



Rep. Elaine Nekritz

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09500HB1071ham002

LRB095 07052 AJ0 35320 a

1 AMENDMENT TO HOUSE BILL 1071

2 AMENDMENT NO. _____. Amend House Bill 1071, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Condominium Property Act is amended by
6 adding Section 18.7 as follows:

7 (765 ILCS 605/18.7 new)

8 Sec. 18.7. Standards for community association managers.

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

16 (b) "Community association manager" means an individual

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

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

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

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

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

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

1 production of that document, book, or record in the course
2 of an investigation of a complaint.

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

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

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

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

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

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

25 (e) A community association manager who provides community
26 association management services for more than one community

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

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

13 (g) Right of Action.

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

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