



Sen. A. J. Wilhelmi

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1 AMENDMENT TO HOUSE BILL 271

2 AMENDMENT NO. _____. Amend House Bill 271 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Community Association Manager Act.

6 Section 5. Legislative intent. It is the intent of the
7 General Assembly that this Act provide for the regulation of
8 managers of community associations, ensure that those who hold
9 themselves out as possessing professional qualifications to
10 engage in the provision of community association management
11 services are, in fact, qualified to render management services
12 of a professional nature, and provide for the maintenance of
13 high standards of professional conduct by those licensed as
14 community association managers.

15 Section 10. Definitions. In this Act:

1 "Commission" means the Community Association Manager
2 Regulatory Commission.

3 "Community association" means an association in which
4 membership is a condition of ownership or shareholder interest
5 of a unit in a condominium, cooperative, townhouse, villa, or
6 other residential unit which is part of a residential
7 development plan and that is authorized to impose an
8 assessment, rents, or other costs that may become a lien on the
9 unit or lot.

10 "Community association manager" means an individual who
11 administers for remuneration the financial, administrative,
12 maintenance, or other duties for the community association,
13 including the following services: (A) collecting, controlling
14 or disbursing funds of the community association or having the
15 authority to do so; (B) preparing budgets or other financial
16 documents for the community association; (C) assisting in the
17 conduct of community association meetings; (D) maintaining
18 association records; and (E) administrating association
19 contracts, as stated in the declaration, bylaws, proprietary
20 lease, declaration of covenants, or other governing document of
21 the community association. "Community association manager"
22 does not mean support staff, including, but not limited to
23 bookkeepers, administrative assistants, secretaries, property
24 inspectors, or customer service representatives.

25 "Department" means the Department of Financial and
26 Professional Regulation.

1 "License" means the license issued to a person to act as a
2 community association manager under this Act.

3 "Licensee" means a person to whom a license has been issued
4 under this Act.

5 Section 15. License required. No person may provide
6 services as a community association manager to community
7 associations in this State after January 1, 2011, unless he or
8 she holds a current and valid license issued by the Department
9 or is otherwise exempt from licensure under this Act.

10 Section 20. Exemptions; distinction from real estate
11 license.

12 (a) This Act does not apply to any of the following:

13 (1) Any director, officer, or member of a community
14 association providing one or more of the services of a
15 community association manager without compensation for
16 such services to the association.

17 (2) Any person providing one or more of the services of
18 a community association manager to a community association
19 of 10 units or less.

20 (3) A licensed attorney acting solely as an incident to
21 the practice of law.

22 (4) A person acting as a receiver, trustee in
23 bankruptcy, administrator, executor, or guardian acting
24 under a court order or under the authority of a will or of

1 a trust instrument.

2 (b) A licensed community association manager may not
3 perform or engage in any activities for which a real estate
4 broker or real estate salesperson license is required under the
5 Real Estate License Act of 2000, unless he or she also
6 possesses a current license under the Real Estate License Act
7 of 2000 and is providing those services as provided for in that
8 Act and the applicable rules.

9 Section 25. Community Association Manager Regulatory
10 Commission.

11 (a) There is hereby created the Community Association
12 Manager Regulatory Commission, which shall consist of 7 members
13 appointed by the Governor, with the advice and consent of the
14 Senate. All members must be residents of the State and must
15 have resided in the State for at least 5 years immediately
16 preceding the date of appointment. Five members of the
17 Commission must be licensees under this Act, except that,
18 initially, these members must meet the qualifications for
19 licensure and must obtain a license within 6 months after the
20 rules to administer this Act are adopted by the Department. Two
21 members of the Commission shall be owners or shareholders of a
22 unit in a community association at the time of appointment who
23 are not licensees under this Act.

24 (b) Commission members shall serve for terms of 5 years,
25 except that, initially, 4 members shall serve for 5 years and 3

1 members shall serve for 3 years. All members shall serve until
2 his or her successor is appointed and qualified. All vacancies
3 shall be filled in like manner for the unexpired term. The
4 Governor shall remove from the Commission any member whose
5 license has become void or has been revoked or suspended and
6 may remove any member of the Commission for neglect of duty,
7 misconduct, or incompetence.

8 (c) The presence of two-thirds of the full Commission shall
9 constitute a quorum for the transaction of business. Action
10 shall only be taken upon the majority vote of a quorum, except
11 regarding disciplinary actions, which shall require a
12 unanimous vote of a quorum.

13 (d) Any member of the Commission, any attorney providing
14 advice to the Commission, any person acting as a consultant to
15 the Commission, and any witness testifying in a proceeding
16 authorized under this Act, excluding the party making the
17 complaint, shall be immune from liability in any civil action
18 brought against him or her for acts occurring while acting in
19 his or her capacity as a Commission member, consultant, or
20 witness, respectively, unless the conduct that gave rise to the
21 action was willful or wanton misconduct.

22 Section 30. Powers and duties of the Department. The
23 Department shall exercise the powers and duties prescribed by
24 the Civil Administrative Code of Illinois for the
25 administration of licensure Acts and shall exercise other

1 powers and duties necessary for effectuating the purposes of
2 this Act.

3 Section 35. Powers and duties of the Commission. The
4 Commission may perform each of the following:

5 (1) Elect annually from among its members a chairperson
6 and prescribe the duties of such office.

7 (2) Assist the Department in the following matters:

8 (A) enforcing the rules of professional conduct as
9 stated under this Act;

10 (B) developing appropriate administrative
11 enforcement procedures for violations of the rules of
12 professional conduct;

13 (C) providing forms and receiving applications for
14 licensure;

15 (D) creating examinations to be given to
16 applicants;

17 (E) issuing licenses and renewals as provided
18 under this Act;

19 (F) imposing disciplinary actions in the manner
20 prescribed under this Act; and

21 (G) determining the criteria to be included in the
22 State examination and to administer or cause to be
23 administered the State examination.

24 Section 40. Qualifications.

1 (a) No person shall be qualified for licensure under this
2 Act, unless he or she meets all of the following
3 qualifications:

4 (1) He or she is at least 21 years of age.

5 (2) He or she is a citizen or legal permanent resident
6 of the United States.

7 (3) He or she has not been convicted of a felony.

8 (4) He or she provides satisfactory evidence to the
9 Commission of having completed at least 20 classroom hours
10 in community association management courses approved by
11 the Commission.

12 (5) He or she has successfully completed an examination
13 covering the fundamentals of community association
14 management, including the Condominium Property Act, the
15 General Not For Profit Corporation Act of 1986, and any
16 other statutes that the Commission deems appropriate as it
17 relates to community association management.

18 (6) He or she has not had a license suspended or
19 revoked in any jurisdiction as a community association
20 manager, or the comparable category of licensee, or been
21 convicted of any offense in any jurisdiction arising from
22 actions as a community association manager.

23 (b) Notwithstanding the provisions of subsection (a) of
24 this Section:

25 (1) the education requirement to qualify for the
26 licensing examination does not apply to persons holding a

1 real estate broker or real estate salesperson license
2 issued under the Real Estate License Act of 2000; and

3 (2) the examination and initial education requirement
4 shall not apply to persons who, within 6 months after the
5 rules to administer this Act are adopted by the Department,
6 apply for a license by providing satisfactory evidence to
7 the Department and the Commission of qualifying experience
8 or education, including without limitation evidence that
9 he or she has (A) practiced community association
10 management for a period of 5 years or (B) achieved a
11 designation awarded by recognized community association
12 management organizations in the State.

13 Section 45. Examination.

14 (a) Every person who makes application for initial
15 licensure as a community association manager shall personally
16 take and achieve a passing score on a nationally prepared and
17 administered standardized examination for the community
18 association management profession. The standardized
19 examination must be developed according to the basic principles
20 of professional testing standards utilizing psychometric
21 measurement. The examination shall be prepared by an
22 independent testing service designated by the Commission using
23 standards set forth by the National Organization for Competency
24 Assurances and shall be approved by the Department.

25 (b) The designated independent testing service shall

1 conduct the examinations at such times and places as the
2 Commission shall approve.

3 (c) An applicant shall be eligible to take the examination
4 only after successfully completing the education requirements
5 set forth in this Act and attaining the minimum age required
6 under this Act.

7 Section 50. Fidelity insurance; segregation of accounts.

8 (a) A licensee or the firm with which the licensee is
9 employed shall not have access to and disburse funds of a
10 community association unless each of the following conditions
11 occur:

12 (1) There is fidelity insurance in place to insure
13 against loss for theft of community association funds.

14 (2) The fidelity insurance coverage is not less than
15 all moneys under the limit of the licensee or the firm of
16 the licensee for the association.

17 (3) The fidelity insurance covers the licensee and all
18 partners, officers, and employees of the firm with whom the
19 licensee is employed during the term of the insurance
20 coverage, as well as the association officers, directors,
21 and employees.

22 (4) The insurance company issuing the fidelity
23 insurance may not cancel or refuse to renew the bond
24 without giving at least 10 days prior written notice.

25 (5) Unless an agreement between the community

1 association and the licensee or a management company
2 provides to the contrary, the association secures and pays
3 for the fidelity insurance.

4 The community association manager must be named as an
5 additional insured party on the association policy.

6 (b) A licensee who provides community association
7 management services for more than one community association
8 shall maintain separate, segregated accounts for each
9 community association or, with the consent of the association,
10 combine the accounts of one or more associations, but in that
11 event, separately account for the funds of each association.
12 The funds shall not, in any event, be commingled with the
13 licensee's or firm's funds. The maintenance of such accounts by
14 the licensee shall be custodial, and such accounts shall be in
15 the name of the respective community association or firm as the
16 agent for the association.

17 (c) The licensee or the firm of the licensee shall also
18 obtain the appropriate general liability and errors and
19 omissions insurance to cover any losses or claims against
20 community association clients.

21 Section 55. Disciplinary action.

22 (a) Disciplinary action recommended by the Commission and
23 imposed by the Department may consist of one or more of the
24 following:

25 (1) The revocation or suspension of a license.

1 (2) The refusal to renew or reinstate a license.

2 (3) The placement of the community association manager
3 on probation for a reasonable period of time.

4 (4) The issuance of a reprimand or a censor to the
5 community association manager.

6 (5) The imposition of a reasonable fine.

7 (b) A community association manager is subject to
8 disciplinary action if the community association manager
9 commits any of the following:

10 (1) A felony or offense involving moral turpitude or
11 unprofessional conduct.

12 (2) Any violation of this Act or the provisions of an
13 order of the Department or an agreement with the
14 Department.

15 (3) Failure to cooperate with the Commission in the
16 investigation of a complaint, including without limitation
17 failure to produce any document, book, or record in the
18 possession or control of the community association manager
19 after the Commission or the Department requests production
20 of such document, book, or record in the course of an
21 investigation of a complaint.

22 Section 60. Fees.

23 (a) All fees shall be deposited into the Community
24 Association Manager Licensing Fund, which is hereby created as
25 a special fund in the State treasury.

1 (b) A fee not to exceed \$100 shall be paid for each
2 application made to the Department, whether the same is an
3 application for examination or reexamination or for issuance,
4 renewal, reactivation, or reinstatement of a license or any
5 other application requiring formal action or consideration by
6 the Department.

7 (c) All fees shall be paid to the Department or its
8 authorized representative and shall be paid by the applicant in
9 advance of examination dates or of any action by the
10 Department.

11 (d) Fees imposed under this Act shall not be increased
12 within a given year by more than a percentage that exceeds the
13 percentage increase, if any, in the Consumer Price Index for
14 All Urban Consumers for the Midwest Area for all items
15 published by the U.S. Department of Labor for the 12 months
16 ending on the previous December 31.

17 Section 65. Licensure; renewal; reactivation;
18 reinstatement.

19 (a) All licenses issued under this Act shall expire every 4
20 years on a date established by the Department, but may be
21 renewed upon the payment of the renewal fee authorized by this
22 Section and satisfactory completion of mandatory continuing
23 education.

24 (b) Any person may reactivate an expired license within a
25 one-year grace period after the date of its expiration by

1 making written application for reactivation and paying a
2 reactivation fee imposed by the Department.

3 (c) In the event that a person fails to reactivate his or
4 her license within the one-year grace period specified in this
5 Section, a person may reinstate such license within 4 years
6 after the date of the expiration of the grace period by making
7 written application for reinstatement, paying a reinstatement
8 fee, and providing proof to the Department of his or her
9 continued professional competence as required by the
10 Department. Thereafter, a person shall not be reinstated unless
11 he or she fulfills and meets the requirements and conditions
12 required of an applicant applying for the issuance of an
13 original license, which requirements shall include retaking
14 and passing the licensure examination.

15 (d) Any person who performs community association
16 management services after the expiration of his or her license
17 shall be practicing in violation of this Act and be subject to
18 any of the sanctions authorized under this Act. The Department
19 may refuse to reactivate or reinstate any expired license for
20 conduct that constitutes a violation of any provision of this
21 Act.

22 Section 70. Continuing education.

23 (a) Except as otherwise provided in this Section, each
24 person who applies for renewal of his or her license as a
25 community association manager must successfully complete

1 continuing education courses approved by the Commission at the
2 rate of 4 hours per year or its equivalent or 16 hours over a 4
3 year period. No license may be renewed except upon the
4 successful completion of the required courses or their
5 equivalent as determined by the Department with the
6 recommendation of the Commission.

7 (b) The continuing education requirement for community
8 association managers shall consist of a curriculum established
9 by the Commission. In establishing the curriculum, the
10 Commission shall consider subjects that will educate licensees
11 on recent changes in applicable laws and new laws and refresh
12 the licensee in areas of community association management that
13 the Commission deems appropriate, and any other areas that the
14 Commission deems timely and applicable in order to prevent
15 violations of this Act and to protect the public.

16 (c) Individuals who complete authorized courses in the core
17 curriculum or elective courses to renew a real estate broker or
18 real estate salesperson license shall receive credit for each
19 course to calculate the continuing education requirement to
20 renew a community association manager license.

21 (d) The curriculum developed by the Commission shall
22 qualify as elective courses required to achieve or renew a real
23 estate broker or real estate salesperson license under the Real
24 Estate License Act.

25 Section 80. Rulemaking conditions. Rulemaking authority to

1 implement this Act, if any, is conditioned on the rules being
2 adopted in accordance with all provisions of the Illinois
3 Administrative Procedure Act and all rules and procedures of
4 the Joint Committee on Administrative Rules; any purported rule
5 not so adopted, for whatever reason, is unauthorized.

6 Section 900. The Regulatory Sunset Act is amended by adding
7 Section 4.31 as follows:

8 (5 ILCS 80/4.31 new)

9 Sec. 4.31. Act repealed on January 1, 2021. The following
10 Act is repealed on January 1, 2021:

11 The Community Association Manager Act.

12 Section 905. The State Finance Act is amended by adding
13 Section 5.719 as follows:

14 (30 ILCS 105/5.719 new)

15 Sec. 5.719. The Community Association Manager Licensing
16 Fund.

17 (765 ILCS 605/18.7 rep.)

18 Section 910. The Condominium Property Act is amended by
19 repealing Section 18.7.

20 Section 999. Effective date. This Act takes effect upon

1 becoming law.".