

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 2, 9 and 22.1 as follows:

6 (765 ILCS 605/2) (from Ch. 30, par. 302)

7 Sec. 2. Definitions. As used in this Act, unless the  
8 context otherwise requires:

9 (a) "Declaration" means the instrument by which the  
10 property is submitted to the provisions of this Act, as  
11 hereinafter provided, and such declaration as from time to time  
12 amended.

13 (b) "Parcel" means the lot or lots, tract or tracts of  
14 land, described in the declaration, submitted to the provisions  
15 of this Act.

16 (c) "Property" means all the land, property and space  
17 comprising the parcel, all improvements and structures  
18 erected, constructed or contained therein or thereon,  
19 including the building and all easements, rights and  
20 appurtenances belonging thereto, and all fixtures and  
21 equipment intended for the mutual use, benefit or enjoyment of  
22 the unit owners, submitted to the provisions of this Act.

23 (d) "Unit" means a part of the property designed and

1 intended for any type of independent use.

2 (e) "Common Elements" means all portions of the property  
3 except the units, including limited common elements unless  
4 otherwise specified.

5 (f) "Person" means a natural individual, corporation,  
6 partnership, trustee or other legal entity capable of holding  
7 title to real property.

8 (g) "Unit Owner" means the person or persons whose estates  
9 or interests, individually or collectively, aggregate fee  
10 simple absolute ownership of a unit, or, in the case of a  
11 leasehold condominium, the lessee or lessees of a unit whose  
12 leasehold ownership of the unit expires simultaneously with the  
13 lease described in item (x) of this Section.

14 (h) "Majority" or "majority of the unit owners" means the  
15 owners of more than 50% in the aggregate in interest of the  
16 undivided ownership of the common elements. Any specified  
17 percentage of the unit owners means such percentage in the  
18 aggregate in interest of such undivided ownership. "Majority"  
19 or "majority of the members of the board of managers" means  
20 more than 50% of the total number of persons constituting such  
21 board pursuant to the bylaws. Any specified percentage of the  
22 members of the board of managers means that percentage of the  
23 total number of persons constituting such board pursuant to the  
24 bylaws.

25 (i) "Plat" means a plat or plats of survey of the parcel  
26 and of all units in the property submitted to the provisions of

1 this Act, which may consist of a three-dimensional horizontal  
2 and vertical delineation of all such units.

3 (j) "Record" means to record in the office of the recorder  
4 or, whenever required, to file in the office of the Registrar  
5 of Titles of the county wherein the property is located.

6 (k) "Conversion Condominium" means a property which  
7 contains structures, excepting those newly constructed and  
8 intended for condominium ownership, which are, or have  
9 previously been, wholly or partially occupied before recording  
10 of condominium instruments by persons other than those who have  
11 contracted for the purchase of condominiums.

12 (l) "Condominium Instruments" means all documents and  
13 authorized amendments thereto recorded pursuant to the  
14 provisions of the Act, including the declaration, bylaws and  
15 plat.

16 (m) "Common Expenses" means the proposed or actual expenses  
17 affecting the property, including reserves, if any, lawfully  
18 assessed by the Board of Managers of the Unit Owner's  
19 Association.

20 (n) "Reserves" means those sums paid by unit owners which  
21 are separately maintained by the board of managers for purposes  
22 specified by the board of managers or the condominium  
23 instruments.

24 (o) "Unit Owners' Association" or "Association" means the  
25 association of all the unit owners, acting pursuant to bylaws  
26 through its duly elected board of managers.

1           (p) "Purchaser" means any person or persons other than the  
2 Developer who purchase a unit in a bona fide transaction for  
3 value.

4           (q) "Developer" means any person who submits property  
5 legally or equitably owned in fee simple by the developer, or  
6 leased to the developer under a lease described in item (x) of  
7 this Section, to the provisions of this Act, or any person who  
8 offers units legally or equitably owned in fee simple by the  
9 developer, or leased to the developer under a lease described  
10 in item (x) of this Section, for sale in the ordinary course of  
11 such person's business, including any successor or successors  
12 to such developers' entire interest in the property other than  
13 the purchaser of an individual unit.

14           (r) "Add-on Condominium" means a property to which  
15 additional property may be added in accordance with condominium  
16 instruments and this Act.

17           (s) "Limited Common Elements" means a portion of the common  
18 elements so designated in the declaration as being reserved for  
19 the use of a certain unit or units to the exclusion of other  
20 units, including but not limited to balconies, terraces, patios  
21 and parking spaces or facilities.

22           (t) "Building" means all structures, attached or  
23 unattached, containing one or more units.

24           (u) "Master Association" means an organization described  
25 in Section 18.5 whether or not it is also an association  
26 described in Section 18.3.

1 (v) "Developer Control" means such control at a time prior  
2 to the election of the Board of Managers provided for in  
3 Section 18.2(b) of this Act.

4 (w) "Meeting of Board of Managers or Board of Master  
5 Association" means any gathering of a quorum of the members of  
6 the Board of Managers or Board of the Master Association held  
7 for the purpose of conducting board business.

8 (x) "Leasehold Condominium" means a property submitted to  
9 the provisions of this Act which is subject to a lease, the  
10 expiration or termination of which would terminate the  
11 condominium and the lessor of which is (i) exempt from taxation  
12 under Section 501(c)(3) of the Internal Revenue Code of 1986,  
13 as amended, (ii) a limited liability company whose sole member  
14 is exempt from taxation under Section 501 (c)(3) of the  
15 Internal Revenue Code of 1986, as amended, or (iii) a Public  
16 Housing Authority created pursuant to the Housing Authorities  
17 Act that is located in a municipality having a population in  
18 excess of 1,000,000 inhabitants.

19 (y) "Regular Monthly Assessments" means the amount charged  
20 by the association as provided for in the current annual budget  
21 adopted under subsection (c) of Section 9 of this Act.

22 (Source: P.A. 93-474, eff. 8-8-03.)

23 (765 ILCS 605/9) (from Ch. 30, par. 309)

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

25 (a) All common expenses incurred or accrued prior to the

1 first conveyance of a unit shall be paid by the developer, and  
2 during this period no common expense assessment shall be  
3 payable to the association. It shall be the duty of each unit  
4 owner including the developer to pay his proportionate share of  
5 the common expenses commencing with the first conveyance. The  
6 proportionate share shall be in the same ratio as his  
7 percentage of ownership in the common elements set forth in the  
8 declaration.

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

12 (c) Budget and reserves.

13 (1) The board of managers shall prepare and distribute  
14 to all unit owners a detailed proposed annual budget,  
15 setting forth with particularity all anticipated common  
16 expenses by category as well as all anticipated assessments  
17 and other income. The initial budget and common expense  
18 assessment based thereon shall be adopted prior to the  
19 conveyance of any unit. The budget shall also set forth  
20 each unit owner's proposed common expense assessment.

21 (2) All budgets adopted by a board of managers on or  
22 after July 1, 1990 shall provide for reasonable reserves  
23 for capital expenditures and deferred maintenance for  
24 repair or replacement of the common elements. To determine  
25 the amount of reserves appropriate for an association, the  
26 board of managers shall take into consideration the

1 following: (i) the repair and replacement cost, and the  
2 estimated useful life, of the property which the  
3 association is obligated to maintain, including but not  
4 limited to structural and mechanical components, surfaces  
5 of the buildings and common elements, and energy systems  
6 and equipment; (ii) the current and anticipated return on  
7 investment of association funds; (iii) any independent  
8 professional reserve study which the association may  
9 obtain; (iv) the financial impact on unit owners, and the  
10 market value of the condominium units, of any assessment  
11 increase needed to fund reserves; and (v) the ability of  
12 the association to obtain financing or refinancing.

13 (3) Notwithstanding the provisions of this subsection  
14 (c), an association without a reserve requirement in its  
15 condominium instruments may elect to waive in whole or in  
16 part the reserve requirements of this Section by a vote of  
17 2/3 of the total votes of the association. Any association  
18 having elected under this paragraph (3) to waive the  
19 provisions of subsection (c) may by a vote of 2/3 of the  
20 total votes of the association elect to again be governed  
21 by the requirements of subsection (c).

22 (4) In the event that an association elects to waive  
23 all or part of the reserve requirements of this Section,  
24 that fact must be disclosed after the meeting at which the  
25 waiver occurs by the association in the financial  
26 statements of the association and, highlighted in bold

1 print, in the response to any request of a prospective  
2 purchaser for the information prescribed under Section  
3 22.1; and no member of the board of managers or the  
4 managing agent of the association shall be liable, and no  
5 cause of action may be brought for damages against these  
6 parties, for the lack or inadequacy of reserve funds in the  
7 association budget.

8 (d) (Blank).

9 (e) The condominium instruments may provide for the  
10 assessment, in connection with expenditures for the limited  
11 common elements, of only those units to which the limited  
12 common elements are assigned.

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

15 (g) Lien.

16 (1) If any unit owner shall fail or refuse to make any  
17 payment of the common expenses or the amount of any unpaid  
18 fine when due, the amount thereof together with any  
19 interest, late charges, reasonable attorney fees incurred  
20 enforcing the covenants of the condominium instruments,  
21 rules and regulations of the board of managers, or any  
22 applicable statute or ordinance, and costs of collections  
23 shall constitute a lien on the interest of the unit owner  
24 in the property prior to all other liens and encumbrances,  
25 recorded or unrecorded, except only (a) taxes, special  
26 assessments and special taxes theretofore or thereafter



1       levied by any political subdivision or municipal  
2       corporation of this State and other State or federal taxes  
3       which by law are a lien on the interest of the unit owner  
4       prior to preexisting recorded encumbrances thereon and (b)  
5       encumbrances on the interest of the unit owner recorded  
6       prior to the date of such failure or refusal which by law  
7       would be a lien thereon prior to subsequently recorded  
8       encumbrances. Any action brought to extinguish the lien of  
9       the association shall include the association as a party.

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

1           (3) The purchaser of a condominium unit at a judicial  
2 foreclosure sale, or a mortgagee who receives title to a  
3 unit by deed in lieu of foreclosure or judgment by common  
4 law strict foreclosure or otherwise takes possession  
5 pursuant to court order under the Illinois Mortgage  
6 Foreclosure Law, shall have the duty to pay the unit's  
7 proportionate share of the common expenses for the unit  
8 assessed from and after the first day of the month after  
9 the date of the judicial foreclosure sale, delivery of the  
10 deed in lieu of foreclosure, entry of a judgment in common  
11 law strict foreclosure, or taking of possession pursuant to  
12 such court order. Such payment confirms the extinguishment  
13 of any lien created pursuant to paragraph (1) or (2) of  
14 this subsection (g) by virtue of the failure or refusal of  
15 a prior unit owner to make payment of common expenses,  
16 where the judicial foreclosure sale has been confirmed by  
17 order of the court, a deed in lieu thereof has been  
18 accepted by the lender, or a consent judgment has been  
19 entered by the court.

20           (4) The purchaser of a condominium unit at a judicial  
21 foreclosure sale, other than a mortgagee, or a purchaser of  
22 a condominium unit from a mortgagee who acquired title  
23 through a judicial foreclosure, a consent foreclosure, a  
24 common law strict foreclosure, or the delivery of a deed in  
25 lieu of foreclosure ~~who takes possession of a condominium~~  
26 ~~unit pursuant to a court order or a purchaser who acquires~~

1 ~~title from a mortgagee~~ shall have the duty to pay to the  
2 association an amount not to exceed the total of the unpaid  
3 regular monthly assessments for the condominium unit for  
4 the 9-month period immediately preceding the date of the  
5 judicial foreclosure sale, delivery of the deed in lieu of  
6 foreclosure, entry of a judgment in a common law strict  
7 foreclosure, or the taking of possession pursuant to a  
8 court order under the Illinois Mortgage Foreclosure Law.  
9 The amount due may include any attorney's fees incurred by  
10 the association due to the non-payment of the assessments  
11 during the same 9-month period, and in no event shall the  
12 total amount due exceed the sum of 9 months of regular  
13 monthly assessments ~~the proportionate share, if any, of the~~  
14 ~~common expenses for the unit which would have become due in~~  
15 ~~the absence of any assessment acceleration during the 6~~  
16 ~~months immediately preceding institution of an action to~~  
17 ~~enforce the collection of assessments, and which remain~~  
18 ~~unpaid by the owner during whose possession the assessments~~  
19 ~~accrued. If the outstanding assessments are paid at any~~  
20 ~~time during any action to enforce the collection of~~  
21 ~~assessments, the purchaser shall have no obligation to pay~~  
22 ~~any assessments which accrued before he or she acquired~~  
23 ~~title.~~

24 (5) The notice of sale of a condominium unit under  
25 subsection (c) of Section 15-1507 of the Code of Civil  
26 Procedure shall state that the purchaser of the unit other

1 than a mortgagee shall pay to the association amounts ~~the~~  
2 ~~assessments and the legal fees~~ required by subdivision  
3 ~~subdivisions (g) (1) and (g) (4)~~ of Section 9 of this Act.

4 The statement of assessment account issued by the  
5 association to a unit owner under subsection (i) of Section  
6 18 of this Act, and the disclosure statement issued to a  
7 prospective purchaser under Section 22.1 of this Act, shall  
8 state the amount ~~of the assessments and the legal fees, if~~  
9 ~~any,~~ required by subdivision ~~subdivisions (g) (1) and~~  
10 (g) (4) of Section 9 of this Act.

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

21 (i) Unless otherwise provided in the declaration, the  
22 members of the board of managers and their successors in  
23 office, acting on behalf of the other unit owners, shall have  
24 the power to bid on the interest so foreclosed at the  
25 foreclosure sale, and to acquire and hold, lease, mortgage and  
26 convey it.

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

12 (k) Nothing in Public Act 83-1271 is intended to change the  
13 lien priorities of any encumbrance created prior to August 30,  
14 1984.

15 (Source: P.A. 94-1049, eff. 1-1-07.)

16 (765 ILCS 605/22.1) (from Ch. 30, par. 322.1)

17 Sec. 22.1. (a) In the event of any resale of a condominium  
18 unit by a unit owner other than the developer, the Board of  
19 Managers shall produce for the seller and the prospective  
20 purchaser, either electronically or in writing, within 14 days  
21 of a request from the owner or the owner's agent if the  
22 association is managed by a community association management  
23 firm or a community association manager, as those terms are  
24 defined in Section 10 of the Community Association Manager  
25 Licensing and Disciplinary Act, and within 21 days if the

1 ~~association is self-managed: such owner shall obtain from the~~  
2 ~~Board of Managers and shall make available for inspection to~~  
3 ~~the prospective purchaser, upon demand, the following:~~

4 (1) A copy of the Declaration, by-laws, other  
5 condominium instruments and any rules and regulations.

6 (2) A statement of any liens, including a statement of  
7 the account of the unit setting forth the amounts ~~of unpaid~~  
8 ~~assessments and other charges~~ due and owing as authorized  
9 and limited by the provisions of Section 9 of this Act or  
10 the condominium instruments.

11 (3) A statement of any capital expenditures  
12 anticipated by the unit owner's association within the  
13 current or succeeding two fiscal years.

14 (4) A statement of the status and amount of any reserve  
15 for replacement fund and any portion of such fund earmarked  
16 for any specified project by the Board of Managers.

17 (5) A copy of the statement of financial condition of  
18 the unit owner's association for the last fiscal year for  
19 which such statement is available.

20 (6) A statement of the status of any pending suits or  
21 judgments in which the unit owner's association is a party.

22 (7) A statement setting forth what insurance coverage  
23 is provided for all unit owners by the unit owner's  
24 association.

25 (8) A statement that any improvements or alterations  
26 made to the unit, or the limited common elements assigned

1 thereto, by the prior unit owner are in good faith believed  
2 to be in compliance with the condominium instruments.

3 (9) The identity and mailing address of the principal  
4 officer of the unit owner's association or of the other  
5 officer or agent as is specifically designated to receive  
6 notices.

7 (10) If ownership of the condominium unit was  
8 transferred by either a judicial foreclosure sale, a  
9 consent foreclosure, a common law strict foreclosure, or a  
10 deed in lieu of foreclosure, a statement setting forth the  
11 total due and owing under subsection (g) of Section 9 of  
12 this Act.

13 (b) The principal officer of the unit owner's association  
14 or such other officer as is specifically designated shall  
15 furnish the above information when requested to do so either  
16 electronically or in writing and within 14 ~~30~~ days of the  
17 request.

18 (c) Within 15 days of the recording of a mortgage or trust  
19 deed against a unit ownership given by the owner of that unit  
20 to secure a debt, the owner shall inform the Board of Managers  
21 of the unit owner's association of the identity of the lender  
22 together with a mailing address at which the lender can receive  
23 notices from the association. If a unit owner fails or refuses  
24 to inform the Board as required under subsection (c) then that  
25 unit owner shall be liable to the association for all costs,  
26 expenses and reasonable attorneys fees and such other damages,

1 if any, incurred by the association as a result of such failure  
2 or refusal.

3 A reasonable fee covering the direct out-of-pocket cost of  
4 providing such information and copying may be charged by the  
5 association or its Board of Managers to the unit seller for  
6 providing such information.

7 (Source: P.A. 87-692.)

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.