



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB3715

Introduced 2/9/2024, by Sen. Ram Villivalam

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Condominium Property Act. Prohibits directors from voting by proxy or by secret ballot at board meetings with the exception that secret ballots may be used in the election of officers. Prohibits voting by proxy or by secret ballot at any meeting or special meeting if a final decision may be made affecting (i) the expenditure of association funds; and (ii) architectural decisions affecting a unit owner's residential property. Requires removal from the board members who have been charged with a number of crimes including but not limited to (i) forgery of a ballot envelope or voting certificate used in a homeowners' association election; (ii) theft or embezzlement involving the association's funds or property; and destruction of or the refusal to allow inspection or copying of an official record of a homeowners' association which is accessible to parcel owners within the time periods required by law in furtherance of any crime. Provides that if charges are resolved without a finding of guilt or without acceptance of a plea of guilty or nolo contendere, the member of the board shall be reinstated for any remainder of their term. Requires members of the board who are appointed by the developer to disclose to the association their relationship to the developer each calendar year in which they serve on the board. Requires members appointed by the developer must disclose any other activity that may reasonably be construed to be a conflict of interest. Provides that members of the board must disclose any activity that may be reasonably construed to be a conflict of interest at least 14 days before voting on an issue or entering into a contract that is the subject of the conflict. Imposes a fine of not more than \$2,500 if the board fails to provide documents to any member of the association as provided in this Act. Requires that the declaration or bylaws of a condominium association require mediation or arbitration of disputes in which the matter in controversy has either no specific monetary value or a value of \$10,000 or less, other than the levying and collection of assessments, or that arises out of violations of the declaration, bylaws, or rules and regulations of the condominium association. Provides that the declaration or bylaws of a condominium association may require mediation or arbitration of disputes for all other disputes.

LRB103 38640 JRC 68777 b

A BILL FOR

1 AN ACT concerning property.

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 18, 18.4, 19, and 32 as follows:

6 (765 ILCS 605/18) (from Ch. 30, par. 318)

7 Sec. 18. Contents of bylaws. The bylaws shall provide for  
8 at least the following:

9 (a) (1) The election from among the unit owners of a  
10 board of managers, the number of persons constituting such  
11 board, and that the terms of at least one-third of the  
12 members of the board shall expire annually and that all  
13 members of the board shall be elected at large; if there  
14 are multiple owners of a single unit, only one of the  
15 multiple owners shall be eligible to serve as a member of  
16 the board at any one time. A declaration first submitting  
17 property to the provisions of this Act, in accordance with  
18 Section 3 after the effective date of this amendatory Act  
19 of the 102nd General Assembly, or an amendment to the  
20 condominium instruments adopted in accordance with Section  
21 27 after the effective date of this amendatory Act of the  
22 102nd General Assembly, may provide that a majority of the  
23 board of managers, or such lesser number as may be

1 specified in the declaration, must be comprised of unit  
2 owners occupying their unit as their primary residence;  
3 provided that the condominium instruments may not require  
4 that more than a majority of the board shall be comprised  
5 of unit owners who occupy their unit as their principal  
6 residence;

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

8 (3) the compensation, if any, of the members of the  
9 board;

10 (4) the method of removal from office of members of  
11 the board;

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

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

20 (7) that the board of managers shall annually supply  
21 to all unit owners an itemized accounting of the common  
22 expenses for the preceding year actually incurred or paid,  
23 together with an indication of which portions were for  
24 reserves, capital expenditures or repairs or payment of  
25 real estate taxes and with a tabulation of the amounts  
26 collected pursuant to the budget or assessment, and

1 showing the net excess or deficit of income over  
2 expenditures plus reserves;

3 (8) (i) that each unit owner shall receive notice, in  
4 the same manner as is provided in this Act for membership  
5 meetings, of any meeting of the board of managers  
6 concerning the adoption of the proposed annual budget and  
7 regular assessments pursuant thereto or to adopt a  
8 separate (special) assessment, (ii) that except as  
9 provided in subsection (iv) below, if an adopted budget or  
10 any separate assessment adopted by the board would result  
11 in the sum of all regular and separate assessments payable  
12 in the current fiscal year exceeding 115% of the sum of all  
13 regular and separate assessments payable during the  
14 preceding fiscal year, the board of managers, upon written  
15 petition by unit owners with 20 percent of the votes of the  
16 association delivered to the board within 21 days of the  
17 board action, shall call a meeting of the unit owners  
18 within 30 days of the date of delivery of the petition to  
19 consider the budget or separate assessment; unless a  
20 majority of the total votes of the unit owners are cast at  
21 the meeting to reject the budget or separate assessment,  
22 it is ratified, (iii) that any common expense not set  
23 forth in the budget or any increase in assessments over  
24 the amount adopted in the budget shall be separately  
25 assessed against all unit owners, (iv) that separate  
26 assessments for expenditures relating to emergencies or

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

18 (9) (A) that every meeting of the board of managers  
19 shall be open to any unit owner, except that the board may  
20 close any portion of a noticed meeting or meet separately  
21 from a noticed meeting to: (i) discuss litigation when an  
22 action against or on behalf of the particular association  
23 has been filed and is pending in a court or administrative  
24 tribunal, or when the board of managers finds that such an  
25 action is probable or imminent, (ii) discuss the  
26 appointment, employment, engagement, or dismissal of an

1 employee, independent contractor, agent, or other provider  
2 of goods and services, (iii) interview a potential  
3 employee, independent contractor, agent, or other provider  
4 of goods and services, (iv) discuss violations of rules  
5 and regulations of the association, (v) discuss a unit  
6 owner's unpaid share of common expenses, or (vi) consult  
7 with the association's legal counsel; that any vote on  
8 these matters shall take place at a meeting of the board of  
9 managers or portion thereof open to any unit owner;

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

17 (C) that any unit owner may record the proceedings at  
18 meetings of the board of managers or portions thereof  
19 required to be open by this Act by tape, film or other  
20 means, and that the board may prescribe reasonable rules  
21 and regulations to govern the right to make such  
22 recordings;

23 (D) that notice of every meeting of the board of  
24 managers shall be given to every board member at least 48  
25 hours prior thereto, unless the board member waives notice  
26 of the meeting pursuant to subsection (a) of Section 18.8;

1 and

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

20 (10) that the board shall meet at least 4 times  
21 annually;

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

25 (12) the designation of an officer to mail and receive  
26 all notices and execute amendments to condominium

1 instruments as provided for in this Act and in the  
2 condominium instruments;

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

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

21 (15) provisions concerning notice of board meetings to  
22 members of the board;

23 (16) the board of managers may not enter into a  
24 contract with a current board member or with a corporation  
25 or partnership in which a board member or a member of the  
26 board member's immediate family has 25% or more interest,



1 unless notice of intent to enter the contract is given to  
2 unit owners within 20 days after a decision is made to  
3 enter into the contract and the unit owners are afforded  
4 an opportunity by filing a petition, signed by 20% of the  
5 unit owners, for an election to approve or disapprove the  
6 contract; such petition shall be filed within 30 days  
7 after such notice and such election shall be held within  
8 30 days after filing the petition; for purposes of this  
9 subsection, a board member's immediate family means the  
10 board member's spouse, parents, and children;

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

19 (18) any proxy distributed for board elections by the  
20 board of managers gives unit owners the opportunity to  
21 designate any person as the proxy holder, and gives the  
22 unit owner the opportunity to express a preference for any  
23 of the known candidates for the board or to write in a  
24 name;

25 (19) that special meetings of the board of managers  
26 can be called by the president or 25% of the members of the

1 board;

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

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

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

19 (b)(1) What percentage of the unit owners, if other  
20 than 20%, shall constitute a quorum provided that, for  
21 condominiums with 20 or more units, the percentage of unit  
22 owners constituting a quorum shall be 20% unless the unit  
23 owners holding a majority of the percentage interest in  
24 the association provide for a higher percentage, provided  
25 that in voting on amendments to the association's bylaws,  
26 a unit owner who is in arrears on the unit owner's regular

1 or separate assessments for 60 days or more, shall not be  
2 counted for purposes of determining if a quorum is  
3 present, but that unit owner retains the right to vote on  
4 amendments to the association's bylaws;

5 (2) that the association shall have one class of  
6 membership;

7 (3) that the members shall hold an annual meeting, one  
8 of the purposes of which shall be to elect members of the  
9 board of managers;

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

11 (5) that special meetings of the members can be called  
12 by the president, board of managers, or by 20% of unit  
13 owners;

14 (6) that written notice of any membership meeting  
15 shall be mailed or delivered giving members no less than  
16 10 and no more than 30 days notice of the time, place and  
17 purpose of such meeting except that notice may be sent, to  
18 the extent the condominium instruments or rules adopted  
19 thereunder expressly so provide, by electronic  
20 transmission consented to by the unit owner to whom the  
21 notice is given, provided the director and officer or his  
22 agent certifies in writing to the delivery by electronic  
23 transmission;

24 (7) that voting shall be on a percentage basis, and  
25 that the percentage vote to which each unit is entitled is  
26 the percentage interest of the undivided ownership of the

1 common elements appurtenant thereto, provided that the  
2 bylaws may provide for approval by unit owners in  
3 connection with matters where the requisite approval on a  
4 percentage basis is not specified in this Act, on the  
5 basis of one vote per unit;

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

18 (9) (A) except as provided in subparagraph (B) of this  
19 paragraph (9) in connection with board elections, that a  
20 unit owner may vote by proxy executed in writing by the  
21 unit owner or by his duly authorized attorney in fact;  
22 that the proxy must bear the date of execution and, unless  
23 the condominium instruments or the written proxy itself  
24 provide otherwise, is invalid after 11 months from the  
25 date of its execution; to the extent the condominium  
26 instruments or rules adopted thereunder expressly so

1 provide, a vote or proxy may be submitted by electronic  
2 transmission, provided that any such electronic  
3 transmission shall either set forth or be submitted with  
4 information from which it can be determined that the  
5 electronic transmission was authorized by the unit owner  
6 or the unit owner's proxy;

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

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

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

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

9 (B-10) that directors may not vote by proxy or by  
10 secret ballot at board meetings with the exception that  
11 secret ballots may be used in the election of officers.  
12 This prohibition against voting by proxy or by secret  
13 ballot also applies to any meeting or special meeting if a  
14 final decision may be made affecting (i) the expenditure  
15 of association funds; and (ii) architectural decisions  
16 affecting a unit owner's residential property;

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

26 (D) that votes cast by ballot under subparagraph (B)

1 or electronic or acceptable technological means under  
2 subparagraph (B-5) of this paragraph (9) are valid for the  
3 purpose of establishing a quorum;

4 (10) that the association may, upon adoption of the  
5 appropriate rules by the board of managers, conduct  
6 elections by secret ballot whereby the voting ballot is  
7 marked only with the percentage interest for the unit and  
8 the vote itself, provided that the board further adopt  
9 rules to verify the status of the unit owner issuing a  
10 proxy or casting a ballot; and further, that a candidate  
11 for election to the board of managers or such candidate's  
12 representative shall have the right to be present at the  
13 counting of ballots at such election;

14 (11) that in the event of a resale of a condominium  
15 unit the purchaser of a unit from a seller other than the  
16 developer pursuant to an installment sales contract for  
17 purchase shall during such times as he or she resides in  
18 the unit be counted toward a quorum for purposes of  
19 election of members of the board of managers at any  
20 meeting of the unit owners called for purposes of electing  
21 members of the board, shall have the right to vote for the  
22 election of members of the board of managers and to be  
23 elected to and serve on the board of managers unless the  
24 seller expressly retains in writing any or all of such  
25 rights. In no event may the seller and purchaser both be  
26 counted toward a quorum, be permitted to vote for a



1 particular office or be elected and serve on the board.  
2 Satisfactory evidence of the installment sales contract  
3 shall be made available to the association or its agents.  
4 For purposes of this subsection, "installment sales  
5 contract" shall have the same meaning as set forth in  
6 Section 5 of the Installment Sales Contract Act and  
7 Section 1(e) of the Dwelling Unit Installment Contract  
8 Act;

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

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

18 (i) merger or consolidation of the association;

19 (ii) sale, lease, exchange, or other disposition  
20 (excluding the mortgage or pledge) of all, or  
21 substantially all of the property and assets of the  
22 association; and

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

25 (c) Election of a president from among the board of  
26 managers, who shall preside over the meetings of the board

1 of managers and of the unit owners.

2 (d) Election of a secretary from among the board of  
3 managers, who shall keep the minutes of all meetings of  
4 the board of managers and of the unit owners and who shall,  
5 in general, perform all the duties incident to the office  
6 of secretary.

7 (e) Election of a treasurer from among the board of  
8 managers, who shall keep the financial records and books  
9 of account.

10 (f) Maintenance, repair and replacement of the common  
11 elements and payments therefor, including the method of  
12 approving payment vouchers.

13 (g) An association with 30 or more units shall obtain  
14 and maintain fidelity insurance covering persons who  
15 control or disburse funds of the association for the  
16 maximum amount of coverage available to protect funds in  
17 the custody or control of the association plus the  
18 association reserve fund. All management companies which  
19 are responsible for the funds held or administered by the  
20 association shall maintain and furnish to the association  
21 a fidelity bond for the maximum amount of coverage  
22 available to protect funds in the custody of the  
23 management company at any time. The association shall bear  
24 the cost of the fidelity insurance and fidelity bond,  
25 unless otherwise provided by contract between the  
26 association and a management company. The association

1 shall be the direct obligee of any such fidelity bond. A  
2 management company holding reserve funds of an association  
3 shall at all times maintain a separate account for each  
4 association, provided, however, that for investment  
5 purposes, the Board of Managers of an association may  
6 authorize a management company to maintain the  
7 association's reserve funds in a single interest bearing  
8 account with similar funds of other associations. The  
9 management company shall at all times maintain records  
10 identifying all moneys of each association in such  
11 investment account. The management company may hold all  
12 operating funds of associations which it manages in a  
13 single operating account but shall at all times maintain  
14 records identifying all moneys of each association in such  
15 operating account. Such operating and reserve funds held  
16 by the management company for the association shall not be  
17 subject to attachment by any creditor of the management  
18 company.

19 For the purpose of this subsection, a management  
20 company shall be defined as a person, partnership,  
21 corporation, or other legal entity entitled to transact  
22 business on behalf of others, acting on behalf of or as an  
23 agent for a unit owner, unit owners or association of unit  
24 owners for the purpose of carrying out the duties,  
25 responsibilities, and other obligations necessary for the  
26 day to day operation and management of any property

1 subject to this Act. For purposes of this subsection, the  
2 term "fiduciary insurance coverage" shall be defined as  
3 both a fidelity bond and directors and officers liability  
4 coverage, the fidelity bond in the full amount of  
5 association funds and association reserves that will be in  
6 the custody of the association, and the directors and  
7 officers liability coverage at a level as shall be  
8 determined to be reasonable by the board of managers, if  
9 not otherwise established by the declaration or by laws.

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

16 (h) Method of estimating the amount of the annual  
17 budget, and the manner of assessing and collecting from  
18 the unit owners their respective shares of such estimated  
19 expenses, and of any other expenses lawfully agreed upon.

20 (i) That upon 10 days notice to the manager or board of  
21 managers and payment of a reasonable fee, any unit owner  
22 shall be furnished a statement of his account setting  
23 forth the amount of any unpaid assessments or other  
24 charges due and owing from such owner.

25 (j) Designation and removal of personnel necessary for  
26 the maintenance, repair and replacement of the common

1 elements.

2 (k) Such restrictions on and requirements respecting  
3 the use and maintenance of the units and the use of the  
4 common elements, not set forth in the declaration, as are  
5 designed to prevent unreasonable interference with the use  
6 of their respective units and of the common elements by  
7 the several unit owners.

8 (l) Method of adopting and of amending administrative  
9 rules and regulations governing the operation and use of  
10 the common elements.

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

15 (n) (i) The provisions of this Act, the declaration,  
16 bylaws, other condominium instruments, and rules and  
17 regulations that relate to the use of the individual unit  
18 or the common elements shall be applicable to any person  
19 leasing a unit and shall be deemed to be incorporated in  
20 any lease executed or renewed on or after August 30, 1984  
21 (the effective date of Public Act 83-1271).

22 (ii) With regard to any lease entered into subsequent  
23 to July 1, 1990 (the effective date of Public Act 86-991),  
24 the unit owner leasing the unit shall deliver a copy of the  
25 signed lease to the board or if the lease is oral, a  
26 memorandum of the lease, not later than the date of

1 occupancy or 10 days after the lease is signed, whichever  
2 occurs first. In addition to any other remedies, by filing  
3 an action jointly against the tenant and the unit owner,  
4 an association may seek to enjoin a tenant from occupying  
5 a unit or seek to evict a tenant under the provisions of  
6 Article IX of the Code of Civil Procedure for failure of  
7 the lessor-owner to comply with the leasing requirements  
8 prescribed by this Section or by the declaration, bylaws,  
9 and rules and regulations. The board of managers may  
10 proceed directly against a tenant, at law or in equity, or  
11 under the provisions of Article IX of the Code of Civil  
12 Procedure, for any other breach by tenant of any  
13 covenants, rules, regulations or bylaws.

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

16 (p) That when 30% or fewer of the units, by number,  
17 possess over 50% in the aggregate of the votes in the  
18 association, any percentage vote of members specified  
19 herein or in the condominium instruments shall require the  
20 specified percentage by number of units rather than by  
21 percentage of interest in the common elements allocated to  
22 units that would otherwise be applicable and garage units  
23 or storage units, or both, shall have, in total, no more  
24 votes than their aggregate percentage of ownership in the  
25 common elements; this shall mean that if garage units or  
26 storage units, or both, are to be given a vote, or portion

1 of a vote, that the association must add the total number  
2 of votes cast of garage units, storage units, or both, and  
3 divide the total by the number of garage units, storage  
4 units, or both, and multiply by the aggregate percentage  
5 of ownership of garage units and storage units to  
6 determine the vote, or portion of a vote, that garage  
7 units or storage units, or both, have. For purposes of  
8 this subsection (p), when making a determination of  
9 whether 30% or fewer of the units, by number, possess over  
10 50% in the aggregate of the votes in the association, a  
11 unit shall not include a garage unit or a storage unit.

12 (q) That a unit owner may not assign, delegate,  
13 transfer, surrender, or avoid the duties,  
14 responsibilities, and liabilities of a unit owner under  
15 this Act, the condominium instruments, or the rules and  
16 regulations of the Association; and that such an attempted  
17 assignment, delegation, transfer, surrender, or avoidance  
18 shall be deemed void.

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

26 (Source: P.A. 102-162, eff. 1-1-22.)

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

2 Sec. 18.4. Board ~~Powers and duties of board~~ of managers.

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

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



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

14 (b) To prepare, adopt and distribute the annual budget  
15 for the property.

16 (c) To levy and expend assessments.

17 (d) To collect assessments from unit owners.

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

21 (f) To obtain adequate and appropriate kinds of  
22 insurance.

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

25 (h) To adopt and amend rules and regulations covering  
26 the details of the operation and use of the property,

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

20 (i) To keep detailed, accurate records of the receipts  
21 and expenditures affecting the use and operation of the  
22 property.

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

1 or to other units.

2 (k) To pay real property taxes, special assessments,  
3 and any other special taxes or charges of the State of  
4 Illinois or of any political subdivision thereof, or other  
5 lawful taxing or assessing body, which are authorized by  
6 law to be assessed and levied upon the real property of the  
7 condominium.

8 (l) To impose charges for late payment of a unit  
9 owner's proportionate share of the common expenses, or any  
10 other expenses lawfully agreed upon, and after notice and  
11 an opportunity to be heard, to levy reasonable fines for  
12 violation of the declaration, by-laws, and rules and  
13 regulations of the association.

14 (m) By a majority vote of the entire board of  
15 managers, to assign the right of the association to future  
16 income from common expenses or other sources, and to  
17 mortgage or pledge substantially all of the remaining  
18 assets of the association.

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

23 (o) To record the granting of an easement for the  
24 laying of cable television or high speed Internet cable  
25 where authorized by the unit owners under the provisions  
26 of Section 14.3; to obtain, if available and determined by

1 the board to be in the best interests of the association,  
2 cable television or bulk high speed Internet service for  
3 all of the units of the condominium on a bulk identical  
4 service and equal cost per unit basis; and to assess and  
5 recover the expense as a common expense and, if so  
6 determined by the board, to assess each and every unit on  
7 the same equal cost per unit basis.

8 (p) To seek relief on behalf of all unit owners when  
9 authorized pursuant to subsection (c) of Section 10 from  
10 or in connection with the assessment or levying of real  
11 property taxes, special assessments, and any other special  
12 taxes or charges of the State of Illinois or of any  
13 political subdivision thereof or of any lawful taxing or  
14 assessing body.

15 (q) To reasonably accommodate the needs of a unit  
16 owner who is a person with a disability as required by the  
17 federal Civil Rights Act of 1968, the Human Rights Act and  
18 any applicable local ordinances in the exercise of its  
19 powers with respect to the use of common elements or  
20 approval of modifications in an individual unit.

21 (r) To accept service of a notice of claim for  
22 purposes of the Mechanics Lien Act on behalf of each  
23 respective member of the Unit Owners' Association with  
24 respect to improvements performed pursuant to any contract  
25 entered into by the Board of Managers or any contract  
26 entered into prior to the recording of the condominium

1 declaration pursuant to this Act, for a property  
2 containing more than 8 units, and to distribute the notice  
3 to the unit owners within 7 days of the acceptance of the  
4 service by the Board of Managers. The service shall be  
5 effective as if each individual unit owner had been served  
6 individually with notice.

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

19 In the performance of their duties, the officers and  
20 members of the board, whether appointed by the developer or  
21 elected by the unit owners, shall exercise the care required  
22 of a fiduciary of the unit owners.

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

1       (B) A member of the board charged by information or  
2 indictment with any of the following crimes shall be removed  
3 from office:

4           (a) Forgery of a ballot envelope or voting certificate  
5 used in a homeowners' association election;

6           (b) Theft or embezzlement involving the association's  
7 funds or property;

8           (c) Destruction of or the refusal to allow inspection  
9 or copying of an official record of a homeowners'  
10 association which is accessible to parcel owners within  
11 the time periods required by general law, in furtherance  
12 of any crime;

13           (d) Any fraudulent voting activity relating to  
14 association elections including:

15               (i) Willfully and falsely swearing to or affirming  
16 an oath or affirmation, or willfully procuring another  
17 person to falsely swear to or affirm an oath or  
18 affirmation, in connection with or arising out of  
19 voting activities.

20               (ii) Perpetrating or attempting to perpetrate, or  
21 aiding in the perpetration of, fraud in connection  
22 with a vote cast, to be cast, or attempted to be cast.

23               (iii) Preventing a member from voting or  
24 preventing a member from voting as he or she intended  
25 by fraudulently changing or attempting to change a  
26 ballot, ballot envelope, vote, or voting certificate

1 of the member.

2 (iv) Menacing, threatening, or using bribery or  
3 any other corruption to attempt, directly or  
4 indirectly, to influence, deceive, or deter a member  
5 when the member is voting.

6 (v) Giving or promising, directly or indirectly,  
7 anything of value to another member with the intent to  
8 buy the vote of that member or another member or to  
9 corruptly influence that member or another member in  
10 casting his or her vote. This subsection does not  
11 apply to any food served which is to be consumed at an  
12 election rally or a meeting or to any item of nominal  
13 value which is used as an election advertisement,  
14 including a campaign message designed to be worn by a  
15 member.

16 (vi) Using or threatening to use, directly or  
17 indirectly, force, violence, or intimidation or any  
18 tactic of coercion or intimidation to induce or compel  
19 a member to vote or refrain from voting in an election  
20 or on a particular ballot measure.

21 The board shall fill vacancies in accordance with Section  
22 18(a)(13). If such criminal charge is pending against the  
23 officer or director, he or she may not be appointed or elected  
24 to a position on the board of directors of any association and  
25 may not have access to the official records of any  
26 association, except by court order. If charges are resolved

1 without a finding of guilt or without acceptance of a plea of  
2 guilty or nolo contendere, the member of the board shall be  
3 reinstated for any remainder of their term.

4 (C) Members of the board who are appointed by the  
5 developer must disclose to the association their relationship  
6 to the developer each calendar year in which they serve on the  
7 board. Members appointed by the developer must disclose any  
8 other activity that may reasonably be construed to be a  
9 conflict of interest.

10 (D) Members of the board must disclose any activity that  
11 may be reasonably construed to be a conflict of interest at  
12 least 14 days before voting on an issue or entering into a  
13 contract that is the subject of the conflict. A rebuttable  
14 presumption of a conflict of interest exists if any of the  
15 following acts occur without prior disclosure to the  
16 association:

17 (i) A member of the board or their relative enters  
18 into a contract for goods or services with the  
19 association.

20 (ii) A member of the board or their relative holds an  
21 interest in a corporation, limited liability company,  
22 partnership, limited liability partnership, or other  
23 business entity that conducts business with the  
24 association or proposes to enter into a contract or other  
25 transaction with the associations.

26 The provisions of this Section are applicable to all



1 condominium instruments recorded under this Act. Any portion  
2 of a condominium instrument which contains provisions contrary  
3 to these provisions shall be void as against public policy and  
4 ineffective. Any such instrument that fails to contain the  
5 provisions required by this Section shall be deemed to  
6 incorporate such provisions by operation of law.

7 (Source: P.A. 99-143, eff. 7-27-15; 99-849, eff. 1-1-17;  
8 100-292, eff. 1-1-18.)

9 (765 ILCS 605/19) (from Ch. 30, par. 319)

10 Sec. 19. Records of the association; availability for  
11 examination.

12 (a) The board of managers of every association shall keep  
13 and maintain the following records, or true and complete  
14 copies of these records, at the association's principal  
15 office:

16 (1) the association's declaration, bylaws, and plats  
17 of survey, and all amendments of these;

18 (2) the rules and regulations of the association, if  
19 any;

20 (3) if the association is incorporated as a  
21 corporation, the articles of incorporation of the  
22 association and all amendments to the articles of  
23 incorporation;

24 (4) minutes of all meetings of the association and its  
25 board of managers for the immediately preceding 7 years;

1           (5) all current policies of insurance of the  
2 association;

3           (6) all contracts, leases, and other agreements then  
4 in effect to which the association is a party or under  
5 which the association or the unit owners have obligations  
6 or liabilities;

7           (7) a current listing of the names, addresses, email  
8 addresses, telephone numbers, and weighted vote of all  
9 members entitled to vote;

10           (8) ballots and proxies related to ballots for all  
11 matters voted on by the members of the association during  
12 the immediately preceding 12 months, including, but not  
13 limited to, the election of members of the board of  
14 managers;

15           (9) the books and records for the association's  
16 current and 10 immediately preceding fiscal years,  
17 including, but not limited to, itemized and detailed  
18 records of all receipts, expenditures, and accounts; and

19           (10) any reserve study.

20           (b) Any member of an association shall have the right to  
21 inspect, examine, and make copies of the records described in  
22 subdivisions (1), (2), (3), (4), (5), (6), (9), and (10) of  
23 subsection (a) of this Section, in person or by agent, at any  
24 reasonable time or times, at the association's principal  
25 office. In order to exercise this right, a member must submit a  
26 written request to the association's board of managers or its

1 authorized agent, stating with particularity the records  
2 sought to be examined. Failure of an association's board of  
3 managers to make available all records so requested within 10  
4 business days of receipt of the member's written request shall  
5 be deemed a denial.

6 Any member who prevails in an enforcement action to compel  
7 examination of records described in subdivisions (1), (2),  
8 (3), (4), (5), (6), (9), and (10) of subsection (a) of this  
9 Section shall be entitled to recover reasonable attorney's  
10 fees and costs from the association.

11 (c) (Blank).

12 (d) (Blank).

13 (d-5) As used in this Section, "commercial purpose" means  
14 the use of any part of a record or records described in  
15 subdivisions (7) and (8) of subsection (a) of this Section, or  
16 information derived from such records, in any form for sale,  
17 resale, or solicitation or advertisement for sales or  
18 services.

19 (e) Except as otherwise provided in subsection (g) of this  
20 Section, any member of an association shall have the right to  
21 inspect, examine, and make copies of the records described in  
22 subdivisions (7) and (8) of subsection (a) of this Section, in  
23 person or by agent, at any reasonable time or times but only  
24 for a purpose that relates to the association, at the  
25 association's principal office. In order to exercise this  
26 right, a member must submit a written request, to the

1 association's board of managers or its authorized agent,  
2 stating with particularity the records sought to be examined.  
3 As a condition for exercising this right, the board of  
4 managers or authorized agent of the association may require  
5 the member to certify in writing that the information  
6 contained in the records obtained by the member will not be  
7 used by the member for any commercial purpose or for any  
8 purpose that does not relate to the association. The board of  
9 managers of the association may impose a fine in accordance  
10 with item (1) of Section 18.4 upon any person who makes a false  
11 certification. Subject to the provisions of subsection (g) of  
12 this Section, failure of an association's board of managers to  
13 make available all records so requested within 10 business  
14 days of receipt of the member's written request shall be  
15 deemed a denial; provided, however, that the board of managers  
16 of an association that has adopted a secret ballot election  
17 process as provided in Section 18 of this Act shall not be  
18 deemed to have denied a member's request for records described  
19 in subdivision (8) of subsection (a) of this Section if voting  
20 ballots, without identifying unit numbers, are made available  
21 to the requesting member within 10 business days of receipt of  
22 the member's written request.

23 Any member who prevails in an enforcement action to compel  
24 examination of records described in subdivision (7) or (8) of  
25 subsection (a) of this Section shall be entitled to recover  
26 reasonable attorney's fees and costs from the association only

1 if the court finds that the board of directors acted in bad  
2 faith in denying the member's request.

3 (f) The actual cost to the association of retrieving and  
4 making requested records available for inspection and  
5 examination under this Section may be charged by the  
6 association to the requesting member. If a member requests  
7 copies of records requested under this Section, the actual  
8 costs to the association of reproducing the records may also  
9 be charged by the association to the requesting member.

10 (g) Notwithstanding the provisions of subsection (e) of  
11 this Section, unless otherwise directed by court order, an  
12 association need not make the following records available for  
13 inspection, examination, or copying by its members:

14 (1) documents relating to appointment, employment,  
15 discipline, or dismissal of association employees;

16 (2) documents relating to actions pending against or  
17 on behalf of the association or its board of managers in a  
18 court or administrative tribunal;

19 (3) documents relating to actions threatened against,  
20 or likely to be asserted on behalf of, the association or  
21 its board of managers in a court or administrative  
22 tribunal;

23 (4) documents relating to common expenses or other  
24 charges owed by a member other than the requesting member;  
25 and

26 (5) documents provided to an association in connection

1 with the lease, sale, or other transfer of a unit by a  
2 member other than the requesting member.

3 (h) The provisions of this Section are applicable to all  
4 condominium instruments recorded under this Act. Any portion  
5 of a condominium instrument that contains provisions contrary  
6 to these provisions shall be void as against public policy and  
7 ineffective. Any condominium instrument that fails to contain  
8 the provisions required by this Section shall be deemed to  
9 incorporate the provisions by operation of law.

10 (i) Failure to provide the requested documents within the  
11 prescribed timeframe shall result in a fine of not more than  
12 \$2,500.

13 (Source: P.A. 102-921, eff. 5-27-22.)

14 (765 ILCS 605/32)

15 Sec. 32. Alternate dispute resolution; mediation;  
16 arbitration.

17 (a) The declaration or bylaws of a condominium association  
18 shall ~~may~~ require mediation or arbitration of disputes in  
19 which the matter in controversy has either no specific  
20 monetary value or a value of \$10,000 or less, other than the  
21 levying and collection of assessments, or that arises out of  
22 violations of the declaration, bylaws, or rules and  
23 regulations of the condominium association. The declaration or  
24 bylaws of a condominium association may require mediation or  
25 arbitration of disputes for all other disputes. A dispute not

1 required to be mediated or arbitrated by an association  
2 pursuant to its powers under this Section, that is submitted  
3 to mediation or arbitration by the agreement of the  
4 disputants, is also subject to this Section.

5 (b) The Illinois Uniform Arbitration Act shall govern all  
6 arbitrations proceeding under this Section.

7 (b-5) The Uniform Mediation Act shall govern all  
8 mediations proceeding under this Section.

9 (c) The association may require the disputants to bear the  
10 costs of mediation or arbitration.

11 (Source: P.A. 93-399, eff. 1-1-04.)

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