



Rep. Jaime M. Andrade, Jr.

Filed: 3/6/2019

10100HB3416ham001

LRB101 10830 LNS 56700 a

1 AMENDMENT TO HOUSE BILL 3416

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3416 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Condominium Property Act is amended by  
5 changing Section 18.7 as follows:

6 (765 ILCS 605/18.7)

7 Sec. 18.7. Standards for community association managers.

8 (a) "Community association" means an association in which  
9 membership is a condition of ownership or shareholder interest  
10 of a unit in a condominium, cooperative, townhouse, villa, or  
11 other residential unit that is part of a residential  
12 development plan as a master association or common interest  
13 community and that is authorized to impose an assessment and  
14 other costs that may become a lien on the unit or lot.

15 (b) "Community association manager" means an individual  
16 who administers for compensation the coordination of

1 financial, administrative, maintenance, or other duties called  
2 for in the management contract, including individuals who are  
3 direct employees of a community association. A manager does not  
4 include support staff, such as bookkeepers, administrative  
5 assistants, secretaries, property inspectors, or customer  
6 service representatives.

7 (c) Requirements. To perform services as a community  
8 association manager, an individual must meet these  
9 requirements:

10 (1) shall have attained the age of 21 and be a citizen  
11 or legal permanent resident of the United States;

12 (2) shall not have been convicted of forgery,  
13 embezzlement, obtaining money under false pretenses,  
14 larceny, extortion, conspiracy to defraud or other similar  
15 offense or offenses;

16 (3) shall have a working knowledge of the fundamentals  
17 of community association management, including the  
18 Condominium Property Act, the Illinois Not-for-Profit  
19 Corporation Act, and any other laws pertaining to community  
20 association management; and

21 (4) shall not have engaged in the following activities:  
22 failure to cooperate with any law enforcement agency in the  
23 investigation of a complaint; or failure to produce any  
24 document, book, or record in the possession or control of  
25 the community association manager after a request for  
26 production of that document, book, or record in the course

1 of an investigation of a complaint.

2 (d) Access to community association funds. For community  
3 associations of 6 or more units, apartments, townhomes, villas  
4 or other residential units, a community association manager or  
5 the firm with whom the manager is employed shall not solely and  
6 exclusively have access to and disburse funds of a community  
7 association unless:

8 (1) There is a fidelity bond in place.

9 (2) The fidelity bond is in an amount not less than all  
10 monies of that association in the custody or control of the  
11 community association manager.

12 (3) The fidelity bond covers the community association  
13 manager and all partners, officers, and employees of the  
14 firm with whom the community association manager is  
15 employed during the term of the bond, as well as the  
16 community association officers, directors, and employees  
17 of the community association who control or disburse funds.

18 (4) The insurance company issuing the bond may not  
19 cancel or refuse to renew the bond without giving not less  
20 than 10 days' prior written notice to the community  
21 association.

22 (5) The community association shall secure and pay for  
23 the bond.

24 (e) A community association manager who provides community  
25 association management services for more than one community  
26 association shall maintain separate, segregated accounts for

1 each community association. The funds shall not, in any event,  
2 be commingled with funds of the community association manager,  
3 the firm of the community association manager, or any other  
4 community association. The maintenance of these accounts shall  
5 be custodial, and the accounts shall be in the name of the  
6 respective community association.

7 (f) Exempt persons. Except as otherwise provided, this  
8 Section does not apply to any person acting as a receiver,  
9 trustee in bankruptcy, administrator, executor, or guardian  
10 acting under a court order or under the authority of a will or  
11 of a trust instrument.

12 (g) Right of Action.

13 (1) Nothing in this amendatory Act of the 95th General  
14 Assembly shall create a cause of action by a unit owner,  
15 shareholder, or community association member against a  
16 community association manager or the firm of a community  
17 association manager.

18 (2) This amendatory Act of the 95th General Assembly  
19 shall not impair any right of action by a unit owner or  
20 shareholder against a community association board of  
21 directors under existing law.

22 (h) A community association manager who provides community  
23 association management services shall not enter into any  
24 agreement for payment or commission with any person,  
25 corporation, party, partnership, or other entity that provides  
26 goods or services to the association without first giving prior

1 written disclosure to the board of managers.

2 (Source: P.A. 95-318, eff. 1-1-08.)".