



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB0220

Introduced 1/31/2019, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

765 ILCS 605/9	from Ch. 30, par. 309
765 ILCS 605/9.2	from Ch. 30, par. 309.2
765 ILCS 605/18	from Ch. 30, par. 318
765 ILCS 605/18.4	from Ch. 30, par. 318.4

Amends the Condominium Property Act. Provides that before the board may levy a fine, it shall first provide the unit owner a minimum of 20 days' written notice and an opportunity to be heard. Provides that the written notice shall be made in accordance with the requirements of the Act. Provides that the notice and opportunity to be heard requirements apply only to the ability to levy fines, and nothing contained in the new provisions limits or restricts the ability of the board to pursue or enforce the rights of the association. Provides that the association has no authority to report adverse information to a credit reporting agency or initiate collection proceedings against a unit owner for unpaid fines unless the board of managers has first complied with the notice and hearing requirements. Makes corresponding changes.

LRB101 07990 LNS 53047 b

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 Condominium Property Act is amended by
5 changing Sections 9, 9.2, 18, and 18.4 as follows:

6 (765 ILCS 605/9) (from Ch. 30, par. 309)

7 Sec. 9. Sharing of expenses - Lien for nonpayment.

8 (a) All common expenses incurred or accrued prior to the
9 first conveyance of a unit shall be paid by the developer, and
10 during this period no common expense assessment shall be
11 payable to the association. It shall be the duty of each unit
12 owner including the developer to pay his or her proportionate
13 share of the common expenses commencing with the first
14 conveyance. The proportionate share shall be in the same ratio
15 as his or her percentage of ownership in the common elements
16 set forth in the declaration.

17 (b) The condominium instruments may provide that common
18 expenses for insurance premiums be assessed on a basis
19 reflecting increased charges for coverage on certain units.

20 (c) Budget and reserves.

21 (1) The board of managers shall prepare and distribute
22 to all unit owners a detailed proposed annual budget,
23 setting forth with particularity all anticipated common

1 expenses by category as well as all anticipated assessments
2 and other income. The initial budget and common expense
3 assessment based thereon shall be adopted prior to the
4 conveyance of any unit. The budget shall also set forth
5 each unit owner's proposed common expense assessment.

6 (2) All budgets adopted by a board of managers on or
7 after July 1, 1990 shall provide for reasonable reserves
8 for capital expenditures and deferred maintenance for
9 repair or replacement of the common elements. To determine
10 the amount of reserves appropriate for an association, the
11 board of managers shall take into consideration the
12 following: (i) the repair and replacement cost, and the
13 estimated useful life, of the property which the
14 association is obligated to maintain, including but not
15 limited to structural and mechanical components, surfaces
16 of the buildings and common elements, and energy systems
17 and equipment; (ii) the current and anticipated return on
18 investment of association funds; (iii) any independent
19 professional reserve study which the association may
20 obtain; (iv) the financial impact on unit owners, and the
21 market value of the condominium units, of any assessment
22 increase needed to fund reserves; and (v) the ability of
23 the association to obtain financing or refinancing.

24 (3) Notwithstanding the provisions of this subsection
25 (c), an association without a reserve requirement in its
26 condominium instruments may elect to waive in whole or in

1 part the reserve requirements of this Section by a vote of
2 2/3 of the total votes of the association. Any association
3 having elected under this paragraph (3) to waive the
4 provisions of subsection (c) may by a vote of 2/3 of the
5 total votes of the association elect to again be governed
6 by the requirements of subsection (c).

7 (4) In the event that an association elects to waive
8 all or part of the reserve requirements of this Section,
9 that fact must be disclosed after the meeting at which the
10 waiver occurs by the association in the financial
11 statements of the association and, highlighted in bold
12 print, in the response to any request of a prospective
13 purchaser for the information prescribed under Section
14 22.1; and no member of the board of managers or the
15 managing agent of the association shall be liable, and no
16 cause of action may be brought for damages against these
17 parties, for the lack or inadequacy of reserve funds in the
18 association budget.

19 (5) At the end of an association's fiscal year and
20 after the association has approved any end-of-year fiscal
21 audit, if applicable, if the fiscal year ended with a
22 surplus of funds over actual expenses, including budgeted
23 reserve fund contributions, then, to the extent that there
24 are not any contrary provisions in the association's
25 declaration and bylaws, the board of managers has the
26 authority, in its discretion, to dispose of the surplus in

1 one or more of the following ways: (i) contribute the
2 surplus to the association's reserve fund; (ii) return the
3 surplus to the unit owners as a credit against the
4 remaining monthly assessments for the current fiscal year;
5 (iii) return the surplus to the unit owners in the form of
6 a direct payment to the unit owners; or (iv) maintain the
7 funds in the operating account, in which case the funds
8 shall be applied as a credit when calculating the following
9 year's annual budget. If the fiscal year ends in a deficit,
10 then, to the extent that there are not any contrary
11 provisions in the association's declaration and bylaws,
12 the board of managers has the authority, in its discretion,
13 to address the deficit by incorporating it into the
14 following year's annual budget. If 20% of the unit owners
15 of the association deliver a petition objecting to the
16 action under this paragraph (5) within 30 days after notice
17 to the unit owners of the action, the board of managers
18 shall call a meeting of the unit owners within 30 days of
19 the date of delivery of the petition. At the meeting, the
20 unit owners may vote to select a different option than the
21 option selected by the board of managers. Unless a majority
22 of the total votes of the unit owners are cast at the
23 meeting to reject the board's selection and select a
24 different option, the board's decision is ratified.

25 (d) (Blank).

26 (e) The condominium instruments may provide for the

1 assessment, in connection with expenditures for the limited
2 common elements, of only those units to which the limited
3 common elements are assigned.

4 (f) Payment of any assessment shall be in amounts and at
5 times determined by the board of managers.

6 (g) Lien.

7 (1) If any unit owner shall fail or refuse to make when
8 due any payment of (i) the common expenses; or (ii) ~~or~~ the
9 amount of any unpaid fine imposed in accordance with
10 subsection (1) of Section 18.4, then ~~when due,~~ the amount
11 thereof together with any interest, late charges,
12 reasonable attorney fees incurred enforcing the covenants
13 of the condominium instruments, rules and regulations of
14 the board of managers, or any applicable statute or
15 ordinance, and costs of collections shall constitute a lien
16 on the interest of the unit owner in the property prior to
17 all other liens and encumbrances, recorded or unrecorded,
18 except only (a) taxes, special assessments and special
19 taxes theretofore or thereafter levied by any political
20 subdivision or municipal corporation of this State and
21 other State or federal taxes which by law are a lien on the
22 interest of the unit owner prior to preexisting recorded
23 encumbrances thereon and (b) encumbrances on the interest
24 of the unit owner recorded prior to the date of such
25 failure or refusal which by law would be a lien thereon
26 prior to subsequently recorded encumbrances. Any action

1 brought to extinguish the lien of the association shall
2 include the association as a party.

3 (2) With respect to encumbrances executed prior to
4 August 30, 1984 or encumbrances executed subsequent to
5 August 30, 1984 which are neither bonafide first mortgages
6 nor trust deeds and which encumbrances contain a statement
7 of a mailing address in the State of Illinois where notice
8 may be mailed to the encumbrancer thereunder, if and
9 whenever and as often as the manager or board of managers
10 shall send, by United States certified or registered mail,
11 return receipt requested, to any such encumbrancer at the
12 mailing address set forth in the recorded encumbrance a
13 statement of the amounts and due dates of the unpaid common
14 expenses with respect to the encumbered unit, then, unless
15 otherwise provided in the declaration or bylaws, the prior
16 recorded encumbrance shall be subject to the lien of all
17 unpaid common expenses with respect to the unit which
18 become due and payable within a period of 90 days after the
19 date of mailing of each such notice.

20 (3) The purchaser of a condominium unit at a judicial
21 foreclosure sale, or a mortgagee who receives title to a
22 unit by deed in lieu of foreclosure or judgment by common
23 law strict foreclosure or otherwise takes possession
24 pursuant to court order under the Illinois Mortgage
25 Foreclosure Law, shall have the duty to pay the unit's
26 proportionate share of the common expenses for the unit

1 assessed from and after the first day of the month after
2 the date of the judicial foreclosure sale, delivery of the
3 deed in lieu of foreclosure, entry of a judgment in common
4 law strict foreclosure, or taking of possession pursuant to
5 such court order. Such payment confirms the extinguishment
6 of any lien created pursuant to paragraph (1) or (2) of
7 this subsection (g) by virtue of the failure or refusal of
8 a prior unit owner to make payment of common expenses,
9 where the judicial foreclosure sale has been confirmed by
10 order of the court, a deed in lieu thereof has been
11 accepted by the lender, or a consent judgment has been
12 entered by the court.

13 (4) The purchaser of a condominium unit at a judicial
14 foreclosure sale, other than a mortgagee, who takes
15 possession of a condominium unit pursuant to a court order
16 or a purchaser who acquires title from a mortgagee shall
17 have the duty to pay the proportionate share, if any, of
18 the common expenses for the unit which would have become
19 due in the absence of any assessment acceleration during
20 the 6 months immediately preceding institution of an action
21 to enforce the collection of assessments, and which remain
22 unpaid by the owner during whose possession the assessments
23 accrued. If the outstanding assessments are paid at any
24 time during any action to enforce the collection of
25 assessments, the purchaser shall have no obligation to pay
26 any assessments which accrued before he or she acquired

1 title.

2 (5) The notice of sale of a condominium unit under
3 subsection (c) of Section 15-1507 of the Code of Civil
4 Procedure shall state that the purchaser of the unit other
5 than a mortgagee shall pay the assessments and the legal
6 fees required by subdivisions (g) (1) and (g) (4) of Section
7 9 of this Act. The statement of assessment account issued
8 by the association to a unit owner under subsection (i) of
9 Section 18 of this Act, and the disclosure statement issued
10 to a prospective purchaser under Section 22.1 of this Act,
11 shall state the amount of the assessments and the legal
12 fees, if any, required by subdivisions (g) (1) and (g) (4) of
13 Section 9 of this Act.

14 (h) A lien for common expenses shall be in favor of the
15 members of the board of managers and their successors in office
16 and shall be for the benefit of all other unit owners. Notice
17 of the lien may be recorded by the board of managers, or if the
18 developer is the manager or has a majority of seats on the
19 board of managers and the manager or board of managers fails to
20 do so, any unit owner may record notice of the lien. Upon the
21 recording of such notice the lien may be foreclosed by an
22 action brought in the name of the board of managers in the same
23 manner as a mortgage of real property.

24 (i) Unless otherwise provided in the declaration, the
25 members of the board of managers and their successors in
26 office, acting on behalf of the other unit owners, shall have

1 the power to bid on the interest so foreclosed at the
2 foreclosure sale, and to acquire and hold, lease, mortgage and
3 convey it.

4 (j) Any encumbrancer may from time to time request in
5 writing a written statement from the manager or board of
6 managers setting forth the unpaid common expenses with respect
7 to the unit covered by his or her encumbrance. Unless the
8 request is complied with within 20 days, all unpaid common
9 expenses which become due prior to the date of the making of
10 such request shall be subordinate to the lien of the
11 encumbrance. Any encumbrancer holding a lien on a unit may pay
12 any unpaid common expenses payable with respect to the unit,
13 and upon payment the encumbrancer shall have a lien on the unit
14 for the amounts paid at the same rank as the lien of his or her
15 encumbrance.

16 (k) Nothing in Public Act 83-1271 is intended to change the
17 lien priorities of any encumbrance created prior to August 30,
18 1984.

19 (Source: P.A. 100-292, eff. 1-1-18.)

20 (765 ILCS 605/9.2) (from Ch. 30, par. 309.2)

21 Sec. 9.2. Other remedies.

22 (a) In the event of any default by any unit owner, his or
23 her tenant, invitee or guest in the performance of his or her
24 obligations under this Act or under the declaration, bylaws, or
25 the rules and regulations of the board of managers, the board

1 of managers or its agents shall have such rights and remedies
2 as provided in the Act or condominium instruments including the
3 right to maintain an eviction action against such defaulting
4 unit owner or his or her tenant for the benefit of all the
5 other unit owners in the manner prescribed by Article IX of the
6 Code of Civil Procedure. However, the board may not collect an
7 unpaid fine unless the board levied the fine in accordance with
8 subsection (1) of Section 18.4.

9 (b) Any attorneys' fees incurred by the Association arising
10 out of a default by any unit owner, his or her tenant, invitee
11 or guest in the performance of any of the provisions of the
12 condominium instruments, rules and regulations or any
13 applicable statute or ordinance shall be added to, and deemed a
14 part of, his or her respective share of the common expense.

15 (c) Other than attorney's fees, no fees pertaining to the
16 collection of a unit owner's financial obligation to the
17 Association, including fees charged by a manager or managing
18 agent, shall be added to and deemed a part of an owner's
19 respective share of the common expenses unless: (i) the
20 managing agent fees relate to the costs to collect common
21 expenses for the Association; (ii) the fees are set forth in a
22 contract between the managing agent and the Association; and
23 (iii) the authority to add the management fees to an owner's
24 respective share of the common expenses is specifically stated
25 in the declaration or bylaws of the Association.

26 (Source: P.A. 100-173, eff. 1-1-18.)

1 (765 ILCS 605/18) (from Ch. 30, par. 318)

2 Sec. 18. Contents of bylaws. The bylaws shall provide for
3 at least the following:

4 (a) (1) The election from among the unit owners of a
5 board of managers, the number of persons constituting such
6 board, and that the terms of at least one-third of the
7 members of the board shall expire annually and that all
8 members of the board shall be elected at large; if there
9 are multiple owners of a single unit, only one of the
10 multiple owners shall be eligible to serve as a member of
11 the board at any one time;

12 (2) the powers and duties of the board;

13 (3) the compensation, if any, of the members of the
14 board;

15 (4) the method of removal from office of members of the
16 board;

17 (5) that the board may engage the services of a manager
18 or managing agent;

19 (6) that each unit owner shall receive, at least 25
20 days prior to the adoption thereof by the board of
21 managers, a copy of the proposed annual budget together
22 with an indication of which portions are intended for
23 reserves, capital expenditures or repairs or payment of
24 real estate taxes;

25 (7) that the board of managers shall annually supply to

1 all unit owners an itemized accounting of the common
2 expenses for the preceding year actually incurred or paid,
3 together with an indication of which portions were for
4 reserves, capital expenditures or repairs or payment of
5 real estate taxes and with a tabulation of the amounts
6 collected pursuant to the budget or assessment, and showing
7 the net excess or deficit of income over expenditures plus
8 reserves;

9 (8) (i) that each unit owner shall receive notice, in
10 the same manner as is provided in this Act for membership
11 meetings, of any meeting of the board of managers
12 concerning the adoption of the proposed annual budget and
13 regular assessments pursuant thereto or to adopt a separate
14 (special) assessment, (ii) that except as provided in
15 subsection (iv) below, if an adopted budget or any separate
16 assessment adopted by the board would result in the sum of
17 all regular and separate assessments payable in the current
18 fiscal year exceeding 115% of the sum of all regular and
19 separate assessments payable during the preceding fiscal
20 year, the board of managers, upon written petition by unit
21 owners with 20 percent of the votes of the association
22 delivered to the board within 21 days of the board action,
23 shall call a meeting of the unit owners within 30 days of
24 the date of delivery of the petition to consider the budget
25 or separate assessment; unless a majority of the total
26 votes of the unit owners are cast at the meeting to reject

1 the budget or separate assessment, it is ratified, (iii)
2 that any common expense not set forth in the budget or any
3 increase in assessments over the amount adopted in the
4 budget shall be separately assessed against all unit
5 owners, (iv) that separate assessments for expenditures
6 relating to emergencies or mandated by law may be adopted
7 by the board of managers without being subject to unit
8 owner approval or the provisions of item (ii) above or item
9 (v) below. As used herein, "emergency" means an immediate
10 danger to the structural integrity of the common elements
11 or to the life, health, safety or property of the unit
12 owners, (v) that assessments for additions and alterations
13 to the common elements or to association-owned property not
14 included in the adopted annual budget, shall be separately
15 assessed and are subject to approval of two-thirds of the
16 total votes of all unit owners, (vi) that the board of
17 managers may adopt separate assessments payable over more
18 than one fiscal year. With respect to multi-year
19 assessments not governed by items (iv) and (v), the entire
20 amount of the multi-year assessment shall be deemed
21 considered and authorized in the first fiscal year in which
22 the assessment is approved;

23 (9) (A) that every meeting of the board of managers
24 shall be open to any unit owner, except that the board may
25 close any portion of a noticed meeting or meet separately
26 from a noticed meeting to: (i) discuss litigation when an

1 action against or on behalf of the particular association
2 has been filed and is pending in a court or administrative
3 tribunal, or when the board of managers finds that such an
4 action is probable or imminent, (ii) discuss the
5 appointment, employment, engagement, or dismissal of an
6 employee, independent contractor, agent, or other provider
7 of goods and services, (iii) interview a potential
8 employee, independent contractor, agent, or other provider
9 of goods and services, (iv) discuss violations of rules and
10 regulations of the association, (v) discuss a unit owner's
11 unpaid share of common expenses, or (vi) consult with the
12 association's legal counsel; that any vote on these matters
13 shall take place at a meeting of the board of managers or
14 portion thereof open to any unit owner;

15 (B) that board members may participate in and act at
16 any meeting of the board of managers in person, by
17 telephonic means, or by use of any acceptable technological
18 means whereby all persons participating in the meeting can
19 communicate with each other; that participation
20 constitutes attendance and presence in person at the
21 meeting;

22 (C) that any unit owner may record the proceedings at
23 meetings of the board of managers or portions thereof
24 required to be open by this Act by tape, film or other
25 means, and that the board may prescribe reasonable rules
26 and regulations to govern the right to make such

1 recordings;

2 (D) that notice of every meeting of the board of
3 managers shall be given to every board member at least 48
4 hours prior thereto, unless the board member waives notice
5 of the meeting pursuant to subsection (a) of Section 18.8;
6 and

7 (E) that notice of every meeting of the board of
8 managers shall be posted in entranceways, elevators, or
9 other conspicuous places in the condominium at least 48
10 hours prior to the meeting of the board of managers except
11 where there is no common entranceway for 7 or more units,
12 the board of managers may designate one or more locations
13 in the proximity of these units where the notices of
14 meetings shall be posted; that notice of every meeting of
15 the board of managers shall also be given at least 48 hours
16 prior to the meeting, or such longer notice as this Act may
17 separately require, to: (i) each unit owner who has
18 provided the association with written authorization to
19 conduct business by acceptable technological means, and
20 (ii) to the extent that the condominium instruments of an
21 association require, to each other unit owner, as required
22 by subsection (f) of Section 18.8, by mail or delivery, and
23 that no other notice of a meeting of the board of managers
24 need be given to any unit owner;

25 (10) that the board shall meet at least 4 times
26 annually;

1 (11) that no member of the board or officer shall be
2 elected for a term of more than 2 years, but that officers
3 and board members may succeed themselves;

4 (12) the designation of an officer to mail and receive
5 all notices and execute amendments to condominium
6 instruments as provided for in this Act and in the
7 condominium instruments;

8 (13) the method of filling vacancies on the board which
9 shall include authority for the remaining members of the
10 board to fill the vacancy by two-thirds vote until the next
11 annual meeting of unit owners or for a period terminating
12 no later than 30 days following the filing of a petition
13 signed by unit owners holding 20% of the votes of the
14 association requesting a meeting of the unit owners to fill
15 the vacancy for the balance of the term, and that a meeting
16 of the unit owners shall be called for purposes of filling
17 a vacancy on the board no later than 30 days following the
18 filing of a petition signed by unit owners holding 20% of
19 the votes of the association requesting such a meeting, and
20 the method of filling vacancies among the officers that
21 shall include the authority for the members of the board to
22 fill the vacancy for the unexpired portion of the term;

23 (14) what percentage of the board of managers, if other
24 than a majority, shall constitute a quorum;

25 (15) provisions concerning notice of board meetings to
26 members of the board;

1 (16) the board of managers may not enter into a
2 contract with a current board member or with a corporation
3 or partnership in which a board member or a member of the
4 board member's immediate family has 25% or more interest,
5 unless notice of intent to enter the contract is given to
6 unit owners within 20 days after a decision is made to
7 enter into the contract and the unit owners are afforded an
8 opportunity by filing a petition, signed by 20% of the unit
9 owners, for an election to approve or disapprove the
10 contract; such petition shall be filed within 30 days after
11 such notice and such election shall be held within 30 days
12 after filing the petition; for purposes of this subsection,
13 a board member's immediate family means the board member's
14 spouse, parents, and children;

15 (17) that the board of managers may disseminate to unit
16 owners biographical and background information about
17 candidates for election to the board if (i) reasonable
18 efforts to identify all candidates are made and all
19 candidates are given an opportunity to include
20 biographical and background information in the information
21 to be disseminated; and (ii) the board does not express a
22 preference in favor of any candidate;

23 (18) any proxy distributed for board elections by the
24 board of managers gives unit owners the opportunity to
25 designate any person as the proxy holder, and gives the
26 unit owner the opportunity to express a preference for any

1 of the known candidates for the board or to write in a
2 name;

3 (19) that special meetings of the board of managers can
4 be called by the president or 25% of the members of the
5 board;

6 (20) that the board of managers may establish and
7 maintain a system of master metering of public utility
8 services and collect payments in connection therewith,
9 subject to the requirements of the Tenant Utility Payment
10 Disclosure Act; and

11 (21) that the board may ratify and confirm actions of
12 the members of the board taken in response to an emergency,
13 as that term is defined in subdivision (a)(8)(iv) of this
14 Section; that the board shall give notice to the unit
15 owners of: (i) the occurrence of the emergency event within
16 7 business days after the emergency event, and (ii) the
17 general description of the actions taken to address the
18 event within 7 days after the emergency event.

19 The intent of the provisions of Public Act 99-472
20 adding this paragraph (21) is to empower and support boards
21 to act in emergencies.

22 (b)(1) What percentage of the unit owners, if other
23 than 20%, shall constitute a quorum provided that, for
24 condominiums with 20 or more units, the percentage of unit
25 owners constituting a quorum shall be 20% unless the unit
26 owners holding a majority of the percentage interest in the

1 association provide for a higher percentage, provided that
2 in voting on amendments to the association's bylaws, a unit
3 owner who is in arrears on the unit owner's regular or
4 separate assessments for 60 days or more, shall not be
5 counted for purposes of determining if a quorum is present,
6 but that unit owner retains the right to vote on amendments
7 to the association's bylaws;

8 (2) that the association shall have one class of
9 membership;

10 (3) that the members shall hold an annual meeting, one
11 of the purposes of which shall be to elect members of the
12 board of managers;

13 (4) the method of calling meetings of the unit owners;

14 (5) that special meetings of the members can be called
15 by the president, board of managers, or by 20% of unit
16 owners;

17 (6) that written notice of any membership meeting shall
18 be mailed or delivered giving members no less than 10 and
19 no more than 30 days notice of the time, place and purpose
20 of such meeting except that notice may be sent, to the
21 extent the condominium instruments or rules adopted
22 thereunder expressly so provide, by electronic
23 transmission consented to by the unit owner to whom the
24 notice is given, provided the director and officer or his
25 or her agent certifies in writing to the delivery by
26 electronic transmission;

1 (7) that voting shall be on a percentage basis, and
2 that the percentage vote to which each unit is entitled is
3 the percentage interest of the undivided ownership of the
4 common elements appurtenant thereto, provided that the
5 bylaws may provide for approval by unit owners in
6 connection with matters where the requisite approval on a
7 percentage basis is not specified in this Act, on the basis
8 of one vote per unit;

9 (8) that, where there is more than one owner of a unit,
10 if only one of the multiple owners is present at a meeting
11 of the association, he or she is entitled to cast all the
12 votes allocated to that unit, if more than one of the
13 multiple owners are present, the votes allocated to that
14 unit may be cast only in accordance with the agreement of a
15 majority in interest of the multiple owners, unless the
16 declaration expressly provides otherwise, that there is
17 majority agreement if any one of the multiple owners cast
18 the votes allocated to that unit without protest being made
19 promptly to the person presiding over the meeting by any of
20 the other owners of the unit;

21 (9) (A) except as provided in subparagraph (B) of this
22 paragraph (9) in connection with board elections, that a
23 unit owner may vote by proxy executed in writing by the
24 unit owner or by his or her duly authorized attorney in
25 fact; that the proxy must bear the date of execution and,
26 unless the condominium instruments or the written proxy

1 itself provide otherwise, is invalid after 11 months from
2 the date of its execution; to the extent the condominium
3 instruments or rules adopted thereunder expressly so
4 provide, a vote or proxy may be submitted by electronic
5 transmission, provided that any such electronic
6 transmission shall either set forth or be submitted with
7 information from which it can be determined that the
8 electronic transmission was authorized by the unit owner or
9 the unit owner's proxy;

10 (B) that if a rule adopted at least 120 days before a
11 board election or the declaration or bylaws provide for
12 balloting as set forth in this subsection, unit owners may
13 not vote by proxy in board elections, but may vote only (i)
14 by submitting an association-issued ballot in person at the
15 election meeting or (ii) by submitting an
16 association-issued ballot to the association or its
17 designated agent by mail or other means of delivery
18 specified in the declaration, bylaws, or rule; that the
19 ballots shall be mailed or otherwise distributed to unit
20 owners not less than 10 and not more than 30 days before
21 the election meeting, and the board shall give unit owners
22 not less than 21 days' prior written notice of the deadline
23 for inclusion of a candidate's name on the ballots; that
24 the deadline shall be no more than 7 days before the
25 ballots are mailed or otherwise distributed to unit owners;
26 that every such ballot must include the names of all

1 candidates who have given the board or its authorized agent
2 timely written notice of their candidacy and must give the
3 person casting the ballot the opportunity to cast votes for
4 candidates whose names do not appear on the ballot; that a
5 ballot received by the association or its designated agent
6 after the close of voting shall not be counted; that a unit
7 owner who submits a ballot by mail or other means of
8 delivery specified in the declaration, bylaws, or rule may
9 request and cast a ballot in person at the election
10 meeting, and thereby void any ballot previously submitted
11 by that unit owner;

12 (B-5) that if a rule adopted at least 120 days before a
13 board election or the declaration or bylaws provide for
14 balloting as set forth in this subparagraph, unit owners
15 may not vote by proxy in board elections, but may vote only
16 (i) by submitting an association-issued ballot in person at
17 the election meeting; or (ii) by any acceptable
18 technological means as defined in Section 2 of this Act;
19 instructions regarding the use of electronic means for
20 voting shall be distributed to all unit owners not less
21 than 10 and not more than 30 days before the election
22 meeting, and the board shall give unit owners not less than
23 21 days' prior written notice of the deadline for inclusion
24 of a candidate's name on the ballots; the deadline shall be
25 no more than 7 days before the instructions for voting
26 using electronic or acceptable technological means is

1 distributed to unit owners; every instruction notice must
2 include the names of all candidates who have given the
3 board or its authorized agent timely written notice of
4 their candidacy and must give the person voting through
5 electronic or acceptable technological means the
6 opportunity to cast votes for candidates whose names do not
7 appear on the ballot; a unit owner who submits a vote using
8 electronic or acceptable technological means may request
9 and cast a ballot in person at the election meeting,
10 thereby voiding any vote previously submitted by that unit
11 owner;

12 (C) that if a written petition by unit owners with at
13 least 20% of the votes of the association is delivered to
14 the board within 30 days after the board's approval of a
15 rule adopted pursuant to subparagraph (B) or subparagraph
16 (B-5) of this paragraph (9), the board shall call a meeting
17 of the unit owners within 30 days after the date of
18 delivery of the petition; that unless a majority of the
19 total votes of the unit owners are cast at the meeting to
20 reject the rule, the rule is ratified;

21 (D) that votes cast by ballot under subparagraph (B) or
22 electronic or acceptable technological means under
23 subparagraph (B-5) of this paragraph (9) are valid for the
24 purpose of establishing a quorum;

25 (10) that the association may, upon adoption of the
26 appropriate rules by the board of managers, conduct

1 elections by secret ballot whereby the voting ballot is
2 marked only with the percentage interest for the unit and
3 the vote itself, provided that the board further adopt
4 rules to verify the status of the unit owner issuing a
5 proxy or casting a ballot; and further, that a candidate
6 for election to the board of managers or such candidate's
7 representative shall have the right to be present at the
8 counting of ballots at such election;

9 (11) that in the event of a resale of a condominium
10 unit the purchaser of a unit from a seller other than the
11 developer pursuant to an installment sales contract for
12 purchase shall during such times as he or she resides in
13 the unit be counted toward a quorum for purposes of
14 election of members of the board of managers at any meeting
15 of the unit owners called for purposes of electing members
16 of the board, shall have the right to vote for the election
17 of members of the board of managers and to be elected to
18 and serve on the board of managers unless the seller
19 expressly retains in writing any or all of such rights. In
20 no event may the seller and purchaser both be counted
21 toward a quorum, be permitted to vote for a particular
22 office or be elected and serve on the board. Satisfactory
23 evidence of the installment sales contract shall be made
24 available to the association or its agents. For purposes of
25 this subsection, "installment sales contract" shall have
26 the same meaning as set forth in Section 5 of the

1 Installment Sales Contract Act and Section 1(e) of the
2 Dwelling Unit Installment Contract Act;

3 (12) the method by which matters subject to the
4 approval of unit owners set forth in this Act, or in the
5 condominium instruments, will be submitted to the unit
6 owners at special membership meetings called for such
7 purposes; and

8 (13) that matters subject to the affirmative vote of
9 not less than 2/3 of the votes of unit owners at a meeting
10 duly called for that purpose, shall include, but not be
11 limited to:

12 (i) merger or consolidation of the association;

13 (ii) sale, lease, exchange, or other disposition
14 (excluding the mortgage or pledge) of all, or
15 substantially all of the property and assets of the
16 association; and

17 (iii) the purchase or sale of land or of units on
18 behalf of all unit owners.

19 (c) Election of a president from among the board of
20 managers, who shall preside over the meetings of the board
21 of managers and of the unit owners.

22 (d) Election of a secretary from among the board of
23 managers, who shall keep the minutes of all meetings of the
24 board of managers and of the unit owners and who shall, in
25 general, perform all the duties incident to the office of
26 secretary.

1 (e) Election of a treasurer from among the board of
2 managers, who shall keep the financial records and books of
3 account.

4 (f) Maintenance, repair and replacement of the common
5 elements and payments therefor, including the method of
6 approving payment vouchers.

7 (g) An association with 30 or more units shall obtain
8 and maintain fidelity insurance covering persons who
9 control or disburse funds of the association for the
10 maximum amount of coverage available to protect funds in
11 the custody or control of the association plus the
12 association reserve fund. All management companies which
13 are responsible for the funds held or administered by the
14 association shall maintain and furnish to the association a
15 fidelity bond for the maximum amount of coverage available
16 to protect funds in the custody of the management company
17 at any time. The association shall bear the cost of the
18 fidelity insurance and fidelity bond, unless otherwise
19 provided by contract between the association and a
20 management company. The association shall be the direct
21 obligee of any such fidelity bond. A management company
22 holding reserve funds of an association shall at all times
23 maintain a separate account for each association,
24 provided, however, that for investment purposes, the Board
25 of Managers of an association may authorize a management
26 company to maintain the association's reserve funds in a

1 single interest bearing account with similar funds of other
2 associations. The management company shall at all times
3 maintain records identifying all moneys of each
4 association in such investment account. The management
5 company may hold all operating funds of associations which
6 it manages in a single operating account but shall at all
7 times maintain records identifying all moneys of each
8 association in such operating account. Such operating and
9 reserve funds held by the management company for the
10 association shall not be subject to attachment by any
11 creditor of the management company.

12 For the purpose of this subsection, a management
13 company shall be defined as a person, partnership,
14 corporation, or other legal entity entitled to transact
15 business on behalf of others, acting on behalf of or as an
16 agent for a unit owner, unit owners or association of unit
17 owners for the purpose of carrying out the duties,
18 responsibilities, and other obligations necessary for the
19 day to day operation and management of any property subject
20 to this Act. For purposes of this subsection, the term
21 "fiduciary insurance coverage" shall be defined as both a
22 fidelity bond and directors and officers liability
23 coverage, the fidelity bond in the full amount of
24 association funds and association reserves that will be in
25 the custody of the association, and the directors and
26 officers liability coverage at a level as shall be

1 determined to be reasonable by the board of managers, if
2 not otherwise established by the declaration or by laws.

3 Until one year after September 21, 1985 (the effective
4 date of Public Act 84-722), if a condominium association
5 has reserves plus assessments in excess of \$250,000 and
6 cannot reasonably obtain 100% fidelity bond coverage for
7 such amount, then it must obtain a fidelity bond coverage
8 of \$250,000.

9 (h) Method of estimating the amount of the annual
10 budget, and the manner of assessing and collecting from the
11 unit owners their respective shares of such estimated
12 expenses, and of any other expenses lawfully agreed upon.

13 (i) That upon 10 days notice to the manager or board of
14 managers and payment of a reasonable fee, any unit owner
15 shall be furnished a statement of his or her account
16 setting forth the amount of any unpaid assessments or other
17 charges due and owing from such owner.

18 (j) Designation and removal of personnel necessary for
19 the maintenance, repair and replacement of the common
20 elements.

21 (k) Such restrictions on and requirements respecting
22 the use and maintenance of the units and the use of the
23 common elements, not set forth in the declaration, as are
24 designed to prevent unreasonable interference with the use
25 of their respective units and of the common elements by the
26 several unit owners.

1 (1) Method of adopting and of amending administrative
2 rules and regulations governing the operation and use of
3 the common elements.

4 (m) The percentage of votes required to modify or amend
5 the bylaws, but each one of the particulars set forth in
6 this section shall always be embodied in the bylaws.

7 (n) (i) The provisions of this Act, the declaration,
8 bylaws, other condominium instruments, and rules and
9 regulations that relate to the use of the individual unit
10 or the common elements shall be applicable to any person
11 leasing a unit and shall be deemed to be incorporated in
12 any lease executed or renewed on or after August 30, 1984
13 (the effective date of Public Act 83-1271).

14 (ii) With regard to any lease entered into subsequent
15 to July 1, 1990 (the effective date of Public Act 86-991),
16 the unit owner leasing the unit shall deliver a copy of the
17 signed lease to the board or if the lease is oral, a
18 memorandum of the lease, not later than the date of
19 occupancy or 10 days after the lease is signed, whichever
20 occurs first. In addition to any other remedies, by filing
21 an action jointly against the tenant and the unit owner, an
22 association may seek to enjoin a tenant from occupying a
23 unit or seek to evict a tenant under the provisions of
24 Article IX of the Code of Civil Procedure for failure of
25 the lessor-owner to comply with the leasing requirements
26 prescribed by this Section or by the declaration, bylaws,

1 and rules and regulations. The board of managers may
2 proceed directly against a tenant, at law or in equity, or
3 under the provisions of Article IX of the Code of Civil
4 Procedure, for any other breach by tenant of any covenants,
5 rules, regulations or bylaws.

6 (o) The association shall have no authority to forbear
7 the payment of assessments by any unit owner.

8 (p) That when 30% or fewer of the units, by number,
9 possess over 50% in the aggregate of the votes in the
10 association, any percentage vote of members specified
11 herein or in the condominium instruments shall require the
12 specified percentage by number of units rather than by
13 percentage of interest in the common elements allocated to
14 units that would otherwise be applicable and garage units
15 or storage units, or both, shall have, in total, no more
16 votes than their aggregate percentage of ownership in the
17 common elements; this shall mean that if garage units or
18 storage units, or both, are to be given a vote, or portion
19 of a vote, that the association must add the total number
20 of votes cast of garage units, storage units, or both, and
21 divide the total by the number of garage units, storage
22 units, or both, and multiply by the aggregate percentage of
23 ownership of garage units and storage units to determine
24 the vote, or portion of a vote, that garage units or
25 storage units, or both, have. For purposes of this
26 subsection (p), when making a determination of whether 30%

1 or fewer of the units, by number, possess over 50% in the
2 aggregate of the votes in the association, a unit shall not
3 include a garage unit or a storage unit.

4 (q) That a unit owner may not assign, delegate,
5 transfer, surrender, or avoid the duties,
6 responsibilities, and liabilities of a unit owner under
7 this Act, the condominium instruments, or the rules and
8 regulations of the Association; and that such an attempted
9 assignment, delegation, transfer, surrender, or avoidance
10 shall be deemed void.

11 (r) That the association has no authority to report
12 adverse information to a credit reporting agency or
13 initiate collection proceedings against a unit owner for an
14 unpaid fine unless the board levied the fine in accordance
15 with subsection (l) of Section 18.4.

16 The provisions of this Section are applicable to all
17 condominium instruments recorded under this Act. Any portion of
18 a condominium instrument which contains provisions contrary to
19 these provisions shall be void as against public policy and
20 ineffective. Any such instrument which fails to contain the
21 provisions required by this Section shall be deemed to
22 incorporate such provisions by operation of law.

23 (Source: P.A. 99-472, eff. 6-1-16; 99-567, eff. 1-1-17; 99-642,
24 eff. 7-28-16; 100-292, eff. 1-1-18; 100-416, eff. 1-1-18;
25 100-863, eff. 8-14-18.)

1 (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

2 Sec. 18.4. Powers and duties of board of managers. The
3 board of managers shall exercise for the association all
4 powers, duties and authority vested in the association by law
5 or the condominium instruments except for such powers, duties
6 and authority reserved by law to the members of the
7 association. The powers and duties of the board of managers
8 shall include, but shall not be limited to, the following:

9 (a) To provide for the operation, care, upkeep,
10 maintenance, replacement and improvement of the common
11 elements. Nothing in this subsection (a) shall be deemed to
12 invalidate any provision in a condominium instrument
13 placing limits on expenditures for the common elements,
14 provided, that such limits shall not be applicable to
15 expenditures for repair, replacement, or restoration of
16 existing portions of the common elements. The term "repair,
17 replacement or restoration" means expenditures to
18 deteriorated or damaged portions of the property related to
19 the existing decorating, facilities, or structural or
20 mechanical components, interior or exterior surfaces, or
21 energy systems and equipment with the functional
22 equivalent of the original portions of such areas.
23 Replacement of the common elements may result in an
24 improvement over the original quality of such elements or
25 facilities; provided that, unless the improvement is
26 mandated by law or is an emergency as defined in item (iv)

1 of subparagraph (8) of paragraph (a) of Section 18, if the
2 improvement results in a proposed expenditure exceeding 5%
3 of the annual budget, the board of managers, upon written
4 petition by unit owners with 20% of the votes of the
5 association delivered to the board within 21 days of the
6 board action to approve the expenditure, shall call a
7 meeting of the unit owners within 30 days of the date of
8 delivery of the petition to consider the expenditure.
9 Unless a majority of the total votes of the unit owners are
10 cast at the meeting to reject the expenditure, it is
11 ratified.

12 (b) To prepare, adopt and distribute the annual budget
13 for the property.

14 (c) To levy and expend assessments.

15 (d) To collect assessments from unit owners.

16 (e) To provide for the employment and dismissal of the
17 personnel necessary or advisable for the maintenance and
18 operation of the common elements.

19 (f) To obtain adequate and appropriate kinds of
20 insurance.

21 (g) To own, convey, encumber, lease, and otherwise deal
22 with units conveyed to or purchased by it.

23 (h) To adopt and amend rules and regulations covering
24 the details of the operation and use of the property, after
25 a meeting of the unit owners called for the specific
26 purpose of discussing the proposed rules and regulations.

1 Notice of the meeting shall contain the full text of the
2 proposed rules and regulations, and the meeting shall
3 conform to the requirements of Section 18(b) of this Act,
4 except that no quorum is required at the meeting of the
5 unit owners unless the declaration, bylaws or other
6 condominium instrument expressly provides to the contrary.
7 However, no rule or regulation may impair any rights
8 guaranteed by the First Amendment to the Constitution of
9 the United States or Section 4 of Article I of the Illinois
10 Constitution including, but not limited to, the free
11 exercise of religion, nor may any rules or regulations
12 conflict with the provisions of this Act or the condominium
13 instruments. No rule or regulation shall prohibit any
14 reasonable accommodation for religious practices,
15 including the attachment of religiously mandated objects
16 to the front-door area of a condominium unit.

17 (i) To keep detailed, accurate records of the receipts
18 and expenditures affecting the use and operation of the
19 property.

20 (j) To have access to each unit from time to time as
21 may be necessary for the maintenance, repair or replacement
22 of any common elements or for making emergency repairs
23 necessary to prevent damage to the common elements or to
24 other units.

25 (k) To pay real property taxes, special assessments,
26 and any other special taxes or charges of the State of

1 Illinois or of any political subdivision thereof, or other
2 lawful taxing or assessing body, which are authorized by
3 law to be assessed and levied upon the real property of the
4 condominium.

5 (l) To impose charges for late payment of a unit
6 owner's proportionate share of the common expenses, or any
7 other expenses lawfully agreed upon, and to levy reasonable
8 finances for violation of the declaration, bylaws, and rules
9 and regulations of the association. Before the board may
10 levy a fine, it shall first provide the unit owner a
11 minimum of 20 days' written notice and an opportunity to be
12 heard. The written notice shall be made in accordance with
13 the requirements of this Act. The written notice and
14 opportunity to be heard requirements of this subsection
15 apply only to the ability to levy fines, and nothing
16 contained in this subsection limits or restricts the
17 ability of the board to pursue or enforce the rights of the
18 association, and after notice and an opportunity to be
19 heard, to levy reasonable fines for violation of the
20 declaration, by laws, and rules and regulations of the
21 association.

22 (m) By a majority vote of the entire board of managers,
23 to assign the right of the association to future income
24 from common expenses or other sources, and to mortgage or
25 pledge substantially all of the remaining assets of the
26 association.

1 (n) To record the dedication of a portion of the common
2 elements to a public body for use as, or in connection
3 with, a street or utility where authorized by the unit
4 owners under the provisions of Section 14.2.

5 (o) To record the granting of an easement for the
6 laying of cable television or high speed Internet cable
7 where authorized by the unit owners under the provisions of
8 Section 14.3; to obtain, if available and determined by the
9 board to be in the best interests of the association, cable
10 television or bulk high speed Internet service for all of
11 the units of the condominium on a bulk identical service
12 and equal cost per unit basis; and to assess and recover
13 the expense as a common expense and, if so determined by
14 the board, to assess each and every unit on the same equal
15 cost per unit basis.

16 (p) To seek relief on behalf of all unit owners when
17 authorized pursuant to subsection (c) of Section 10 from or
18 in connection with the assessment or levying of real
19 property taxes, special assessments, and any other special
20 taxes or charges of the State of Illinois or of any
21 political subdivision thereof or of any lawful taxing or
22 assessing body.

23 (q) To reasonably accommodate the needs of a unit owner
24 who is a person with a disability as required by the
25 federal Civil Rights Act of 1968, the Human Rights Act and
26 any applicable local ordinances in the exercise of its

1 powers with respect to the use of common elements or
2 approval of modifications in an individual unit.

3 (r) To accept service of a notice of claim for purposes
4 of the Mechanics Lien Act on behalf of each respective
5 member of the Unit Owners' Association with respect to
6 improvements performed pursuant to any contract entered
7 into by the Board of Managers or any contract entered into
8 prior to the recording of the condominium declaration
9 pursuant to this Act, for a property containing more than 8
10 units, and to distribute the notice to the unit owners
11 within 7 days of the acceptance of the service by the Board
12 of Managers. The service shall be effective as if each
13 individual unit owner had been served individually with
14 notice.

15 (s) To adopt and amend rules and regulations (1)
16 authorizing electronic delivery of notices and other
17 communications required or contemplated by this Act to each
18 unit owner who provides the association with written
19 authorization for electronic delivery and an electronic
20 address to which such communications are to be
21 electronically transmitted; and (2) authorizing each unit
22 owner to designate an electronic address or a U.S. Postal
23 Service address, or both, as the unit owner's address on
24 any list of members or unit owners which an association is
25 required to provide upon request pursuant to any provision
26 of this Act or any condominium instrument.

1 In the performance of their duties, the officers and
2 members of the board, whether appointed by the developer or
3 elected by the unit owners, shall exercise the care required of
4 a fiduciary of the unit owners.

5 The collection of assessments from unit owners by an
6 association, board of managers or their duly authorized agents
7 shall not be considered acts constituting a collection agency
8 for purposes of the Collection Agency Act.

9 The provisions of this Section are applicable to all
10 condominium instruments recorded under this Act. Any portion of
11 a condominium instrument which contains provisions contrary to
12 these provisions shall be void as against public policy and
13 ineffective. Any such instrument that fails to contain the
14 provisions required by this Section shall be deemed to
15 incorporate such provisions by operation of law.

16 (Source: P.A. 99-143, eff. 7-27-15; 99-849, eff. 1-1-17;
17 100-292, eff. 1-1-18.)