

HB0800



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0800

Introduced 2/10/2021, by Rep. Jaime M. Andrade, Jr.

SYNOPSIS AS INTRODUCED:

765 ILCS 605/18.7

Amends the Condominium Property Act. Provides that a community association manager shall not enter into any agreement for payment or commission with an entity that provides goods or services to the association without first giving prior written disclosure to the board of managers.

LRB102 12538 LNS 17876 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 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
17 financial, administrative, maintenance, or other duties called
18 for in the management contract, including individuals who are
19 direct employees of a community association. A manager does
20 not include support staff, such as bookkeepers, administrative
21 assistants, secretaries, property inspectors, or customer
22 service representatives.

23 (c) Requirements. To perform services as a community

1 association manager, an individual must meet these
2 requirements:

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

5 (2) shall not have been convicted of forgery,
6 embezzlement, obtaining money under false pretenses,
7 larceny, extortion, conspiracy to defraud or other similar
8 offense or offenses;

9 (3) shall have a working knowledge of the fundamentals
10 of community association management, including the
11 Condominium Property Act, the Illinois Not-for-Profit
12 Corporation Act, and any other laws pertaining to
13 community association management; and

14 (4) shall not have engaged in the following
15 activities: failure to cooperate with any law enforcement
16 agency in the investigation of a complaint; or failure to
17 produce any document, book, or record in the possession or
18 control of the community association manager after a
19 request for production of that document, book, or record
20 in the course of an investigation of a complaint.

21 (d) Access to community association funds. For community
22 associations of 6 or more units, apartments, townhomes, villas
23 or other residential units, a community association manager or
24 the firm with whom the manager is employed shall not solely and
25 exclusively have access to and disburse funds of a community
26 association unless:

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

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

5 (3) The fidelity bond covers the community association
6 manager and all partners, officers, and employees of the
7 firm with whom the community association manager is
8 employed during the term of the bond, as well as the
9 community association officers, directors, and employees
10 of the community association who control or disburse
11 funds.

12 (4) The insurance company issuing the bond may not
13 cancel or refuse to renew the bond without giving not less
14 than 10 days' prior written notice to the community
15 association.

16 (5) The community association shall secure and pay for
17 the bond.

18 (e) A community association manager who provides community
19 association management services for more than one community
20 association shall maintain separate, segregated accounts for
21 each community association. The funds shall not, in any event,
22 be commingled with funds of the community association manager,
23 the firm of the community association manager, or any other
24 community association. The maintenance of these accounts shall
25 be custodial, and the accounts shall be in the name of the
26 respective community association.

1 (f) Exempt persons. Except as otherwise provided, this
2 Section does not apply to any person acting as a receiver,
3 trustee in bankruptcy, administrator, executor, or guardian
4 acting under a court order or under the authority of a will or
5 of a trust instrument.

6 (g) Right of Action.

7 (1) Nothing in this amendatory Act of the 95th General
8 Assembly shall create a cause of action by a unit owner,
9 shareholder, or community association member against a
10 community association manager or the firm of a community
11 association manager.

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

16 (h) A community association manager who provides community
17 association management services shall not enter into any
18 agreement for payment or commission with any person,
19 corporation, party, partnership, or other entity that provides
20 goods or services to the association without first giving
21 prior written disclosure to the board of managers.

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