

# SB1646



## 98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1646

Introduced 2/13/2013, by Sen. Kwame Raoul

### SYNOPSIS AS INTRODUCED:

765 ILCS 605/18.7

Amends the Condominium Property Act. Makes a technical change in a Section concerning standards for community association managers.

LRB098 08371 HEP 38476 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 ~~an~~ association in  
9 which membership is a condition of ownership or shareholder  
10 interest of a unit in a condominium, cooperative, townhouse,  
11 villa, or 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 not  
20 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 community  
13 association management; and

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

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

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

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

26 (f) Exempt persons. Except as otherwise provided, this

1 Section does not apply to any person acting as a receiver,  
2 trustee in bankruptcy, administrator, executor, or guardian  
3 acting under a court order or under the authority of a will or  
4 of a trust instrument.

5 (g) Right of Action.

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

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

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