



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 02/09/04, by Kevin Joyce

SYNOPSIS AS INTRODUCED:

New Act

Creates the New Residential Building and Sales Contract Act. Lists requirements that must be stated in every contract for the construction and sale or contract for the sale of a new residential living unit. Provides for the greater of actual damages or \$5,000, plus reasonable costs and attorney's fees for violation of the Act.

LRB093 19913 LCB 45656 b

1 AN ACT concerning contracts.

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

4 Section 1. Short title. This Act may be cited as the New
5 Residential Building and Sales Contract Act.

6 Section 5. Compliance. Any contract for the construction
7 and sale or contract for the sale of a new residential living
8 unit is required to comply with the terms and provisions of
9 this Act.

10 Section 10. Definitions. As used in this Act:

11 "New residential living unit" means a structure intended to
12 be occupied for residential purposes by a single family,
13 including single family homes, duplexes, and townhouses but
14 excluding condominiums or cooperatives, that has not been
15 previously occupied by a person other than an owner, family
16 member, employee, stockholder, officer, or director of the
17 owner for more than one year and that has had a final
18 certificate of occupancy or been ready to be occupied for less
19 than 3 years.

20 "Owner" means the person or entity in title to the real
21 estate on which the new residential living unit is or will be
22 located and any employee, agent, or affiliated person or entity
23 of that person or entity in title to the real estate.

24 Section 15. Contract requirements. Every contract for the
25 construction and sale or contract for the sale of a new
26 residential living unit shall clearly state:

- 27 (1) the legal description of the parcel being sold;
28 (2) that the purchaser has the unconditional option to
29 rescind the contract until midnight of the seventh day
30 following the signing of the contract;

1 (3) which party is obligated to pay the costs of
2 issuance of the required title policy, recording of all
3 documents, and other similar closing costs;

4 (4) whether the owner has any interest in any other
5 entities or service providers that the purchaser is
6 required to use in connection with the transaction, such as
7 a title insurance agent, mortgage broker or lender, escrow
8 agent, or insurance brokerage company, the nature of that
9 interest, and any compensation, fee, or other remuneration
10 paid to or received by the owner in connection with the
11 transaction;

12 (5) the building codes to be followed or that were
13 followed in the construction of the new residential living
14 unit;

15 (6) that the purchaser is not represented by the owner
16 or his or her employee or agent and that the purchaser
17 should consider seeking representation or advice from a
18 third party unrelated to and unaffiliated with the owner;

19 (7) that the implied warranty of liability applies, or
20 if not, the terms of the warranty concerning the new
21 residential living unit cannot be for a period of less than
22 one year from the date the buyer occupies the new
23 residential living unit and that the warranty must cover
24 all major systems of the new residential living unit and
25 the workmanship of the owner and all contractors and
26 subcontractors who may have participated in the
27 construction of the new residential living unit;

28 (8) that the purchaser can place 5% of the purchase
29 price in escrow to be held by the agreed upon escrowee
30 until the owner has closed on the sale of the new
31 residential living unit to purchaser and is ready to turn
32 over occupancy of the new residential living unit to the
33 purchaser; and

34 (9) all special service areas in which the new
35 residential living unit is located, the purpose of the
36 special service area, and the estimated annual cost to the

1 buyer.

2 Section 20. Damages. Any contract for the construction and
3 sale or contract for sale of a new residential living unit
4 entered into after the effective date of this Act that does not
5 comply with the provisions of this Act may be rescinded by the
6 purchaser until closing on the new residential living unit, or,
7 if a lawsuit is filed by purchaser after closing but prior to
8 occupancy, the purchaser shall be entitled to recover the
9 greater of the purchaser's actual damages or \$5,000, plus
10 reasonable costs and attorney's fees from owner.