

HB3627



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3627

by Rep. Steven A. Andersson

SYNOPSIS AS INTRODUCED:

765 ILCS 160/1-45
765 ILCS 605/18.10 new

Amends the Common Interest Community Association Act and the Condominium Property Act. Provides that associations that consist of 1,000 or more units shall use generally accepted accounting principles in fulfilling their accounting obligations.

LRB100 10122 HEP 20296 b

A BILL FOR

1 AN ACT concerning civil law.

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

4 Section 5. The Common Interest Community Association Act is
5 amended by changing Section 1-45 as follows:

6 (765 ILCS 160/1-45)

7 Sec. 1-45. Finances.

8 (a) Each member shall receive through a prescribed delivery
9 method, at least 30 days but not more than 60 days prior to the
10 adoption thereof by the board, a copy of the proposed annual
11 budget together with an indication of which portions are
12 intended for reserves, capital expenditures or repairs or
13 payment of real estate taxes.

14 (b) The board shall provide all members with a reasonably
15 detailed summary of the receipts, common expenses, and reserves
16 for the preceding budget year. The board shall (i) make
17 available for review to all members an itemized accounting of
18 the common expenses for the preceding year actually incurred or
19 paid, together with an indication of which portions were for
20 reserves, capital expenditures or repairs or payment of real
21 estate taxes and with a tabulation of the amounts collected
22 pursuant to the budget or assessment, and showing the net
23 excess or deficit of income over expenditures plus reserves or

1 (ii) provide a consolidated annual independent audit report of
2 the financial status of all fund accounts within the
3 association.

4 (c) If an adopted budget or any separate assessment adopted
5 by the board would result in the sum of all regular and
6 separate assessments payable in the current fiscal year
7 exceeding 115% of the sum of all regular and separate
8 assessments payable during the preceding fiscal year, the
9 common interest community association, upon written petition
10 by members with 20% of the votes of the association delivered
11 to the board within 14 days of the board action, shall call a
12 meeting of the members within 30 days of the date of delivery
13 of the petition to consider the budget or separate assessment;
14 unless a majority of the total votes of the members are cast at
15 the meeting to reject the budget or separate assessment, it
16 shall be deemed ratified.

17 (d) If total common expenses exceed the total amount of the
18 approved and adopted budget, the common interest community
19 association shall disclose this variance to all its members and
20 specifically identify the subsequent assessments needed to
21 offset this variance in future budgets.

22 (e) Separate assessments for expenditures relating to
23 emergencies or mandated by law may be adopted by the board
24 without being subject to member approval or the provisions of
25 subsection (c) or (f) of this Section. As used herein,
26 "emergency" means a danger to or a compromise of the structural

1 integrity of the common areas or any of the common facilities
2 of the common interest community. "Emergency" also includes a
3 danger to the life, health or safety of the membership.

4 (f) Assessments for additions and alterations to the common
5 areas or to association-owned property not included in the
6 adopted annual budget, shall be separately assessed and are
7 subject to approval of a simple majority of the total members
8 at a meeting called for that purpose.

9 (g) The board may adopt separate assessments payable over
10 more than one fiscal year. With respect to multi-year
11 assessments not governed by subsections (e) and (f) of this
12 Section, the entire amount of the multi-year assessment shall
13 be deemed considered and authorized in the first fiscal year in
14 which the assessment is approved.

15 (h) The board of a common interest community association
16 shall have the authority to establish and maintain a system of
17 master metering of public utility services to collect payments
18 in conjunction therewith, subject to the requirements of the
19 Tenant Utility Payment Disclosure Act.

20 (i) An association subject to this Act that consists of
21 1,000 or more units shall use generally accepted accounting
22 principles in fulfilling any accounting obligations under this
23 Act.

24 (Source: P.A. 96-1400, eff. 7-29-10; 97-605, eff. 8-26-11;
25 97-1090, eff. 8-24-12.)

1 Section 10. The Condominium Property Act is amended by
2 adding Section 18.10 as follows:

3 (765 ILCS 605/18.10 new)

4 Sec. 18.10. Generally accepted accounting principles. An
5 association subject to this Act that consists of 1,000 or more
6 units shall use generally accepted accounting principles in
7 fulfilling any accounting obligations under this Act.