incorporation into real property, and they incur Use Tax liability based upon their cost price of the tangible personal property. See 86 Ill. Adm. Code 130.1940 and 86 Ill. Adm. Code 130.2075

ST 15-0032-GIL 06/18/2015 This letter discusses the tax liability of construction contractors. See 86 Ill. Adm. Code 130.1940.

DELIVERY CHARGES

ST 15-0022-GIL 04/06/2015 If a seller delivers the tangible personal property to the buyer, and the seller and the buyer agree upon the transportation or delivery charges separately from the selling price of the tangible personal property which is sold, then the cost of the transportation or delivery service is not a part of the "selling price" of the tangible personal property which is sold, but instead is a service charge, separately contracted for, and need not be included in the figure upon which the seller computes his or her tax liability. See 86 Ill. Adm. Code 130.415. (This is a GIL.)

EXEMPT ORGANIZATIONS

ST 15-0023-GIL 04/24/2015 Nonprofit hospitals which qualify as exclusively charitable institutions are not taxable when selling food, medicine or grooming and hygiene products to their

DEPARTMENT OF REVENUE

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patients in connection with the furnishing of hospital service to them. See 86 Ill. Adm. Code 130.2005(b)(1)(a) and 130.2005(a)(2)(A).

ST 15-0041-GIL 06/25/2015 Tangible personal property may only be purchased tax free when the sale is made directly to an exempt organization, which possesses a valid and active exemption identification number (E-number). See 35 ILCS 120/2-5(11).

FARM MACHINERY & EQUIPMENT

ST 15-0031-GIL 06/18/2015 The sale of certain types of tangible personal property used in production agriculture is not subject to Illinois Retailers' Occupation Tax and Use Tax. See 35 ILCS 120/2-5(2) and 86 Ill. Adm. Code 130.305.

GOVERNMENTAL BODIES

ST 15-0025-GIL 04/30/2015 Generally, a government contractor who purchases items to fulfill his obligations under a contract with a governmental unit purchases those items for use. See, U.S. v. New Mexico, 455 U.S. 720, 102 S. Ct. 1373 (1982). However, if the contract with the governmental unit explicitly requires the contractor to sell those items to the governmental unit, the purchase of those items by the contractor can be structured as purchases for the purpose of resale to the governmental unit. See 86 Ill. Adm. Code 130.2076. (This is a GIL.)

GROSS RECEIPTS

ST 15-0037-GIL 06/05/2015 This letter discusses the taxability of banquet room rentals. See 86 Ill. Adm. Code 130.410 and 86 Ill. Adm. Code 130.2145.

DEPARTMENT OF REVENUE

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LEASING

ST 15-0040-GIL 06/24/2015 Information regarding sales tax liabilities in lease situations may be found at 86 Ill. Adm. Code 130.220 and 86 Ill. Adm. Code 130.2010.

LIQUOR TAX

ST 15-0030-GIL 06/05/2015 Under the Liquor Control Act of 1934, out-of-state wineries who are going to sell wine directly to Illinois residents must complete an Application For State Of Illinois Winery Shipper's License ("Direct Shipping Permit").

MANUFACTURING MACHINERY & EQUIPMENT

ST 15-0036-GIL 06/19/2015 This letter discusses the manufacturing machinery and equipment exemption. See 86 Ill. Adm. Code 130.330.

MEDICAL APPLIANCES

ST 15-0026-GIL 04/30/2015 A medical appliance is an item that directly substitutes for a malfunctioning part of the human body. Products that qualify as medical appliances are taxed at a lower State rate of 1% plus any applicable local taxes. See 86 Ill. Adm. Code 130.311. (This is a GIL.)

MISCELLANEOUS

ST 15-0006-PLR 04/30/2015 This letter discusses "prepaid telephone calling arrangements." See 35 ILCS 120/2-7. (This is a PLR.)

ST 15-0008-PLR 06/29/2015 The purchase price on which a self assessing purchaser must pay tax under the Electricity Excise Tax Law includes

DEPARTMENT OF REVENUE

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charges for electricity, transmission or any other service related to the sale or delivery of the electricity. See 35 ILCS 640/2-4(a) and 86 Ill. Adm. Code 511.110(c). (This is a GIL.)

NEXUS

ST 15-0035-GIL 06/19/2015 A retailer maintaining a place of business in Illinois must collect tax from users in accordance with the Retailers' Occupation Tax Act and the Use Tax Act by adding the tax to the selling price of tangible personal property, when sold for use. See 86 Ill. Adm. 150.401.

SALE FOR RESALE

ST 15-0033-GIL 06/18/2015 This letter discusses the standard drop-shipment scenario and certificates of resale. See 86 Ill. Adm. Code 130.225 and 86 Ill. Adm. Code 130.1405.

SERVICE OCCUPATION TAX

ST 15-0027-GIL 04/30/2015 Membership fees are generally considered intangibles and are not subject to Retailers' Occupation Tax or Use Tax. If a membership charge entitles the customer to receive an item of tangible personal property or to receive a service and tangible personal property is transferred incident to the service, the charge may result in Retailers' Occupation Tax liability, Service Occupation Tax liability, or Use Tax liability. See 86 Ill. Adm. Code 130.401(d) and 86 Ill. Adm. Code 140.101. (This is a GIL.)

TAX COLLECTION

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ST 15-0042-GIL 06/25/2015 A retailer maintaining a place of business in Illinois must collect tax from users in accordance with the Retailers' Occupation Tax Act and the Use Tax Act by adding the tax to the selling price of tangible personal property, when sold for use. See 86 Ill. Adm. 150.401.

TELECOMMUNICATIONS EXCISE TAX

ST-15-0028-GIL 05/14/2015 The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois at the rate of 7% of the gross charges for such telecommunications purchased at retail from retailers. See 86 Ill. Adm. Code 495.

ST-15-002-GIL 05/14/2015 The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois at the rate of 7% of the gross charges for such telecommunications purchased at retail from retailers. See 86 Ill. Adm. Code 495.

ST 15-0034-GIL 06/18/2015 Telecommunications purchased, used, or sold by a provider of Internet access to provide Internet access are subject to the federal moratorium on state-imposed telecommunications taxes. See 47 USC § 151 note; § 1101.

ST 15-0038-GIL 06/08/2015 State and Federal governments are exempt from the Telecommunications Excise Tax Act. See 35 ILCS/2(k).

USE TAXES

ST 15-0007-PLR 04/30/2015 If a retailer engages in some selling activities in a taxing jurisdiction in this State, but that retailer's predominant selling activities are outside the State, the retailer's obligation to collect and remit taxes on Illinois sales is

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governed by the Illinois Use Tax Act. See 86 Ill. Adm. Code 270.115(B)(7). (This is a PLR).

ST 15-0029-GIL	05/18/2015	A retailer maintaining a place of business in Illinois or a retailer authorized by the Department to collect Use Tax must collect the Use Tax from the purchaser based on the selling price of tangible personal property, including the value of any discount coupons for which the retailer will receive full or partial reimbursement. See 35 ILCS 105/3-45.
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NOTICE OF PUBLIC INFORMATION

1. Statute requiring agency to publish information concerning Private Letter Rulings and General Information Letters in the *Illinois Register*:

Name of Act: Illinois Department of Revenue Sunshine Act

Citation: 20 ILCS 2515/1

2. Summary of information:

Index of Department of Revenue Sales and Miscellaneous Tax Private Letter Rulings and General Information Letters issued for the Third Quarter of 2015. Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Private letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. (See 2 Ill. Adm. Code 1200.110) General information letters are issued by the Department in response to written inquiries from taxpayers, taxpayer representatives, business, trade, industrial associations or similar groups. General information letters contain general discussions of tax principles or applications. General information letters are designed to provide general background information on topics of interest to taxpayers. General information letters do not constitute statements of agency policy that apply, interpret, or prescribe tax laws administered by the Department. *General information letters may not be relied upon by taxpayers in taking positions with reference to tax issues and create no rights for taxpayers under the Taxpayers' Bill of Rights Act.* (See 2 Ill. Adm. Code 1200.120)

The letters are listed numerically, are identified as either a General Information Letter or a Private Letter Ruling and are summarized with a brief synopsis under the following subjects:

Delivery Charges	Sale at Retail
Exempt Organizations	Sale for Resale
Gross Receipts	Sale of Service
Local Taxes	Tax Rate
Manufacturing Machinery & Equipment	Telecommunications Excise Tax
Miscellaneous	
Motor Vehicles	

Copies of the ruling letters themselves are available for inspection and may be purchased for a minimum of \$1.00 per opinion plus 50¢ per page for each page over one. Copies of the ruling letters may be downloaded free of charge from the Department's World Wide Web site at www.tax.illinois.gov/.

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

The annual index of Sales and Excise Tax letter rulings (all four quarters) is available for \$3.00.

3. Name and address of person to contact concerning this information:

Beverly Langenfeld
Legal Services Office
101 West Jefferson Street
Springfield IL 62794

217/782-2844

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

2015 THIRD QUARTER SALES & MISCELLANEOUS TAX SUNSHINE INDEX

DELIVERY CHARGES

- ST 15-0011-PLR 07/16/2015 This letter discusses transportation and delivery charges in light of the decision in *Kean v. Wal-Mart Stores, Inc.*, 235 Ill. 2d 351, 919 N.E.2d 926 (2009). (This is a PLR.)
- ST 15-0012-PLR 07/27/2015 This letter discusses transportation and delivery charges in light of the decision in *Kean v. Wal-Mart Stores, Inc.*, 235 Ill. 2d 351, 919 N.E.2d 926 (2009). (This is a PLR.)
- ST 15-0043-GIL 07/01/2015 If a seller delivers the tangible personal property to the buyer, and the seller and the buyer agree upon the transportation or delivery charges separately from the selling price of the tangible personal property which is sold, then the cost of the transportation or delivery service is not a part of the "selling price" of the tangible personal property which is sold, but instead is a service charge, separately contracted for, and need not be included in the figure upon which the seller computes his or her tax liability. See 86 Ill. Adm. Code 130.415.

EXEMPT ORGANIZATIONS

- ST 15-0054-GIL 08/27/ 2015 Organizations that make application to the Department and are determined to be exclusively religious, educational, or charitable, receive an exemption identification "E number." This number evidences that this State recognizes that the organization qualifies as exempt from incurring Use Tax when purchasing tangible personal property infurtherance of its organizational purpose. See 86 Ill. Adm. Code 130.2007. (This is a GIL.)

GROSS RECEIPTS

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- ST 15-0051-GIL 08/21/2015 Caterers incur Retailers' Occupational Tax liability on their entire gross receipts from sale, without deductions on account of overhead costs, such as charges for linens, dishes, flowers or delivery. (This is a GIL.)
- ST 15-0057-GIL 08/31/2015 This letter discusses the taxability of containers, wrapping, and packing materials and related products. See 86 Ill. Adm. Code 130.2070. (This is a GIL.)

LOCAL TAXES

- ST 15-0052-GIL 08/21/2015 If a sale is made in a jurisdiction that imposes a local retailers' occupation tax, that local jurisdiction's tax will be incurred on that sale. See 86 Ill. Adm. Code 270.115. (This is a GIL.)
- ST 15-0015-PLR 09/26/2015 The occupation of selling is comprised of the composite of many activities extending from the preparation for, and the obtaining of, orders for goods to the final consummation of the sale by the passing of title and payment of the purchase price. Thus, establishing where "the taxable business of selling is being carried on" requires a fact-specific inquiry into the composite of activities that comprise the retailer's business. 86 Ill. Adm. Code 270.115. (This is a PLR.)

MANUFACTURING MACHINERY & EQUIPMENT

- ST 15-0009-PLR 07/07/2015 Under the Retailers' Occupation Tax Act, the manufacturing machinery and equipment exemption is available for machinery and equipment used primarily (over 50% of the time) in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease. See 86 Ill. Adm. Code 130.330.
- ST-15-0045-GIL 07/10/2015 The use of machinery or equipment to place the tangible personal property to be sold into the container, package, or wrapping in which this property is normally sold when the

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machinery or equipment is used as a part of an integrated manufacturing process will be considered an exempt use of machinery and equipment when the equipment is used primarily in this manner. See 86 Ill. Adm. Code 130.330(d)(3)(E).

MISCELLANEOUS

- ST 15-0050-GIL 08/18/2015 This letter responds to an annual survey. (This is a GIL.)
- ST 15-0055-GIL 08/27/2015 Only the Board of Appeals has the authority to abate penalty and interest. (See 86 Ill. Adm. Code 210.120.) (This is a GIL.)

MOTOR VEHICLES

- ST 15-0047-GIL 07/23/2015 The Retailers' Occupation Tax rate charged on the sale of a motor vehicle in Illinois depends on the rate of tax imposed on the retailer where the sale occurs. See 86 Ill. Adm. Code 130.101(b), 86 Ill. Adm. Code 320.101(a), 86 Ill. Adm. Code 630.101(a), and 86 Ill. Adm. Code 370.101(a). For State-administered tax purposes, sales and use taxes do not apply to lease receipts. The one exception is the short-term rental of automobiles. (This is a GIL.)
- ST 15-0049-GIL 07/30/2015 This letter responds to a survey concerning taxation of vehicles. (This is a GIL.)
- ST 15-0056-GIL 08/28/2015 The Retailers' Occupation Tax rate charged on the sale of a motor vehicle in Illinois depends on the rate of tax imposed on the retailer where the sale occurs. See 86 Ill. Adm. Code 130.101. For State-administered tax purposes, sales and use taxes do not apply to lease receipts. Lessors of motor vehicles for a term of more than one year in Illinois are deemed end users of the property to be leased. See 86 Ill. Adm. Code 130.220. The one exception is the

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short-term rental of automobiles. See 86 Ill. Adm. Code 180.101. (This is a GIL.)

SALE AT RETAIL

ST 15-0010-PLR 07/16/2015 The exemption from Retailers' Occupation Tax on fuel used or consumed by vessels used primarily for the transportation of property on waterways applies only to such vessels on rivers bordering this State. See 86 Ill. Adm. Code 130.315. (This is a PLR.)

SALE FOR RESALE

ST 15-0058-GIL 09/11/2015 To purchase items of tangible personal property tax-free for the purposes of resale, purchasers should submit properly completed Certificates of Resale to sellers. In order for a Certificate of Resale to be valid in Illinois, it must contain the items of information set out in 86 Ill. Adm. Code 130.1405(b). See 86 Ill. Adm. Code 130.1405. (This is a GIL.)

SALE OF SERVICE

ST 15-0048-GIL 07/27/2015 This letter explains the Service Occupation Tax and the Service Use Tax. See 86 Ill. Adm. Code 140.101 through 140.109 and 160.101 regarding sales of service. (This is a GIL.)

ST 15-0053-GIL 08/25/2015 If no tangible personal property is transferred to the customer, then no Illinois Retailers' Occupation Tax or Service Occupation Tax would apply. See 86 Ill. Adm. Code Parts 130 and 140. See 86 Ill. Adm. Code. (This is a GIL.)

ST 15-0059-GIL 09/14/2015 If no tangible personal property is transferred to the customer, then no Illinois Retailers' Occupation Tax or

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Service Occupation Tax would apply. See 86 Ill. Adm. Code Parts 130 and 140. (This is a GIL.)

TAX RATE

ST 15-0044-GIL 07/08/2015 With respect to prescription and non-prescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person and insulin, urine testing utensils, syringes and needles used by diabetics, for human use, the tax is imposed at the rate of 1% plus any applicable local taxes. Items that do not qualify for the lower rate of tax are taxed at the general merchandise rate of 6.25% plus any applicable local taxes. See 86 Ill. Adm. Code 130.311.

TELECOMMUNICATIONS EXCISE TAX

ST 15-0046-GIL 07/10/2015 The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois. See 35 ILCS 630/1 *et seq.*

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

1. Statute requiring agency to publish information concerning Private Letter Rulings and General Information Letters in the *Illinois Register*:

Name of Act: Illinois Department of Revenue Sunshine Act

Citation: 20 ILCS 2515/1

2. Summary of information:

Index of Department of Revenue Sales and Miscellaneous Tax Private Letter Rulings and General Information Letters issued for the Fourth Quarter of 2015. Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Private letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. (See 2 Ill. Adm. Code 1200.110) General information letters are issued by the Department in response to written inquiries from taxpayers, taxpayer representatives, business, trade, industrial associations or similar groups. General information letters contain general discussions of tax principles or applications. General information letters are designed to provide general background information on topics of interest to taxpayers. General information letters do not constitute statements of agency policy that apply, interpret, or prescribe tax laws administered by the Department. *General information letters may not be relied upon by taxpayers in taking positions with reference to tax issues and create no rights for taxpayers under the Taxpayers' Bill of Rights Act.* (See 2 Ill. Adm. Code 1200.120)

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Agricultural Producers and Products	Interstate Commerce
Aircraft Use Tax	Leasing
C.O.A.D.	Local Taxes
Computer Software	Manufacturing Machinery & Equipment
Construction Contractors	Medical Appliances
Delivery Charges	Miscellaneous
Exempt Organizations	Motor Vehicles
Food	Sale for Resale
Food, Drugs & Medical Appliances	Sale of Service
Gross Receipts	
Service Occupation Tax	
Telecommunications Excise Tax	

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

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Legal Services Office
101 West Jefferson Street
Springfield IL 62794

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DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

2015 FOURTH QUARTER SALES & MISCELLANEOUS TAX SUNSHINE INDEX

AGRICULTURAL PRODUCERS AND PRODUCTS

ST 15-0073-GIL 11/30/2015 If seeds sold to grow cover crops that are subsequently plowed into the soil and become part of the next crop planted, harvested and resold, such a sale would be a sale for resale. See 86 Ill. Adm. Code 130.2110. (This is a GIL.)

AIRCRAFT USE TAX

ST 15-0020-PLR 12/22/15 This letter concerns a change in registration of an aircraft due to the merger of a corporation into a limited liability company under the provisions of the Business Corporation Act. See 86 Ill. Adm. Code 152.101 and 805 ILCS 5/11.39 and 11.50. (This is a PLR.)

C.O.A.D.

ST 15-0072-GIL 10/15/2015 A coin-operated amusement device includes any "...device operated or operable by insertion of coins, tokens, chips or similar objects...which returns to the player thereof no money or property or right to receive money or property..." 35 ILCS 510/1. (This is a GIL).

COMPUTER SOFTWARE

ST 15-0064-GIL 10/15/2015 This letter discusses the taxability of computer software licenses. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)

ST 15-0069-GIL 10/26/2015 This letter discusses the taxability of computer software and charges related to the sale of software. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)

CONSTRUCTION CONTRACTORS

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- ST 15-0063-GIL 10/29/2015 When a construction contractor permanently affixes tangible personal property to real property, the contractor is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 130.1940 and 130.2075. (This is a GIL.)
- ST 15-0065-GIL 11/05/15 When a construction contractor permanently affixes tangible personal property to real property, the contractor is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 130.1940 and 86 Ill. Adm. Code 130.2075. (This is a GIL.)
- ST 15-0075-GIL 12/03/15 When a construction contractor permanently affixes tangible personal property to real property, the contractor is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 130.1940 and 86 Ill. Adm. Code 130.2075. (This is a GIL.)
- ST 15-0103-GIL 10/15/2015 Persons who act as construction contractors by permanently affixing tangible personal property to real estate owe Illinois Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 1940 and 2075. (This is a GIL.)

DELIVERY CHARGES

- ST 15-0014-PLR 10/23/ 2015 This letter discusses transportation and delivery charges in light of the decision in *Kean v. Wal-Mart Stores, Inc.*, 235 Ill. 2d 351, 919 N.E.2d 926 (2009). (This is a PLR.)
- ST 15-0068- GIL 10/26/2015 This letter discusses transportation and delivery charges in light of the decision in *Kean v. Wal-Mart Stores, Inc.*, 235 Ill. 2d 351, 919 N.E.2d 926 (2009). (This is a GIL.)

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EXEMPT ORGANIZATIONS

ST 15-0066-GIL 10/16/ 2015 Nonprofit hospitals which qualify as exclusively charitable institutions are not taxable when selling food, medicine or grooming and hygiene products to their patients in connection with the furnishing of hospital service to them. See 86 Ill. Adm. Code 130.2005(b)(1)(a) and 130.2005(a)(2)(A). (This is a GIL.)

FOOD

ST 15-0067 GIL 10/16/2015 This letter discusses the State tax rate applicable to sales of food. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

FOOD, DRUGS & MEDICAL APPLIANCES

ST 15-0080-GIL 12/23/15 This letter discusses the rules regarding the taxability of drugs and medical appliances. See 86 Ill. Adm. Code 130.311. (This is a GIL.)

GROSS RECEIPTS

ST 15-0107-GIL 10/19/2015 Federal excise taxes, such as the "gas guzzler tax", which are imposed on the manufacturer of automobiles are not deductible when calculating Retailers' Occupation Tax liability. See 86 Ill. Adm. Code 130.445. The "gas guzzler tax" is merely a cost of doing business to the person who pays such a tax or to the persons to whom the economic burden of such taxes may be shifted by those who pay such taxes to the Federal government. See 86 Ill. Adm. Code 130.410. (This is a GIL.)

INTERSTATE COMMERCE

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ST 15-0016-PLR 11/13/2015 This letter discusses the non-taxability of sales in interstate commerce and the temporary storage exemption. See 86 Ill. Adm. Code 130.605 and 86 Ill. Adm. Code 150.310(a)(4). (This is a PLR).

ST 15-0084-GIL 10/19/2015 This letter discusses the non-taxability of sales in interstate commerce and the temporary storage exemption. See 86 Ill. Adm. Code 130.605 and 86 Ill. Adm. Code 150.310(a)(4). (This is a PLR).

LEASING

ST 15-0013-PLR 10/15/2015 This letter addresses a lessor's tax liability when the lessor is engaged in the business of renting and selling tangible personal property. See 86 Ill. Adm. Code 130.2013(e)(2). (This is a PLR).

LOCAL TAXES

ST 15-0018-PLR 12/22/15 The occupation of selling is comprised of the composite of many activities extending from the preparation for, and the obtaining of, orders for goods to the final consummation of the sale by the passing of title and payment of the purchase price. Thus, establishing where "the taxable business of selling is being carried on" requires a fact-specific inquiry into the composite of activities that comprise the retailer's business. See 86 Ill. Adm. Code 270.115 and 35 ILCS 120/2-12(2). (This is a PLR.)

MANUFACTURING MACHINERY & EQUIPMENT

ST 15-0019-PLR 12/22/2015 Under the Retailers' Occupation Tax Act, the manufacturing and equipment exemption is available for machinery and eq used primarily (over 50% of the time) in the manufacturing

DEPARTMENT OF REVENUE

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assembling of tangible personal property for wholesale or retail sale or lease. See 86 Ill. Adm. Code 130.330. (This is a PLR.)

MEDICAL APPLIANCES

ST 15-0017-PLR 12/21/15 A medical appliance is an item that directly substitutes for a malfunctioning part of the human body. Products that qualify as medical appliances are taxed at a lower State rate of 1% plus any applicable local taxes. See 86 Ill. Adm. Code 130.311. (This is a PLR).

MISCELLANEOUS

ST 15-0071-GIL 10/15/2015 The River Edge Redevelopment Zone building materials exemption is limited to building materials that will be incorporated into real estate as part of an industrial or commercial project. See 35 ILCS 120/2-54 and 86 Ill. Adm. Code 130.1954. (This is a GIL.)

ST 15-0078-GIL 12/16/15 An adult tricycle powered by an electric motor does not fall within the definition of "motor vehicle" found in the Illinois Vehicle Code. Accordingly, neither the adult tricycle nor any modifications purchased for it qualify for the 1% rate of tax. See 86 Ill. Adm. Code 130.311(f). (This is a GIL.)

MOTOR VEHICLES

ST 15-0060-GIL 10/20/2015 P.A. 98-628 amended the Retailers' Occupation Tax Act and the Use Tax Act to provide that with respect to first division motor vehicles and certain second division motor vehicles that are sold to a leasing company (referred to in the statute as a "lessor") for the purpose of leasing the vehicle for a defined period that is longer than one year, "selling price" means "the consideration received by the lessor pursuant to the lease contract, including amounts due

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at lease signing and all monthly or other regular payments charged over the term of the lease." In addition, Public Act 98-628 states that, in these cases, "selling price" also includes "any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. See 35 ILCS 120/1. (This is a GIL.)

ST 15-0061-GIL 10/23/2015 Lessors of motor vehicles for a term of more than one year in Illinois are deemed end users of the property to be leased. As end users of the property located in Illinois, lessors owe Use Tax on the selling price of such property. See 86 Ill. Adm. Code 130.220. (This is a GIL.)

ST 15-0062-GIL 10/26/2015 The Department will not approve the accuracy of private legal publications. (This is a GIL.)

SALE FOR RESALE

ST 15-0058 GIL 09/11/2015 To purchase items of tangible personal property tax-free for the purposes of resale, purchasers should submit properly completed Certificates of Resale to sellers. In order for a Certificate of Resale to be valid in Illinois, it must contain the items of information set out in 86 Ill. Adm. Code 130.1405(b). See 86 Ill. Adm. Code 130.1405. (This is a GIL.)

ST 15-0079-GIL 12/16/2015 This letter discusses the standard drop-shipment scenario and certificates of resale. *See* 86 Ill. Adm. Code 130.225 and 86 Ill. Adm. Code 130.1405. (This is a GIL.)

SALE OF SERVICE

ST 15-0116-GIL 10/28/2015 If no tangible personal property is transferred to the customer, then no Illinois Retailers' Occupation Tax or

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Service Occupation Tax would apply. See 86 Ill. Adm. Code Parts 130 and 140. (This is a GIL.)

SERVICE OCCUPATION TAX

ST 15-0104-GIL 10/15/2015 Under the Service Occupation Tax, servicemen are taxed on tangible personal property transferred incident to a sale of service. See 86 Ill. Adm. Code Part 140. (This is a GIL.)

TELECOMMUNICATIONS EXCISE TAX

ST 15-0074-GIL 12/1/15 The Telecommunications Infrastructure Maintenance Fee Act does not contain an exemption for retailers selling telecommunications to state universities. 35 ILCS 635/15(b). (This a GIL.)

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

1. Statute requiring agency to publish information concerning Private Letter Rulings and General Information Letters in the *Illinois Register*:

Name of Act: Illinois Department of Revenue Sunshine Act

Citation: 20 ILCS 2515/1

2. Summary of information:

Index of Department of Revenue Sales and Miscellaneous Tax Private Letter Rulings and General Information Letters issued for all of 2015. Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Private letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. (See 2 Ill. Adm. Code 1200.110) General information letters are issued by the Department in response to written inquiries from taxpayers, taxpayer representatives, business, trade, industrial associations or similar groups. General information letters contain general discussions of tax principles or applications. General information letters are designed to provide general background information on topics of interest to taxpayers. General information letters do not constitute statements of agency policy that apply, interpret, or prescribe tax laws administered by the Department. *General information letters may not be relied upon by taxpayers in taking positions with reference to tax issues and create no rights for taxpayers under the Taxpayers' Bill of Rights Act.* (See 2 Ill. Adm. Code 1200.120)

The letters are listed numerically, are identified as either a General Information Letter or a Private Letter Ruling and are summarized with a brief synopsis under the following subjects:

Agricultural Producers and Products	Exempt Organizations
Aircraft Use Tax	Farm Machinery & Equipment
C.O.A.D.	Food
Claims for Credit	Food, Drugs & Medical Appliances
Computer Software	Governmental Bodies
Construction Contractors	Gross Receipts
Delivery Charges	Interstate Commerce
Drugs	Leasing
Electricity Excise Tax	Liquor Tax
Enterprise Zones	Local Taxes
Manufacturing Machinery & Equipment	Sale of Service

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Medical Appliances	Service Occupation Tax
Miscellaneous	Tax Collection
Motor Vehicles	Tax Rate
Nexus	Telecommunications Excise Tax
Sale at Retail	Tobacco Products Tax Act
Sale for Resale	Use Tax

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217/782-2844

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

2015 ANNUAL SALES & MISCELLANEOUS TAX SUNSHINE INDEX

AGRICULTURAL PRODUCERS AND PRODUCTS

ST 15-0073-GIL 11/30/2015 If seeds sold to grow cover crops that are subsequently plowed into the soil and become part of the next crop planted, harvested and resold, such a sale would be a sale for resale. See 86 Ill. Adm. Code 130.2110. (This is a GIL.)

AIRCRAFT USE TAX

ST 15-0020-PLR 12/22/15 This letter concerns a change in registration of an aircraft due to the merger of a corporation into a limited liability company under the provisions of the Business Corporation Act. See 86 Ill. Adm. Code 152.101 and 805 ILCS 5/11.39 and 11.50. (This is a PLR.)

C.O.A.D.

ST 15-0072-GIL 10/15/2015 A coin-operated amusement device includes any "...device operated or operable by insertion of coins, tokens, chips or similar objects...which returns to the player thereof no money or property or right to receive money or property..." 35 ILCS 510/1. (This is a GIL.)

CLAIMS FOR CREDIT

ST 15-0039-GIL 06/24/2015 This letter provides a general discussion of claim for credit procedures. See 86 Ill. Adm. Code 130.1501.

COMPUTER SOFTWARE

ST 15-0006-GIL 01/12/2015 This letter discusses the taxability of computer software licenses. See 86 Ill. Adm. Code 130.1935.

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

- ST 15-0013-GIL 03/16/2015 This letter concerns the taxation of computer software transactions. See 86 Ill. Adm. Code 130.1935.
- ST 15-0064-GIL 10/15/2015 This letter discusses the taxability of computer software licenses. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)
- ST 15-0069-GIL 10/26/2015 This letter discusses the taxability of computer software and charges related to the sale of software. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)

CONSTRUCTION CONTRACTORS

- ST 15-0007-GIL 01/12/2015 When a construction contractor permanently affixes tangible personal property to real property, the contractor is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 130.1940 and 86 Ill. Adm. Code 130.2075.
- ST 15-0024-GIL 04/30/2015 Construction contractors are deemed end users of tangible personal property purchased for incorporation into real property, and they incur Use Tax liability based upon their cost price of the tangible personal property. See 86 Ill. Adm. Code 130.1940 and 86 Ill. Adm. Code 130.2075
- ST 15-0032-GIL 06/18/2015 This letter discusses the tax liability of construction contractors. See 86 Ill. Adm. Code 130.1940.
- ST 15-0063-GIL 10/29/2015 When a construction contractor permanently affixes tangible personal property to real property, the contractor is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 130.1940 and 130.2075. (This is a GIL.)
- ST 15-0065-GIL 11/05/15 When a construction contractor permanently affixes tangible personal property to real property, the contractor

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is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 130.1940 and 86 Ill. Adm. Code 130.2075. (This is a GIL.)

ST 15-0075-GIL	12/03/15	When a construction contractor permanently affixes tangible personal property to real property, the contractor is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 130. 1940 and 86 Ill. Adm. Code 130.2075. (This is a GIL.)
ST 15-0103-GIL	10/15/2015	Persons who act as construction contractors by permanently affixing tangible personal property to real estate owe Illinois Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 1940 and 2075. (This is a GIL.)
ST 15-0063-GIL	10/29/2015	When a construction contractor permanently affixes tangible personal property to real property, the contractor is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 130. 1940 and 130.2075. (This is a GIL.)
ST 15-0065-GIL	11/05/15	When a construction contractor permanently affixes tangible personal property to real property, the contractor is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 130.1940 and 86 Ill. Adm. Code 130.2075. (This is a GIL.)
ST 15-0075-GIL	12/03/15	When a construction contractor permanently affixes tangible personal property to real property, the contractor is deemed the end user of that tangible personal property. As the end user, the contractor incurs Use Tax on the cost

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price of that tangible personal property. See 86 Ill. Adm. Code 130.1940 and 86 Ill. Adm. Code 130.2075. (This is a GIL.)

ST 15-0103-GIL 10/15/2015 Persons who act as construction contractors by permanently affixing tangible personal property to real estate owe Illinois Use Tax on the cost price of that tangible personal property. See 86 Ill. Adm. Code 1940 and 2075. (This is a GIL.)

DELIVERY CHARGES

ST 15-0017-GIL 03/18/2015 This letter explains the rules regarding the taxability of shipping and handling charges. See 86 Ill. Adm. Code. 130.415. See also *Nancy Kean v. Wal-Mart Stores, Inc.*, 235 Ill. 2d 351, 919 N.E.2d 926 (2009).

ST 15-0022-GIL 04/06/2015 If a seller delivers the tangible personal property to the buyer, and the seller and the buyer agree upon the transportation or delivery charges separately from the selling price of the tangible personal property which is sold, then the cost of the transportation or delivery service is not a part of the "selling price" of the tangible personal property personal property which is sold, but instead is a service charge, separately contracted for, and need not be included in the figure upon which the seller computes his or her tax liability. See 86 Ill. Adm. Code 130.415.

ST 15-0011-PLR 07/16/2015 This letter discusses transportation and delivery charges in light of the decision in *Kean v. Wal-Mart Stores, Inc.*, 235 Ill. 2d 351, 919 N.E.2d 926 (2009). (This is a PLR.)

ST 15-0012-PLR 07/27/2015 This letter discusses transportation and delivery charges in light of the decision in *Kean v. Wal-Mart Stores, Inc.*, 235 Ill. 2d 351, 919 N.E.2d 926 (2009). (This is a PLR.)

ST 15-0043-GIL 07/01/2015 If a seller delivers the tangible personal property to the buyer, and the seller and the buyer agree upon the transportation or delivery charges separately from the

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selling price of the tangible personal property which is sold, then the cost of the transportation or delivery service is not a part of the "selling price" of the tangible personal property personal property which is sold, but instead is a service charge, separately contracted for, and need not be included in the figure upon which the seller computes his or her tax liability. See 86 Ill. Adm. Code 130.415.

- ST 15-0014-PLR 10/23/ 2015 This letter discusses transportation and delivery charges in light of the decision in *Kean v. Wal-Mart Stores, Inc.*, 235 Ill. 2d 351, 919 N.E.2d 926 (2009). (This is a PLR.)
- ST 15-0068- GIL 10/26/2015 This letter discusses transportation and delivery charges in light of the decision in *Kean v. Wal-Mart Stores, Inc.*, 235 Ill. 2d 351, 919 N.E.2d 926 (2009). (This is a GIL.)

DRUGS

- ST 15-0002-PLR 01/12/2015 This letter concerns the low 1% State rate of tax applicable to drugs, medicines and medical appliances. See 86 Ill. Adm. Code 130.311.

ELECTRICITY EXCISE TAX

- ST 15-0008-GIL 01/12/2015 The purchase price on which a self assessing purchaser must pay tax under the Electricity Excise Tax Law includes charges for electricity, transmission or any other service related to the sale or delivery of the electricity. See 35 ILCS 640/2-4(a) and 86 Ill. Adm. Code 511.110(c).

ENTERPRISE ZONES

- ST 15-0009-GIL 01/12/2015 The enterprise zone building materials exemption is explained in Section 130.1951 of the Department's regulations. See 86 Ill. Adm. Code 130.1951.

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EXEMPT ORGANIZATIONS

- ST 15-0023-GIL 04/24/2015 Nonprofit hospitals which qualify as exclusively charitable institutions are not taxable when selling food, medicine or grooming and hygiene products to their patients in connection with the furnishing of hospital service to them. See 86 Ill. Adm. Code 130.2005(b)(1)(a) and 130.2005(a)(2)(A).
- ST 15-0041-GIL 06/25/2015 Tangible personal property may only be purchased tax free when the sale is made directly to an exempt organization, which possesses a valid and active exemption identification number (E-number). See 35 ILCS 120/2-5(11).
- ST 15-0054-GIL 08/27/ 2015 Organizations that make application to the Department and are determined to be exclusively religious, educational, or charitable, receive an exemption identification "E number." This number evidences that this State recognizes that the organization qualifies as exempt from incurring Use Tax when purchasing tangible personal property in furtherance of its organizational purpose. See 86 Ill. Adm. Code 130.2007. (This is a GIL.)
- ST 15-0066-GIL 10/16/ 2015 Nonprofit hospitals which qualify as exclusively charitable institutions are not taxable when selling food, medicine or grooming and hygiene products to their patients in connection with the furnishing of hospital service to them. See 86 Ill. Adm. Code 130.2005(b)(1)(a) and 130.2005(a)(2)(A). (This is a GIL.)

FARM MACHINERY & EQUIPMENT

- ST 15-0031-GIL 06/18/2015 The sale of certain types of tangible personal property used in production agriculture is not subject to Illinois Retailers' Occupation Tax and Use Tax. See 35 ILCS 120/2-5(2) and 86 Ill. Adm. Code 130.305.

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FOOD

ST 15-0067 GIL 10/16/2015 This letter discusses the State tax rate applicable to sales of food. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

FOOD, DRUGS & MEDICAL APPLIANCES

ST 15-0080-GIL 12/23/15 This letter discusses the rules regarding the taxability of drugs and medical appliances. See 86 Ill. Adm. Code 130.311. (This is a GIL.)

GOVERNMENTAL BODIES

ST 15-0025-GIL 04/30/2015 Generally, a government contractor who purchases items to fulfill his obligations under a contract with a government unit purchases those items for use. See, U.S. v. New Mexico, 455 U.S. 720, 102 S. Ct. 1373 (1982). However, if the contract with the governmental unit explicitly requires the contractor to sell those items to the governmental unit, the purchase of those items by the contractor can be structured as purchases for the purpose of resale to the governmental unit. See 86 Ill. Adm. Code 130.2076.

GROSS RECEIPTS

ST 15-0003-GIL 01/06/2015 When membership fees are applied to the purchase price of tangible personal property, they are considered gross receipts and are therefore taxable. See 86 Ill. Adm. Code 130.401(d).

ST 15-0037-GIL 06/05/2015 This letter discusses the taxability of banquet room rentals. See 86 Ill. Adm. Code 130.410 and 86 Ill. Adm. Code 130.2145.

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- ST 15-0051-GIL 08/21/2015 Caterers incur Retailers' Occupational Tax liability on their entire gross receipts from sale, without deductions on account of overhead costs, such as charges for linens, dishes, flowers or delivery. (This is a GIL.)
- ST 15-0057-GIL 08/31/2015 This letter discusses the taxability of containers, wrapping, and packing materials and related products. See 86 Ill. Adm. Code 130.2070. (This is a GIL.)
- ST 15-0107-GIL 10/19/2015 Federal excise taxes, such as the "gas guzzler tax", which are imposed on the manufacturer of automobiles are not deductible when calculating Retailers' Occupation Tax liability. See 86 Ill. Adm. Code 130.445. The "gas guzzler tax" is merely a cost of doing business to the person who pays such a tax or to the persons to whom the economic burden of such taxes may be shifted by those who pay such taxes to the Federal government. See 86 Ill. Adm. Code 130.410. (This is a GIL.)

INTERSTATE COMMERCE

- ST 15-0016-PLR 11/13/2015 This letter discusses the non-taxability of sales in interstate commerce and the temporary storage exemption. See 86 Ill. Adm. Code 130.605 and 86 Ill. Adm. Code 150.310(a)(4). (This is a PLR).
- ST 15-0084-GIL 10/19/2015 This letter discusses the Interstate Commerce exemption. See 86 Ill. Adm. Code 130.605. (This is a GIL.)

LEASING

- ST 15-0018 GIL 03/18/2015 Except as provided in 86 Ill. Adm. Code 130.2011 and 130.2012, lessors incur Use Tax even if the tangible personal property is leased to an exempt entity that has been issued an exemption identification number. See 86 Ill. Adm. Code 130.2011 and 130.2012.

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ST 15-0040-GIL 06/24/2015 Information regarding sales tax liabilities in lease situations may be found at 86 Ill. Adm. Code 130.220 and 86 Ill. Adm. Code 130.2010.

ST 15-0013-PLR 10/15/2015 This letter addresses a lessor's tax liability when the lessor is engaged in the business of renting and selling tangible personal property. See 86 Ill. Adm. Code 130.2013(e)(2). (This is a PLR).

LIQUOR TAX

ST 15-0030-GIL 06/05/2015 Under the Liquor Control Act of 1934, out-of-state wineries who are going to sell wine directly to Illinois residents must complete an Application For State Of Illinois Winery Shipper's License ("Direct Shipping Permit").

LOCAL TAXES

ST 15-0004-PLR 01/21/2015 The occupation of selling is comprised of the composite of many activities extending from the preparation for, and the obtaining of, orders for goods to the final consummation of the sale by the passing of title and payment of the purchase price. Thus, establishing where "the taxable business of selling is being carried on" requires a fact-specific inquiry into the composite of activities that comprise the retailer's business. 86 Ill. Adm. Code 270.115.

ST 15-0005-PLR 01/21/2015 The occupation of selling is comprised of the composite of many activities extending from the preparation for, and the obtaining of, orders for goods to the final consummation of the sale by the passing of title and payment of the purchase price. Thus, establishing where "the taxable business of selling is being carried on" requires a fact-specific inquiry into the composite of activities that comprise the retailer's business. 86 Ill. Adm. Code 270.115.

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- ST 15-0014-GIL 03/16/2015 The Non-Home Rule Municipal Retailers' Occupation Tax may not be imposed on an item of tangible personal property that is titled and registered by an agency of this State's government. See 86 Ill. Adm. Code 693.101.
- ST 15-0052-GIL 08/21/2015 If a sale is made in a jurisdiction that imposes a local retailers' occupation tax, that local jurisdiction's tax will be incurred on that sale. See 86 Ill. Adm. Code 270.115. (This is a GIL.)
- ST 15-0015-PLR 09/26/2015 The occupation of selling is comprised of the composite of many activities extending from the preparation for, and the obtaining of, orders for goods to the final consummation of the sale by the passing of title and payment of the purchase price. Thus, establishing where "the taxable business of selling is being carried on" requires a fact-specific inquiry into the composite of activities that comprise the retailer's business. 86 Ill. Adm. Code 270.115. (This is a PLR.)
- ST 15-0018-PLR 12/22/15 The occupation of selling is comprised of the composite of many activities extending from the preparation for, and the obtaining of, orders for goods to the final consummation of the sale by the passing of title and payment of the purchase price. Thus, establishing where "the taxable business of selling is being carried on" requires a fact-specific inquiry into the composite of activities that comprise the retailer's business. See 86 Ill. Adm. Code 270.115 and 35 ILCS 120/2-12(2). (This is a PLR.)

MANUFACTURING MACHINERY & EQUIPMENT

- ST 15-0004-GIL 01/09/2015 This letter discusses the manufacturing machinery & equipment exemption. See 86 Ill. Adm. Code 130.330.
- ST 15-0036-GIL 06/19/2015 This letter discusses the manufacturing machinery and equipment exemption. See 86 Ill. Adm. Code 130.330.

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- ST 15-0009-PLR 07/07/2015 Under the Retailers' Occupation Tax Act, the manufacturing machinery and equipment exemption is available for machinery and equipment used primarily (over 50% of the time) in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease. See 86 Ill. Adm. Code 130.330.
- ST-15-0045-GIL 07/10/2015 The use of machinery or equipment to place the tangible personal property to be sold into the container, package, or wrapping in which this property is normally sold when the machinery or equipment is used as a part of an integrated manufacturing process will be considered an exempt use of machinery and equipment when the equipment is used primarily in this manner. See 86 Ill. Adm. Code 130.330(d)(3)(E).
- ST 15-0019-PLR 12/22/2015 Under the Retailers' Occupation Tax Act, the manufacturing machinery and equipment exemption is available for machinery and equipment used primarily (over 50% of the time) in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease. See 86 Ill. Adm. Code 130.330. (This is a PLR.)

MEDICAL APPLIANCES

- ST 15-0026-GIL 04/30/2015 A medical appliance is an item that directly substitutes for a malfunctioning part of the human body. Products that qualify as medical appliances are taxed at a lower State rate of 1% plus any applicable local taxes. See 86 Ill. Adm. Code 130.311.
- ST 15-0017-PLR 12/21/15 A medical appliance is an item that directly substitutes for a malfunctioning part of the human body. Products that qualify as medical appliances are taxed at a lower State rate of 1% plus any applicable local taxes. See 86 Ill. Adm. Code 130.311. (This is a PLR).

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MISCELLANEOUS

- ST 15-0006-PLR 04/30/2015 This letter discusses "prepaid telephone calling arrangements." See 35 ILCS 120/2-7.
- ST 15-0008-PLR 06/29/2015 The purchase price on which a self assessing purchaser must pay tax under the Electricity Excise Tax Law includes charges for electricity, transmission or any other service related to the sale or delivery of the electricity. See 35 ILCS 640/2-4(a) and 86 Ill. Adm. Code 511.110(c). (This is a GIL.)
- ST 15-0050-GIL 08/18/2015 This letter responds to an annual survey. (This is a GIL.)
- ST 15-0055-GIL 08/27/2015 Only the Board of Appeals has the authority to abate penalty and interest. (See 86 Ill. Adm. Code 210.120.) (This is a GIL.)
- ST 15-0071-GIL 10/15/2015 The River Edge Redevelopment Zone building materials exemption is limited to building materials that will be incorporated into real estate as part of an industrial or commercial project. See 35 ILCS 120/2-54 and 86 Ill. Adm. Code 130.1954. (This is a GIL.)
- ST 15-0078-GIL 12/16/15 An adult tricycle powered by an electric motor does not fall within the definition of "motor vehicle" found in the Illinois Vehicle Code. Accordingly, neither the adult tricycle nor any modifications purchased for it qualify for the 1% rate of tax. See 86 Ill. Adm. Code 130.311(f). (This is a GIL.)

MOTOR VEHICLES

- ST 15-0047-GIL 07/23/2015 The Retailers' Occupation Tax rate charged on the sale of a motor vehicle in Illinois depends on the rate of tax imposed on the retailer where the sale occurs. See 86 Ill. Adm. Code 130.101(b), 86 Ill. Adm. Code 320.101(a), 86 Ill. Adm. Code 630.101(a), and 86 Ill. Adm. Code

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370.101(a). For State-administered tax purposes, sales and use taxes do not apply to lease receipts. The one exception is the short-term rental of automobiles. (This is a GIL.)

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| ST 15-0049-GIL | 07/30/2015 | This letter responds to a survey concerning taxation of vehicles. (This is a GIL.) |
| ST 15-0056-GIL | 08/28/2015 | The Retailers' Occupation Tax rate charged on the sale of a motor vehicle in Illinois depends on the rate of tax imposed on the retailer where the sale occurs. See 86 Ill. Adm. Code 130.101. For State-administered tax purposes, sales and use taxes do not apply to lease receipts. Lessors of motor vehicles for a term of more than one year in Illinois are deemed end users of the property to be leased. See 86 Ill. Adm. Code 130.220. The one exception is the short-term rental of automobiles. See 86 Ill. Adm. Code 180.101. (This is a GIL.) |
| ST 15-0060-GIL | 10/20/2015 | P.A. 98-628 amended the Retailers' Occupation Tax Act and the Use Tax Act to provide that with respect to first division motor vehicles and certain second division motor vehicles that are sold to a leasing company (referred to in the statute as a "lessor") for the purpose of leasing the vehicle for a defined period that is longer than one year, "selling price" means "the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease." In addition, Public Act 98-628 states that, in these cases, "selling price" also includes "any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. See 35 ILCS 120/1. (This is a GIL.) |
| ST 15-0061-GIL | 10/23/2015 | Lessors of motor vehicles for a term of more than one year in Illinois are deemed end users of the property to be leased. As end users of the property located in Illinois, |

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lessors owe Use Tax on the selling price of such property. See 86 Ill. Adm. Code 130.220. (This is a GIL.)

ST 15-0062-GIL 10/26/2015 The Department will not approve the accuracy of private legal publications. (This is a GIL.)

NEXUS

ST 15-0019-GIL 03/18/2015 This letter responds to a questionnaire regarding nexus. *See Quill Corp. v. North Dakota*, 112 S.Ct. 1904 (1992).

ST 15-0035-GIL 06/19/2015 A retailer maintaining a place of business in Illinois must collect tax from users in accordance with the Retailers' Occupation Tax Act and the Use Tax Act by adding the tax to the selling price of tangible personal property, when sold for use. See 86 Ill. Adm. 150.401.

SALE AT RETAIL

ST 15-0010-PLR 07/16/2015 The exemption from Retailers' Occupation Tax on fuel used or consumed by vessels used primarily for the transportation of property on waterways applies only to such vessels on rivers bordering this State. See 86 Ill. Adm. Code 130.315. (This is a PLR.)

SALE FOR RESALE

ST 15-0010-GIL 01/12/2015 This letter addresses sales for resale and drop shipments. *See* 86 Ill. Adm. Code 130.1405 and 86 Ill. Adm. Code 130.225.

ST 15-0033-GIL 06/18/2015 This letter discusses the standard drop-shipment scenario and certificates of resale. *See* 86 Ill. Adm. Code 130.225 and 86 Ill. Adm. Code 130.1405.

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- ST 15-0058-GIL 09/11/2015 To purchase items of tangible personal property tax-free for the purposes of resale, purchasers should submit properly completed Certificates of Resale to sellers. In order for a Certificate of Resale to be valid in Illinois, it must contain the items of information set out in 86 Ill. Adm. Code 130.1405(b). See 86 Ill. Adm. Code 130.1405. (This is a GIL.)
- ST 15-0058 GIL 09/11/2015 To purchase items of tangible personal property tax-free for the purposes of resale, purchasers should submit properly completed Certificates of Resale to sellers. In order for a Certificate of Resale to be valid in Illinois, it must contain the items of information set out in 86 Ill. Adm. Code 130.1405(b). See 86 Ill. Adm. Code 130.1405. (This is a GIL.)
- ST 15-0079-GIL 12/16/2015 This letter discusses the standard drop-shipment scenario and certificates of resale. *See* 86 Ill. Adm. Code 130.225 and 86 Ill. Adm. Code 130.1405. (This is a GIL.)

SALE OF SERVICE

- ST 15-0011-GIL 01/30/2015 Retailers' Occupation and Use Taxes do not apply to sales of service. The Service Occupation Tax Act and Service Use Tax are imposed on the transfer of tangible personal property incident to sales of service. *See* 86 Ill. Adm. Code 140.101 and 160.101.
- ST 15-0015-GIL 03/16/2015 If no tangible personal property is transferred to the customer, then no Illinois Retailers' Occupation Tax or Service Occupation Tax would apply. *See* 86 Ill. Adm. Code Parts 130 and 140.
- ST 15-0020-GIL 03/18/2015 If no tangible personal property is transferred to the customer, then no Illinois Retailers' Occupation Tax or Service Occupation Tax would apply. *See* 86 Ill. Adm. Code Parts 130 and 140.

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- ST 15-0048-GIL 07/27/2015 This letter explains the Service Occupation Tax and the Service Use Tax. See 86 Ill. Adm. Code 140.101 through 140.109 and 160.101 regarding sales of service. (This is a GIL.)
- ST 15-0053-GIL 08/25/2015 If no tangible personal property is transferred to the customer, then no Illinois Retailers' Occupation Tax or Service Occupation Tax would apply. See 86 Ill. Adm. Code Parts 130 and 140. See 86 Ill. Adm. Code. (This is a GIL.)
- ST 15-0059-GIL 09/14/2015 If no tangible personal property is transferred to the customer, then no Illinois Retailers' Occupation Tax or Service Occupation Tax would apply. See 86 Ill. Adm. Code Parts 130 and 140. (This is a GIL.)
- ST 15-0116-GIL 10/28/2015 If no tangible personal property is transferred to the customer, then no Illinois Retailers' Occupation Tax or Service Occupation Tax would apply. See 86 Ill. Adm. Code Parts 130 and 140. (This is a GIL.)

SERVICE OCCUPATION TAX

- ST 15-0012-GIL 01/30/2015 Under the Service Occupation Tax, servicemen are taxed on tangible personal property transferred incident to a sale of service. See 86 Ill. Adm. Code Part 140.
- ST 15-0021-GIL 03/18/2015 The Service Occupation Tax is a tax imposed upon servicemen engaged in the business of making sales of service in this State, based on the tangible personal property transferred incident to sales of service. See 86 Ill. Adm. Code Part 140.
- ST 15-0027-GIL 04/30/2015 Membership fees are generally considered intangibles and are not subject to Retailers' Occupation Tax or Use Tax. If a membership charge entitles the customer to receive an item of tangible personal property or to receive a service and tangible personal property is transferred incident to the

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service, the charge may result in Retailers' Occupation Tax liability, Service Occupation Tax liability, or Use Tax liability. See 86 Ill. Adm. Code 130.401(d) and 86 Ill. Adm. Code 140.101.

ST 15-0104-GIL 10/15/2015 Under the Service Occupation Tax, servicemen are taxed on tangible personal property transferred incident to a sale of service. See 86 Ill. Adm. Code Part 140. (This is a GIL.)

TAX COLLECTION

ST 15-0042-GIL 06/25/2015 A retailer maintaining a place of business in Illinois must collect tax from users in accordance with the Retailers' Occupation Tax Act and the Use Tax Act by adding the tax to the selling price of tangible personal property, when sold for use. See 86 Ill. Adm. 150.401.

TAX RATE

ST 15-0044-GIL 07/08/2015 With respect to prescription and non-prescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person and insulin, urine testing utensils, syringes and needles used by diabetics, for human use, the tax is imposed at the rate of 1% plus any applicable local taxes. Items that do not qualify for the lower rate of tax are taxed at the general merchandise rate of 6.25% plus any applicable local taxes. See 86 Ill. Adm. Code 130.311.

TELECOMMUNICATIONS EXCISE TAX

ST 15-0001-PLR 01/09/2015 For purposes of the Telecommunications Excise Tax, "telecommunications" does not include value added services in which computer processing applications are used to act on the form, content, code, and protocol of the

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information for purposes other than transmission. See 35 ILCS 630/5-7 and 86 Ill. Adm. Code 495.100(d).

ST 15-0003-PLR	01/12/2015	This letter discusses a statutory exemption from the Telecommunications Excise Tax. See 35 ILCS 630/2.
ST-15-0028-GIL	05/14/2015	The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois at the rate of 7% of the gross charges for such telecommunications purchased at retail from retailers. See 86 Ill. Adm. Code 495.
ST 15-0034-GIL	06/18/2015	Telecommunications purchased, used, or sold by a provider of Internet access to provide Internet access are subject to the federal moratorium on state-imposed telecommunications taxes. See 47 USC § 151 note; § 1101.
ST 15-0038-GIL	06/08/2015	State and Federal governments are exempt from the Telecommunications Excise Tax Act. See 35 ILCS/2(k).
ST 15-0046-GIL	07/10/2015	The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois. See 35 ILCS 630/1 <i>et seq.</i>
ST 15-0074-GIL	12/01/2015	The Telecommunications Infrastructure Maintenance Fee Act does not contain an exemption for retailers selling telecommunications to state universities. 35 ILCS 635/15(b). (This a GIL.)

TOBACCO PRODUCTS TAX ACT

ST 15-0005-GIL	01/09/2015	This letter discusses sales of tobacco products other than little cigars for delivery outside of Illinois. See 35 ILCS 143.
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USE TAX

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| ST 15-0016-GIL | 03/16/2015 | In Illinois, Use Tax is imposed on the privilege of using, in this State, any kind of tangible personal property that is purchased anywhere at retail from a retailer. See 86 Ill. Adm. Code 150.101. |
| ST 15-0007-PLR | 04/30/2015 | If a retailer engages in some selling activities in a taxing jurisdiction in this State, but that retailers' predominant selling activities are outside the State, the retailer's obligation to collect and remit taxes on Illinois sales is governed by the Illinois Use Tax Act. See 86 Ill. Adm. Code 270.115(B)(7). |
| ST 15-0029-GIL | 05/18/2015 | A retailer maintaining a place of business in Illinois or a retailer authorized by the Department to collect Use Tax must collect the Use Tax from the purchaser based on the selling price of tangible personal property, including the value of any discount coupons for which the retailer will receive full or partial reimbursement. See 35 ILCS 105/3-45. |

EXECUTIVE ORDER

2016-10**EXECUTIVE ORDER UPDATING TERMINOLOGY AT THE ILLINOIS
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

WHEREAS, there are approximately 14,800 youth in the care of the Illinois Department of Children and Family Services (DCFS) under the provisions of the Children and Family Services Act (20 ILCS 505) and the Juvenile Court Act of 1987 (705 ILCS 405); and

WHEREAS, the General Assembly passed House Bill 5665, authorizing foster parents to operate under a prudent parent standard encouraging foster youth to participate in appropriate extracurricular, enrichment, cultural, and social activities in a manner that allows that child to be involved in his or her community to the fullest extent possible; and

WHEREAS, those youth in the care of the State who participate in age-appropriate extracurricular, enrichment, cultural, and social activities have better odds of developing long-term self-sufficiency after care; and

WHEREAS, foster youth have expressed displeasure with being labeled and treated differently from other youth; and

WHEREAS, the child welfare system currently utilizes terminology – such as "placement" instead of "home" and "ward" instead of "youth" – that makes youth in care feel they are part of a bureaucracy instead of a family; and

WHEREAS, the term "ward" is widely viewed by foster youth as particularly disparaging and becomes a dominant label for their legal status as distinct to that of other children and youth; and

WHEREAS, the way we label and treat children and youth has a substantial effect on their self-confidence and their trust in those they rely on for protection and nurture; and

WHEREAS, the terms "ward of the state" and "ward of the Department" are outdated and misused terms; and

WHEREAS, young people who have been part of the foster care system support the replacement of the outdated terminology "ward of the state" and "ward of the Department" with the term "youth in care";

THEREFORE, I, Bruce Rauner, Governor of Illinois, by virtue of the executive authority vested in me by Section 8 of Article V of the Constitution of the State of Illinois, do hereby order as follows:

EXECUTIVE ORDER

I. TERMINOLOGY

1. DCFS shall refrain from using the term "ward" except in situations required under Illinois statutes. DCFS shall instead use the term "youth in care" and other terms that show respect and encouragement to youth who are in State care.
2. DCFS shall review and revise its administrative rules to accomplish the purpose of this Executive Order.
3. DCFS shall work with the General Assembly to review all statutory references to youth as "wards" and support legislation replacing the term with "youth in care."

II. SAVINGS CLAUSE

This Executive Order does not contravene, and shall not be construed to contravene, any State or federal law or any collective bargaining agreement.

III. PRIOR EXECUTIVE ORDERS

This Executive Order supersedes any contrary provision of any prior Executive Order.

IV. SEVERABILITY CLAUSE

If any part of this Executive Order is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

V. EFFECTIVE DATE

This Executive Order shall take effect immediately upon filing with the Secretary of State.

Issued by the Governor: August 19, 2016

Filed with the Secretary of State: August 19, 2016

ILLINOIS ADMINISTRATIVE CODE
Issue Index - With Effective Dates

Rules acted upon in Volume 40, Issue 36 are listed in the Issues Index by Title number, Part number, Volume and Issue. Inquiries about the Issue Index may be directed to the Administrative Code Division at (217) 782-7017/18.

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