HB5696 Engrossed

1 AN ACT concerning civil law.

2 Be it enacted by the People of the State of Illinois, 3 represented in the General Assembly:

Section 5. The Common Interest Community Association Act is
amended by changing Sections 1–5 and 1–85 as follows:

6 (765 ILCS 160/1-5)

Sec. 1-5. Definitions. As used in this Act, unless the
context otherwise requires:

9 "Acceptable technological means" includes, without 10 limitation, electronic transmission over the Internet or other 11 network, whether by direct connection, intranet, telecopier, 12 or electronic mail, and any generally available technology 13 <u>that, by rule of the association, is deemed to provide</u> 14 <u>reasonable security, reliability, identification, and</u> 15 verifiability.

16 "Association" or "common interest community association" 17 means the association of all the members of a common interest 18 community, acting pursuant to bylaws or an operating agreement 19 through its duly elected board of managers or board of 20 directors.

21 "Board" means a common interest community association's 22 board of managers or board of directors, whichever is 23 applicable. HB5696 Engrossed - 2 - LRB099 18117 HEP 42483 b

1 "Board member" or "member of the board" means a member of 2 the board of managers or the board of directors, whichever is 3 applicable.

"Board of directors" means, for a common interest community 4 5 that has been incorporated as an Illinois not-for-profit corporation, the group of people elected by the members of a 6 7 common interest community as the governing body to exercise for the members of the common interest community association all 8 9 powers, duties, and authority vested in the board of directors 10 under this Act and the common interest community association's 11 declaration and bylaws.

12 "Board of managers" means, for a common interest community 13 that is an unincorporated association or organized as a limited 14 liability company, the group of people elected by the members 15 of a common interest community as the governing body to 16 exercise for the members of the common interest community 17 association all powers, duties, and authority vested in the board of managers under this Act and the common interest 18 19 community association's declaration, bylaws, or operating 20 agreement.

21 "Building" means all structures, attached or unattached, 22 containing one or more units.

23 "Common areas" means the portion of the property other than
24 a unit.

25 "Common expenses" means the proposed or actual expenses26 affecting the property, including reserves, if any, lawfully

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1 assessed by the common interest community association.

2 "Common interest community" means real estate other than a 3 condominium or cooperative with respect to which any person by virtue of his or her ownership of a partial interest or a unit 4 5 therein is obligated to pay for the maintenance, improvement, insurance premiums or real estate taxes of common areas 6 7 described in a declaration which is administered by an association. "Common interest community" may include, but not 8 9 be limited to, an attached or detached townhome, villa, or 10 single-family home. A "common interest community" does not 11 include a master association.

"Community instruments" means all documents and authorized amendments thereto recorded by a developer or common interest community association, including, but not limited to, the declaration, bylaws, operating agreement, plat of survey, and rules and regulations.

17 "Declaration" means any duly recorded instruments, however 18 designated, that have created a common interest community and 19 any duly recorded amendments to those instruments.

20 "Developer" means any person who submits property legally 21 or equitably owned in fee simple by the person to the 22 provisions of this Act, or any person who offers units legally 23 or equitably owned in fee simple by the person for sale in the 24 ordinary course of such person's business, including any 25 successor to such person's entire interest in the property 26 other than the purchaser of an individual unit. HB5696 Engrossed - 4 - LRB099 18117 HEP 42483 b

1 "Developer control" means such control at a time prior to 2 the election of the board of the common interest community 3 association by a majority of the members other than the 4 developer.

5 "Electronic transmission" means any form of communication, 6 not directly involving the physical transmission of paper, that 7 creates a record that may be retained, retrieved, and reviewed 8 by a recipient and that may be directly reproduced in paper 9 form by the recipient through an automated process.

10 "Majority" or "majority of the members" means the owners of 11 more than 50% in the aggregate in interest of the undivided 12 ownership of the common elements. Any specified percentage of the members means such percentage in the aggregate in interest 13 of such undivided ownership. "Majority" or "majority of the 14 15 members of the board of the common interest community 16 association" means more than 50% of the total number of persons 17 constituting such board pursuant to the bylaws or operating agreement. Any specified percentage of the members of the 18 19 common interest community association means that percentage of 20 the total number of persons constituting such board pursuant to 21 the bylaws or operating agreement.

22 "Management company" or "community association manager" 23 means a person, partnership, corporation, or other legal entity 24 entitled to transact business on behalf of others, acting on 25 behalf of or as an agent for an association for the purpose of 26 carrying out the duties, responsibilities, and other HB5696 Engrossed - 5 - LRB099 18117 HEP 42483 b

obligations necessary for the day to day operation and
 management of any property subject to this Act.

3 "Meeting of the board" or "board meeting" means any 4 gathering of a quorum of the members of the board of the common 5 interest community association held for the purpose of 6 conducting board business.

7 "Member" means the person or entity designated as an owner 8 and entitled to one vote as defined by the community 9 instruments. The terms "member" and "unit owner" may be used 10 interchangeably as defined by the community instruments, 11 except in situations in which a matter of legal title to the 12 unit is involved or at issue, in which case the term "unit 13 owner" would be the applicable term used.

14 "Membership" means the collective group of members 15 entitled to vote as defined by the community instruments.

16 "Parcel" means the lot or lots or tract or tracts of land 17 described in the declaration as part of a common interest 18 community.

19 "Person" means a natural individual, corporation, 20 partnership, trustee, or other legal entity capable of holding 21 title to real property.

"Plat" means a plat or plats of survey of the parcel and of all units in the common interest community, which may consist of a three-dimensional horizontal and vertical delineation of all such units, structures, easements, and common areas on the property. HB5696 Engrossed - 6 - LRB099 18117 HEP 42483 b

"Prescribed delivery method" means mailing, delivering, posting in an association publication that is routinely mailed to all members, electronic transmission, or any other delivery method that is approved in writing by the member and authorized by the community instruments.

6 and space "Property" means all the land, property, 7 comprising the parcel, all improvements and structures 8 erected, constructed or contained therein or thereon, 9 including any building and all easements, rights, and 10 appurtenances belonging thereto, and all fixtures and 11 equipment intended for the mutual use, benefit, or enjoyment of 12 the members, under the authority or control of a common 13 interest community association.

14 "Purchaser" means any person or persons, other than the 15 developer, who purchase a unit in a bona fide transaction for 16 value.

17 "Record" means to record in the office of the recorder of 18 the county wherein the property is located.

19 "Reserves" means those sums paid by members which are 20 separately maintained by the common interest community 21 association for purposes specified by the declaration and 22 bylaws of the common interest community association.

23 "Unit" means a part of the property designed and intended 24 for any type of independent use.

25 "Unit owner" means the person or persons whose estates or 26 interests, individually or collectively, aggregate fee simple HB5696 Engrossed - 7 - LRB099 18117 HEP 42483 b

1 absolute ownership of a unit.

2 (Source: P.A. 98-1042, eff. 1-1-15; 99-41, eff. 7-14-15.)

- 3 (765 ILCS 160/1-85)
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Sec. 1-85. Use of technology.

5 (a) Any notice required to be sent or received or 6 signature, vote, consent, or approval required to be obtained under any community instrument or any provision of this Act may 7 8 be accomplished using acceptable technological means the 9 technology generally available at that time. This Section 10 governs the use of technology in implementing the provisions of 11 any community instrument or any provision of this Act 12 concerning notices, signatures, votes, consents, or approvals.

(b) The common interest community association, unit owners, and other persons entitled to occupy a unit may perform any obligation or exercise any right under any community instrument or any provision of this Act by use of <u>acceptable</u> <u>technological means</u> any technological means that provides <u>sufficient</u> security, reliability, identification, and <u>verifiability</u>.

20 (c) A verifiable electronic signature transmitted by 21 acceptable technological means satisfies any requirement for a 22 signature under any community instrument or any provision of 23 this Act.

24 (d) Voting on, consent to, and approval of any matter under25 any community instrument or any provision of this Act may be

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accomplished by <u>any acceptable</u> electronic transmission or other equivalent technological means, provided that a record is created as evidence thereof and maintained as long as the record would be required to be maintained in nonelectronic form.

6 (e) Subject to other provisions of law, no action required 7 or permitted by any community instrument or any provision of 8 this Act need be acknowledged before a notary public if the 9 identity and signature of the <u>signatory</u> person can otherwise be 10 authenticated to the satisfaction of the board of directors.

(f) If any person does not provide written authorization to conduct business using <u>acceptable</u> electronic transmission or other equivalent technological means, the common interest community association shall, at its expense, conduct business with the person without the use of <u>acceptable</u> electronic transmission or other equivalent technological means.

(g) This Section does not apply to any notices required:
(i) under Article IX of the Code of Civil Procedure; or (ii) in
<u>connection with</u> related to: (i) an action by the common
interest community association to collect a common expense; or
(ii) foreclosure proceedings in enforcement of any lien rights
under this Act.

23 (Source: P.A. 98-1042, eff. 1-1-15.)

24 Section 10. The Condominium Property Act is amended by 25 changing Sections 2 and 18.8 as follows: HB5696 Engrossed

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

2 Sec. 2. Definitions. As used in this Act, unless the 3 context otherwise requires:

4 (a) "Declaration" means the instrument by which the 5 property is submitted to the provisions of this Act, as 6 hereinafter provided, and such declaration as from time to time 7 amended.

8 (b) "Parcel" means the lot or lots, tract or tracts of 9 land, described in the declaration, submitted to the provisions 10 of this Act.

11 (c) "Property" means all the land, property and space 12 comprising the parcel, all improvements and structures 13 erected, constructed or contained therein or thereon, 14 including the building and all easements, rights and 15 appurtenances belonging thereto, and all fixtures and 16 equipment intended for the mutual use, benefit or enjoyment of the unit owners, submitted to the provisions of this Act. 17

18 (d) "Unit" means a part of the property designed and19 intended for any type of independent use.

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

(f) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property. HB5696 Engrossed - 10 - LRB099 18117 HEP 42483 b

1 (g) "Unit Owner" means the person or persons whose estates 2 or interests, individually or collectively, aggregate fee 3 simple absolute ownership of a unit, or, in the case of a 4 leasehold condominium, the lessee or lessees of a unit whose 5 leasehold ownership of the unit expires simultaneously with the 6 lease described in item (x) of this Section.

(h) "Majority" or "majority of the unit owners" means the 7 8 owners of more than 50% in the aggregate in interest of the 9 undivided ownership of the common elements. Any specified 10 percentage of the unit owners means such percentage in the 11 aggregate in interest of such undivided ownership. "Majority" 12 or "majority of the members of the board of managers" means 13 more than 50% of the total number of persons constituting such board pursuant to the bylaws. Any specified percentage of the 14 15 members of the board of managers means that percentage of the 16 total number of persons constituting such board pursuant to the 17 bylaws.

(i) "Plat" means a plat or plats of survey of the parcel
and of all units in the property submitted to the provisions of
this Act, which may consist of a three-dimensional horizontal
and vertical delineation of all such units.

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

(k) "Conversion Condominium" means a property whichcontains structures, excepting those newly constructed and

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intended for condominium ownership, which are, or have previously been, wholly or partially occupied before recording of condominium instruments by persons other than those who have contracted for the purchase of condominiums.

5 (1) "Condominium Instruments" means all documents and 6 authorized amendments thereto recorded pursuant to the 7 provisions of the Act, including the declaration, bylaws and 8 plat.

9 (m) "Common Expenses" means the proposed or actual expenses 10 affecting the property, including reserves, if any, lawfully 11 assessed by the Board of Managers of the Unit Owner's 12 Association.

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

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

20 (p) "Purchaser" means any person or persons other than the 21 Developer who purchase a unit in a bona fide transaction for 22 value.

(q) "Developer" means any person who submits property legally or equitably owned in fee simple by the developer, or leased to the developer under a lease described in item (x) of this Section, to the provisions of this Act, or any person who HB5696 Engrossed - 12 - LRB099 18117 HEP 42483 b

offers units legally or equitably owned in fee simple by the developer, or leased to the developer under a lease described in item (x) of this Section, for sale in the ordinary course of such person's business, including any successor or successors to such developers' entire interest in the property other than the purchaser of an individual unit.

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

10 (s) "Limited Common Elements" means a portion of the common 11 elements so designated in the declaration as being reserved for 12 the use of a certain unit or units to the exclusion of other 13 units, including but not limited to balconies, terraces, patios 14 and parking spaces or facilities.

15 (t) "Building" means all structures, attached or 16 unattached, containing one or more units.

17 (u) "Master Association" means an organization described 18 in Section 18.5 whether or not it is also an association 19 described in Section 18.3.

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

(w) "Meeting of Board of Managers or Board of Master Association" means any gathering of a quorum of the members of the Board of Managers or Board of the Master Association held for the purpose of conducting board business. HB5696 Engrossed - 13 - LRB099 18117 HEP 42483 b

(x) "Leasehold Condominium" means a property submitted to 1 2 the provisions of this Act which is subject to a lease, the expiration or termination of which would terminate 3 the condominium and the lessor of which is (i) exempt from taxation 4 5 under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (ii) a limited liability company whose sole member 6 7 is exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended, or (iii) a Public 8 9 Housing Authority created pursuant to the Housing Authorities 10 Act that is located in a municipality having a population in 11 excess of 1,000,000 inhabitants.

12 "Electronic transmission" means form of (V) any 13 involving communication, not directly the physical 14 transmission of paper, that creates a record that may be 15 retained, retrieved, and reviewed by a recipient and that may 16 be directly reproduced in paper form by the recipient through 17 an automated process.

"Acceptable technological means" includes, without 18 (Z) limitation, electronic transmission over the Internet or other 19 20 network, whether by direct connection, intranet, telecopier, or electronic mail, and any generally available technology 21 22 that, by rule of the association, is deemed to provide 23 reasonable security, reliability, identification, and 24 verifiability.

25 (Source: P.A. 98-1042, eff. 1-1-15.)

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(765 ILCS 605/18.8)

2 Sec. 18.8. Use of technology.

Any notice required to be sent or received or 3 (a) signature, vote, consent, or approval required to be obtained 4 5 under any condominium instrument or any provision of this Act may be accomplished using acceptable technological means the 6 7 technology generally available at that time. This Section shall 8 govern the use of technology in implementing the provisions of 9 any condominium instrument or any provision of this Act 10 concerning notices, signatures, votes, consents, or approvals.

11 (b) The association, unit owners, and other persons 12 entitled to occupy a unit may perform any obligation or 13 exercise any right under any condominium instrument or any 14 provision of this Act by use of <u>acceptable technological means</u> 15 any technological means that provides sufficient security, 16 reliability, identification, and verifiability.

17 (c) A verifiable electronic signature transmitted by 18 acceptable technological means satisfies any requirement for a 19 signature under any condominium instrument or any provision of 20 this Act.

(d) Voting on, consent to, and approval of any matter under any condominium instrument or any provision of this Act may be accomplished by <u>any acceptable</u> electronic transmission or other equivalent technological means, provided that a record is created as evidence thereof and maintained as long as the record would be required to be maintained in nonelectronic HB5696 Engrossed - 15 -

1 form.

(e) Subject to other provisions of law, no action required
or permitted by any condominium instrument or any provision of
this Act need be acknowledged before a notary public if the
identity and signature of the <u>signatory person</u> can otherwise be
authenticated to the satisfaction of the board of directors or
board of managers.

8 (f) If any person does not provide written authorization to 9 conduct business using <u>acceptable</u> electronic transmission or 10 other equivalent technological means, the association shall, 11 at its expense, conduct business with the person without the 12 use of <u>acceptable</u> electronic transmission or other equivalent 13 technological means.

(g) This Section does not apply to any notices required:
(i) under Article IX of the Code of Civil Procedure; or (ii) in
connection with related to: (i) an action by the association to
collect a common expense; or (ii) foreclosure proceedings in
enforcement of any lien rights under this Act.

19 (Source: P.A. 98-1042, eff. 1-1-15; 99-78, eff. 7-20-15.)