



Rep. Terra Costa Howard

Filed: 3/12/2025

10400HB2563ham001

LRB104 09919 JRC 23621 a

1 AMENDMENT TO HOUSE BILL 2563

2 AMENDMENT NO. _____. Amend House Bill 2563 as follows:

3 on page 6, line 6, after "22.1" by inserting "and by adding
4 Section 18.13"; and

5 on page 27, immediately below line 3 by inserting the
6 following:

7 "(765 ILCS 605/18.13 new)

8 Sec. 18.13. Reserve Study.

9 (a) As used in this Section:

10 "Major shared components or significant infrastructure"
11 means structural, mechanical, electrical, and plumbing
12 components of the common elements and any other components
13 that are the responsibility of the association to maintain,
14 restore, repair, and replace, or infrastructure, including,
15 but not limited to, roads, street lighting, hardscape,

1 landscape, ponds and lakes, water features, pools, and
2 accessory buildings, if applicable, with a restoration or
3 replacement cost exceeding \$10,000, which are capital expenses
4 as identified in the federal tax code and generally accepted
5 accounting principles.

6 "Reserve study" means an analysis of the reserves required
7 for future major maintenance, repairs, and replacements of the
8 common elements that:

9 (1) identifies each structural, mechanical,
10 electrical, and plumbing component of the common elements
11 and any other components that are the responsibility of
12 the association to maintain, repair, and replace;

13 (2) states the normal useful life and the estimated
14 remaining useful life of each identified component;

15 (3) states the estimated cost of maintenance, repair,
16 or replacement of each identified component; and

17 (4) states the estimated annual reserve amount
18 necessary to accomplish any identified future maintenance,
19 repair, or replacement.

20 (b) Any association with major shared components or
21 significant infrastructure shall cause a reserve study to be
22 conducted and updated in accordance with this Section.

23 (c) Any association with major shared components or
24 significant infrastructure that has had a reserve study
25 conducted on or after January 1, 2024, shall have an updated
26 reserve study conducted within 5 years after the date the

1 reserve study was conducted, and at least every 5 years
2 thereafter, for purposes of assessing the condition of and
3 planning for maintenance, repair, and replacement of the
4 common elements.

5 (d) Any association with major shared components or
6 significant infrastructure that has not had a reserve study
7 conducted on or after January 1, 2024, shall require that a
8 reserve study be conducted on or before January 1, 2028, and
9 shall update the study every 5 years for purposes of assessing
10 the condition of and planning for maintenance, repair, and
11 replacement of the common elements.

12 (e) The reserve study and any update to the reserve study
13 shall be conducted by a qualified person, association,
14 organization, or business entity that is knowledgeable about
15 the major shared components or significant infrastructure that
16 will be the subject of the reserve study. A qualified person,
17 association, organization, or business entity is one that has
18 experience and knowledge about the normal useful life,
19 function, performance, condition, maintenance, repair, and
20 replacement of any one or more of the major shared components
21 or significant infrastructure that will be the subject of the
22 reserve study, as well as the related expenses. The reserve
23 study is not required to be conducted by a single person,
24 association, organization, or business entity. An association
25 may internally prepare a reserve study provided that such a
26 reserve study compiles information from a qualified person,

1 association, organization, or business entity.

2 (f) In the event of resale of any unit in the association,
3 a copy of the most recent reserve study, if any, shall be made
4 available to any prospective purchaser, upon request.

5 (g) Any association with 15 or fewer units is exempt from
6 the requirements of this Section; however, the board must
7 still comply with budgeting and reserve requirements as
8 provided elsewhere in the Act or in the community
9 instruments."