



Rep. Jaime M. Andrade, Jr.

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10200HB0800ham001

LRB102 12538 LNS 23266 a

1 AMENDMENT TO HOUSE BILL 800

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 800 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Condominium Property Act is amended by  
5 changing Sections 18 and 18.7 as follows:

6 (765 ILCS 605/18) (from Ch. 30, par. 318)

7 Sec. 18. Contents of bylaws. The bylaws shall provide for  
8 at least the following:

9 (a) (1) The election from among the unit owners of a  
10 board of managers, the number of persons constituting such  
11 board, and that the terms of at least one-third of the  
12 members of the board shall expire annually and that all  
13 members of the board shall be elected at large; if there  
14 are multiple owners of a single unit, only one of the  
15 multiple owners shall be eligible to serve as a member of  
16 the board at any one time;

1 (2) the powers and duties of the board;

2 (3) the compensation, if any, of the members of the  
3 board;

4 (4) the method of removal from office of members of  
5 the board;

6 (5) that the board may engage the services of a  
7 manager or managing agent;

8 (6) that each unit owner shall receive, at least 25  
9 days prior to the adoption thereof by the board of  
10 managers, a copy of the proposed annual budget together  
11 with an indication of which portions are intended for  
12 reserves, capital expenditures or repairs or payment of  
13 real estate taxes;

14 (7) that the board of managers shall annually supply  
15 to all unit owners an itemized accounting of the common  
16 expenses for the preceding year actually incurred or paid,  
17 together with an indication of which portions were for  
18 reserves, capital expenditures or repairs or payment of  
19 real estate taxes and with a tabulation of the amounts  
20 collected pursuant to the budget or assessment, and  
21 showing the net excess or deficit of income over  
22 expenditures plus reserves;

23 (8) (i) that each unit owner shall receive notice, in  
24 the same manner as is provided in this Act for membership  
25 meetings, of any meeting of the board of managers  
26 concerning the adoption of the proposed annual budget and

1 regular assessments pursuant thereto or to adopt a  
2 separate (special) assessment, (ii) that except as  
3 provided in subsection (iv) below, if an adopted budget or  
4 any separate assessment adopted by the board would result  
5 in the sum of all regular and separate assessments payable  
6 in the current fiscal year exceeding 115% of the sum of all  
7 regular and separate assessments payable during the  
8 preceding fiscal year, the board of managers, upon written  
9 petition by unit owners with 20 percent of the votes of the  
10 association delivered to the board within 21 days of the  
11 board action, shall call a meeting of the unit owners  
12 within 30 days of the date of delivery of the petition to  
13 consider the budget or separate assessment; unless a  
14 majority of the total votes of the unit owners are cast at  
15 the meeting to reject the budget or separate assessment,  
16 it is ratified, (iii) that any common expense not set  
17 forth in the budget or any increase in assessments over  
18 the amount adopted in the budget shall be separately  
19 assessed against all unit owners, (iv) that separate  
20 assessments for expenditures relating to emergencies or  
21 mandated by law may be adopted by the board of managers  
22 without being subject to unit owner approval or the  
23 provisions of item (ii) above or item (v) below. As used  
24 herein, "emergency" means an immediate danger to the  
25 structural integrity of the common elements or to the  
26 life, health, safety or property of the unit owners, (v)

1 that assessments for additions and alterations to the  
2 common elements or to association-owned property not  
3 included in the adopted annual budget, shall be separately  
4 assessed and are subject to approval of two-thirds of the  
5 total votes of all unit owners, (vi) that the board of  
6 managers may adopt separate assessments payable over more  
7 than one fiscal year. With respect to multi-year  
8 assessments not governed by items (iv) and (v), the entire  
9 amount of the multi-year assessment shall be deemed  
10 considered and authorized in the first fiscal year in  
11 which the assessment is approved;

12 (9) (A) that every meeting of the board of managers  
13 shall be open to any unit owner, except that the board may  
14 close any portion of a noticed meeting or meet separately  
15 from a noticed meeting to: (i) discuss litigation when an  
16 action against or on behalf of the particular association  
17 has been filed and is pending in a court or administrative  
18 tribunal, or when the board of managers finds that such an  
19 action is probable or imminent, (ii) discuss the  
20 appointment, employment, engagement, or dismissal of an  
21 employee, independent contractor, agent, or other provider  
22 of goods and services, (iii) interview a potential  
23 employee, independent contractor, agent, or other provider  
24 of goods and services, (iv) discuss violations of rules  
25 and regulations of the association, (v) discuss a unit  
26 owner's unpaid share of common expenses, or (vi) consult

1 with the association's legal counsel; that any vote on  
2 these matters shall take place at a meeting of the board of  
3 managers or portion thereof open to any unit owner;

4 (B) that board members may participate in and act at  
5 any meeting of the board of managers in person, by  
6 telephonic means, or by use of any acceptable  
7 technological means whereby all persons participating in  
8 the meeting can communicate with each other; that  
9 participation constitutes attendance and presence in  
10 person at the meeting;

11 (C) that any unit owner may record the proceedings at  
12 meetings of the board of managers or portions thereof  
13 required to be open by this Act by tape, film or other  
14 means, and that the board may prescribe reasonable rules  
15 and regulations to govern the right to make such  
16 recordings;

17 (D) that notice of every meeting of the board of  
18 managers shall be given to every board member at least 48  
19 hours prior thereto, unless the board member waives notice  
20 of the meeting pursuant to subsection (a) of Section 18.8;  
21 and

22 (E) that notice of every meeting of the board of  
23 managers shall be posted in entranceways, elevators, or  
24 other conspicuous places in the condominium at least 48  
25 hours prior to the meeting of the board of managers except  
26 where there is no common entranceway for 7 or more units,

1 the board of managers may designate one or more locations  
2 in the proximity of these units where the notices of  
3 meetings shall be posted; that notice of every meeting of  
4 the board of managers shall also be given at least 48 hours  
5 prior to the meeting, or such longer notice as this Act may  
6 separately require, to: (i) each unit owner who has  
7 provided the association with written authorization to  
8 conduct business by acceptable technological means, and  
9 (ii) to the extent that the condominium instruments of an  
10 association require, to each other unit owner, as required  
11 by subsection (f) of Section 18.8, by mail or delivery,  
12 and that no other notice of a meeting of the board of  
13 managers need be given to any unit owner;

14 (10) that the board shall meet at least 4 times  
15 annually;

16 (11) that no member of the board or officer shall be  
17 elected for a term of more than 2 years, but that officers  
18 and board members may succeed themselves;

19 (12) the designation of an officer to mail and receive  
20 all notices and execute amendments to condominium  
21 instruments as provided for in this Act and in the  
22 condominium instruments;

23 (13) the method of filling vacancies on the board  
24 which shall include authority for the remaining members of  
25 the board to fill the vacancy by two-thirds vote until the  
26 next annual meeting of unit owners or for a period

1 terminating no later than 30 days following the filing of  
2 a petition signed by unit owners holding 20% of the votes  
3 of the association requesting a meeting of the unit owners  
4 to fill the vacancy for the balance of the term, and that a  
5 meeting of the unit owners shall be called for purposes of  
6 filling a vacancy on the board no later than 30 days  
7 following the filing of a petition signed by unit owners  
8 holding 20% of the votes of the association requesting  
9 such a meeting, and the method of filling vacancies among  
10 the officers that shall include the authority for the  
11 members of the board to fill the vacancy for the unexpired  
12 portion of the term;

13 (14) what percentage of the board of managers, if  
14 other than a majority, shall constitute a quorum;

15 (15) provisions concerning notice of board meetings to  
16 members of the board;

17 (16) the board of managers may not enter into a  
18 contract with a current board member or with a corporation  
19 or partnership in which a board member or a member of the  
20 board member's immediate family has 25% or more interest,  
21 unless notice of intent to enter the contract is given to  
22 unit owners within 20 days after a decision is made to  
23 enter into the contract and the unit owners are afforded  
24 an opportunity by filing a petition, signed by 20% of the  
25 unit owners, for an election to approve or disapprove the  
26 contract; such petition shall be filed within 30 days

1 after such notice and such election shall be held within  
2 30 days after filing the petition; for purposes of this  
3 subsection, a board member's immediate family means the  
4 board member's spouse, parents, and children;

5 (16.1) that a statement of commission and its amount  
6 shall be provided to the board, and the board shall make  
7 such information available to unit owners;

8 (17) that the board of managers may disseminate to  
9 unit owners biographical and background information about  
10 candidates for election to the board if (i) reasonable  
11 efforts to identify all candidates are made and all  
12 candidates are given an opportunity to include  
13 biographical and background information in the information  
14 to be disseminated; and (ii) the board does not express a  
15 preference in favor of any candidate;

16 (18) any proxy distributed for board elections by the  
17 board of managers gives unit owners the opportunity to  
18 designate any person as the proxy holder, and gives the  
19 unit owner the opportunity to express a preference for any  
20 of the known candidates for the board or to write in a  
21 name;

22 (19) that special meetings of the board of managers  
23 can be called by the president or 25% of the members of the  
24 board;

25 (20) that the board of managers may establish and  
26 maintain a system of master metering of public utility



1 services and collect payments in connection therewith,  
2 subject to the requirements of the Tenant Utility Payment  
3 Disclosure Act; and

4 (21) that the board may ratify and confirm actions of  
5 the members of the board taken in response to an  
6 emergency, as that term is defined in subdivision  
7 (a)(8)(iv) of this Section; that the board shall give  
8 notice to the unit owners of: (i) the occurrence of the  
9 emergency event within 7 business days after the emergency  
10 event, and (ii) the general description of the actions  
11 taken to address the event within 7 days after the  
12 emergency event.

13 The intent of the provisions of Public Act 99-472  
14 adding this paragraph (21) is to empower and support  
15 boards to act in emergencies.

16 (b)(1) What percentage of the unit owners, if other  
17 than 20%, shall constitute a quorum provided that, for  
18 condominiums with 20 or more units, the percentage of unit  
19 owners constituting a quorum shall be 20% unless the unit  
20 owners holding a majority of the percentage interest in  
21 the association provide for a higher percentage, provided  
22 that in voting on amendments to the association's bylaws,  
23 a unit owner who is in arrears on the unit owner's regular  
24 or separate assessments for 60 days or more, shall not be  
25 counted for purposes of determining if a quorum is  
26 present, but that unit owner retains the right to vote on

1 amendments to the association's bylaws;

2 (2) that the association shall have one class of  
3 membership;

4 (3) that the members shall hold an annual meeting, one  
5 of the purposes of which shall be to elect members of the  
6 board of managers;

7 (4) the method of calling meetings of the unit owners;

8 (5) that special meetings of the members can be called  
9 by the president, board of managers, or by 20% of unit  
10 owners;

11 (6) that written notice of any membership meeting  
12 shall be mailed or delivered giving members no less than  
13 10 and no more than 30 days notice of the time, place and  
14 purpose of such meeting except that notice may be sent, to  
15 the extent the condominium instruments or rules adopted  
16 thereunder expressly so provide, by electronic  
17 transmission consented to by the unit owner to whom the  
18 notice is given, provided the director and officer or his  
19 agent certifies in writing to the delivery by electronic  
20 transmission;

21 (7) that voting shall be on a percentage basis, and  
22 that the percentage vote to which each unit is entitled is  
23 the percentage interest of the undivided ownership of the  
24 common elements appurtenant thereto, provided that the  
25 bylaws may provide for approval by unit owners in  
26 connection with matters where the requisite approval on a

1 percentage basis is not specified in this Act, on the  
2 basis of one vote per unit;

3 (8) that, where there is more than one owner of a unit,  
4 if only one of the multiple owners is present at a meeting  
5 of the association, he is entitled to cast all the votes  
6 allocated to that unit, if more than one of the multiple  
7 owners are present, the votes allocated to that unit may  
8 be cast only in accordance with the agreement of a  
9 majority in interest of the multiple owners, unless the  
10 declaration expressly provides otherwise, that there is  
11 majority agreement if any one of the multiple owners cast  
12 the votes allocated to that unit without protest being  
13 made promptly to the person presiding over the meeting by  
14 any of the other owners of the unit;

15 (9) (A) except as provided in subparagraph (B) of this  
16 paragraph (9) in connection with board elections, that a  
17 unit owner may vote by proxy executed in writing by the  
18 unit owner or by his duly authorized attorney in fact;  
19 that the proxy must bear the date of execution and, unless  
20 the condominium instruments or the written proxy itself  
21 provide otherwise, is invalid after 11 months from the  
22 date of its execution; to the extent the condominium  
23 instruments or rules adopted thereunder expressly so  
24 provide, a vote or proxy may be submitted by electronic  
25 transmission, provided that any such electronic  
26 transmission shall either set forth or be submitted with

1 information from which it can be determined that the  
2 electronic transmission was authorized by the unit owner  
3 or the unit owner's proxy;

4 (B) that if a rule adopted at least 120 days before a  
5 board election or the declaration or bylaws provide for  
6 balloting as set forth in this subsection, unit owners may  
7 not vote by proxy in board elections, but may vote only (i)  
8 by submitting an association-issued ballot in person at  
9 the election meeting or (ii) by submitting an  
10 association-issued ballot to the association or its  
11 designated agent by mail or other means of delivery  
12 specified in the declaration, bylaws, or rule; that the  
13 ballots shall be mailed or otherwise distributed to unit  
14 owners not less than 10 and not more than 30 days before  
15 the election meeting, and the board shall give unit owners  
16 not less than 21 days' prior written notice of the  
17 deadline for inclusion of a candidate's name on the  
18 ballots; that the deadline shall be no more than 7 days  
19 before the ballots are mailed or otherwise distributed to  
20 unit owners; that every such ballot must include the names  
21 of all candidates who have given the board or its  
22 authorized agent timely written notice of their candidacy  
23 and must give the person casting the ballot the  
24 opportunity to cast votes for candidates whose names do  
25 not appear on the ballot; that a ballot received by the  
26 association or its designated agent after the close of

1 voting shall not be counted; that a unit owner who submits  
2 a ballot by mail or other means of delivery specified in  
3 the declaration, bylaws, or rule may request and cast a  
4 ballot in person at the election meeting, and thereby void  
5 any ballot previously submitted by that unit owner;

6 (B-5) that if a rule adopted at least 120 days before a  
7 board election or the declaration or bylaws provide for  
8 balloting as set forth in this subparagraph, unit owners  
9 may not vote by proxy in board elections, but may vote only  
10 (i) by submitting an association-issued ballot in person  
11 at the election meeting; or (ii) by any acceptable  
12 technological means as defined in Section 2 of this Act;  
13 instructions regarding the use of electronic means for  
14 voting shall be distributed to all unit owners not less  
15 than 10 and not more than 30 days before the election  
16 meeting, and the board shall give unit owners not less  
17 than 21 days' prior written notice of the deadline for  
18 inclusion of a candidate's name on the ballots; the  
19 deadline shall be no more than 7 days before the  
20 instructions for voting using electronic or acceptable  
21 technological means is distributed to unit owners; every  
22 instruction notice must include the names of all  
23 candidates who have given the board or its authorized  
24 agent timely written notice of their candidacy and must  
25 give the person voting through electronic or acceptable  
26 technological means the opportunity to cast votes for

1 candidates whose names do not appear on the ballot; a unit  
2 owner who submits a vote using electronic or acceptable  
3 technological means may request and cast a ballot in  
4 person at the election meeting, thereby voiding any vote  
5 previously submitted by that unit owner;

6 (C) that if a written petition by unit owners with at  
7 least 20% of the votes of the association is delivered to  
8 the board within 30 days after the board's approval of a  
9 rule adopted pursuant to subparagraph (B) or subparagraph  
10 (B-5) of this paragraph (9), the board shall call a  
11 meeting of the unit owners within 30 days after the date of  
12 delivery of the petition; that unless a majority of the  
13 total votes of the unit owners are cast at the meeting to  
14 reject the rule, the rule is ratified;

15 (D) that votes cast by ballot under subparagraph (B)  
16 or electronic or acceptable technological means under  
17 subparagraph (B-5) of this paragraph (9) are valid for the  
18 purpose of establishing a quorum;

19 (10) that the association may, upon adoption of the  
20 appropriate rules by the board of managers, conduct  
21 elections by secret ballot whereby the voting ballot is  
22 marked only with the percentage interest for the unit and  
23 the vote itself, provided that the board further adopt  
24 rules to verify the status of the unit owner issuing a  
25 proxy or casting a ballot; and further, that a candidate  
26 for election to the board of managers or such candidate's

1 representative shall have the right to be present at the  
2 counting of ballots at such election;

3 (11) that in the event of a resale of a condominium  
4 unit the purchaser of a unit from a seller other than the  
5 developer pursuant to an installment sales contract for  
6 purchase shall during such times as he or she resides in  
7 the unit be counted toward a quorum for purposes of  
8 election of members of the board of managers at any  
9 meeting of the unit owners called for purposes of electing  
10 members of the board, shall have the right to vote for the  
11 election of members of the board of managers and to be  
12 elected to and serve on the board of managers unless the  
13 seller expressly retains in writing any or all of such  
14 rights. In no event may the seller and purchaser both be  
15 counted toward a quorum, be permitted to vote for a  
16 particular office or be elected and serve on the board.  
17 Satisfactory evidence of the installment sales contract  
18 shall be made available to the association or its agents.  
19 For purposes of this subsection, "installment sales  
20 contract" shall have the same meaning as set forth in  
21 Section 5 of the Installment Sales Contract Act and  
22 Section 1(e) of the Dwelling Unit Installment Contract  
23 Act;

24 (12) the method by which matters subject to the  
25 approval of unit owners set forth in this Act, or in the  
26 condominium instruments, will be submitted to the unit

1 owners at special membership meetings called for such  
2 purposes; and

3 (13) that matters subject to the affirmative vote of  
4 not less than 2/3 of the votes of unit owners at a meeting  
5 duly called for that purpose, shall include, but not be  
6 limited to:

7 (i) merger or consolidation of the association;

8 (ii) sale, lease, exchange, or other disposition  
9 (excluding the mortgage or pledge) of all, or  
10 substantially all of the property and assets of the  
11 association; and

12 (iii) the purchase or sale of land or of units on  
13 behalf of all unit owners.

14 (c) Election of a president from among the board of  
15 managers, who shall preside over the meetings of the board  
16 of managers and of the unit owners.

17 (d) Election of a secretary from among the board of  
18 managers, who shall keep the minutes of all meetings of  
19 the board of managers and of the unit owners and who shall,  
20 in general, perform all the duties incident to the office  
21 of secretary.

22 (e) Election of a treasurer from among the board of  
23 managers, who shall keep the financial records and books  
24 of account.

25 (f) Maintenance, repair and replacement of the common  
26 elements and payments therefor, including the method of



1 approving payment vouchers.

2 (g) An association with 30 or more units shall obtain  
3 and maintain fidelity insurance covering persons who  
4 control or disburse funds of the association for the  
5 maximum amount of coverage available to protect funds in  
6 the custody or control of the association plus the  
7 association reserve fund. All management companies which  
8 are responsible for the funds held or administered by the  
9 association shall maintain and furnish to the association  
10 a fidelity bond for the maximum amount of coverage  
11 available to protect funds in the custody of the  
12 management company at any time. The association shall bear  
13 the cost of the fidelity insurance and fidelity bond,  
14 unless otherwise provided by contract between the  
15 association and a management company. The association  
16 shall be the direct obligee of any such fidelity bond. A  
17 management company holding reserve funds of an association  
18 shall at all times maintain a separate account for each  
19 association, provided, however, that for investment  
20 purposes, the Board of Managers of an association may  
21 authorize a management company to maintain the  
22 association's reserve funds in a single interest bearing  
23 account with similar funds of other associations. The  
24 management company shall at all times maintain records  
25 identifying all moneys of each association in such  
26 investment account. The management company may hold all

1 operating funds of associations which it manages in a  
2 single operating account but shall at all times maintain  
3 records identifying all moneys of each association in such  
4 operating account. Such operating and reserve funds held  
5 by the management company for the association shall not be  
6 subject to attachment by any creditor of the management  
7 company.

8 For the purpose of this subsection, a management  
9 company shall be defined as a person, partnership,  
10 corporation, or other legal entity entitled to transact  
11 business on behalf of others, acting on behalf of or as an  
12 agent for a unit owner, unit owners or association of unit  
13 owners for the purpose of carrying out the duties,  
14 responsibilities, and other obligations necessary for the  
15 day to day operation and management of any property  
16 subject to this Act. For purposes of this subsection, the  
17 term "fiduciary insurance coverage" shall be defined as  
18 both a fidelity bond and directors and officers liability  
19 coverage, the fidelity bond in the full amount of  
20 association funds and association reserves that will be in  
21 the custody of the association, and the directors and  
22 officers liability coverage at a level as shall be  
23 determined to be reasonable by the board of managers, if  
24 not otherwise established by the declaration or by laws.

25 Until one year after September 21, 1985 (the effective  
26 date of Public Act 84-722), if a condominium association

1 has reserves plus assessments in excess of \$250,000 and  
2 cannot reasonably obtain 100% fidelity bond coverage for  
3 such amount, then it must obtain a fidelity bond coverage  
4 of \$250,000.

5 (h) Method of estimating the amount of the annual  
6 budget, and the manner of assessing and collecting from  
7 the unit owners their respective shares of such estimated  
8 expenses, and of any other expenses lawfully agreed upon.

9 (i) That upon 10 days notice to the manager or board of  
10 managers and payment of a reasonable fee, any unit owner  
11 shall be furnished a statement of his account setting  
12 forth the amount of any unpaid assessments or other  
13 charges due and owing from such owner.

14 (j) Designation and removal of personnel necessary for  
15 the maintenance, repair and replacement of the common  
16 elements.

17 (k) Such restrictions on and requirements respecting  
18 the use and maintenance of the units and the use of the  
19 common elements, not set forth in the declaration, as are  
20 designed to prevent unreasonable interference with the use  
21 of their respective units and of the common elements by  
22 the several unit owners.

23 (l) Method of adopting and of amending administrative  
24 rules and regulations governing the operation and use of  
25 the common elements.

26 (m) The percentage of votes required to modify or

1 amend the bylaws, but each one of the particulars set  
2 forth in this section shall always be embodied in the  
3 bylaws.

4 (n) (i) The provisions of this Act, the declaration,  
5 bylaws, other condominium instruments, and rules and  
6 regulations that relate to the use of the individual unit  
7 or the common elements shall be applicable to any person  
8 leasing a unit and shall be deemed to be incorporated in  
9 any lease executed or renewed on or after August 30, 1984  
10 (the effective date of Public Act 83-1271).

11 (ii) With regard to any lease entered into subsequent  
12 to July 1, 1990 (the effective date of Public Act 86-991),  
13 the unit owner leasing the unit shall deliver a copy of the  
14 signed lease to the board or if the lease is oral, a  
15 memorandum of the lease, not later than the date of  
16 occupancy or 10 days after the lease is signed, whichever  
17 occurs first. In addition to any other remedies, by filing  
18 an action jointly against the tenant and the unit owner,  
19 an association may seek to enjoin a tenant from occupying  
20 a unit or seek to evict a tenant under the provisions of  
21 Article IX of the Code of Civil Procedure for failure of  
22 the lessor-owner to comply with the leasing requirements  
23 prescribed by this Section or by the declaration, bylaws,  
24 and rules and regulations. The board of managers may  
25 proceed directly against a tenant, at law or in equity, or  
26 under the provisions of Article IX of the Code of Civil

1 Procedure, for any other breach by tenant of any  
2 covenants, rules, regulations or bylaws.

3 (o) The association shall have no authority to forbear  
4 the payment of assessments by any unit owner.

5 (p) That when 30% or fewer of the units, by number,  
6 possess over 50% in the aggregate of the votes in the  
7 association, any percentage vote of members specified  
8 herein or in the condominium instruments shall require the  
9 specified percentage by number of units rather than by  
10 percentage of interest in the common elements allocated to  
11 units that would otherwise be applicable and garage units  
12 or storage units, or both, shall have, in total, no more  
13 votes than their aggregate percentage of ownership in the  
14 common elements; this shall mean that if garage units or  
15 storage units, or both, are to be given a vote, or portion  
16 of a vote, that the association must add the total number  
17 of votes cast of garage units, storage units, or both, and  
18 divide the total by the number of garage units, storage  
19 units, or both, and multiply by the aggregate percentage  
20 of ownership of garage units and storage units to  
21 determine the vote, or portion of a vote, that garage  
22 units or storage units, or both, have. For purposes of  
23 this subsection (p), when making a determination of  
24 whether 30% or fewer of the units, by number, possess over  
25 50% in the aggregate of the votes in the association, a  
26 unit shall not include a garage unit or a storage unit.

1           (q) That a unit owner may not assign, delegate,  
2           transfer, surrender, or avoid the duties,  
3           responsibilities, and liabilities of a unit owner under  
4           this Act, the condominium instruments, or the rules and  
5           regulations of the Association; and that such an attempted  
6           assignment, delegation, transfer, surrender, or avoidance  
7           shall be deemed void.

8           The provisions of this Section are applicable to all  
9           condominium instruments recorded under this Act. Any portion  
10          of a condominium instrument which contains provisions contrary  
11          to these provisions shall be void as against public policy and  
12          ineffective. Any such instrument which fails to contain the  
13          provisions required by this Section shall be deemed to  
14          incorporate such provisions by operation of law.

15          (Source: P.A. 99-472, eff. 6-1-16; 99-567, eff. 1-1-17;  
16          99-642, eff. 7-28-16; 100-292, eff. 1-1-18; 100-416, eff.  
17          1-1-18; 100-863, eff. 8-14-18.)

18           (765 ILCS 605/18.7)

19           Sec. 18.7. Standards for community association managers.

20           (a) "Community association" means an association in which  
21          membership is a condition of ownership or shareholder interest  
22          of a unit in a condominium, cooperative, townhouse, villa, or  
23          other residential unit that is part of a residential  
24          development plan as a master association or common interest  
25          community and that is authorized to impose an assessment and

1 other costs that may become a lien on the unit or lot.

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

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

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

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

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

24 (4) shall not have engaged in the following  
25 activities: failure to cooperate with any law enforcement  
26 agency in the investigation of a complaint; or failure to

1 produce any document, book, or record in the possession or  
2 control of the community association manager after a  
3 request for production of that document, book, or record  
4 in the course of an investigation of a complaint.

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

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

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

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

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

26 (5) The community association shall secure and pay for



1 the bond.

2 (e) A community association manager who provides community  
3 association management services for more than one community  
4 association shall maintain separate, segregated accounts for  
5 each community association. The funds shall not, in any event,  
6 be commingled with funds of the community association manager,  
7 the firm of the community association manager, or any other  
8 community association. The maintenance of these accounts shall  
9 be custodial, and the accounts shall be in the name of the  
10 respective community association.

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

16 (g) Right of Action.

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

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

26 (h) A community association manager who provides community

1 association management services shall not enter into any  
2 agreement for payment or commission with any person,  
3 corporation, party, partnership, or other entity that provides  
4 goods or services to the association without first giving  
5 prior written disclosure to the board of managers.

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