1 AN ACT concerning civil law.

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

- 4 Section 5. The Common Interest Community Association Act
- is amended by changing Section 1-45 as follows:
- 6 (765 ILCS 160/1-45)
- 7 Sec. 1-45. Finances.
- 8 (a) Each member shall receive through a prescribed 9 delivery method, at least 30 days but not more than 60 days
- prior to the adoption thereof by the board, a copy of the
- 11 proposed annual budget together with an indication of which
- 12 portions are intended for reserves, capital expenditures or
- repairs or payment of real estate taxes.
- 14 (b) The board shall provide all members with a reasonably
- 15 detailed summary of the receipts, common expenses, and
- reserves for the preceding budget year. The board shall (i)
- 17 make available for review to all members an itemized
- 18 accounting of the common expenses for the preceding year
- 19 actually incurred or paid, together with an indication of
- 20 which portions were for reserves, capital expenditures or
- 21 repairs or payment of real estate taxes and with a tabulation
- of the amounts collected pursuant to the budget or assessment,
- 23 and showing the net excess or deficit of income over

- expenditures plus reserves or (ii) provide a consolidated annual independent audit report of the financial status of all fund accounts within the association.
 - (c) If an adopted budget or any separate assessment adopted by the board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year, the common interest community association, upon written petition by members with 20% of the votes of the association delivered to the board within 14 days of the board action, shall call a meeting of the members within 30 days of the date of delivery of the petition to consider the budget or separate assessment; unless a majority of the total votes of the members are cast at the meeting to reject the budget or separate assessment, it shall be deemed ratified.
 - (d) If total common expenses exceed the total amount of the approved and adopted budget, the common interest community association shall disclose this variance to all its members and specifically identify the subsequent assessments needed to offset this variance in future budgets.
 - (e) Separate assessments for expenditures relating to emergencies or mandated by law may be adopted by the board without being subject to member approval or the provisions of subsection (c) or (f) of this Section. As used herein, "emergency" means a danger to or a compromise of the

- structural integrity of the common areas or any of the common 1
- 2 facilities of the common interest community. "Emergency" also
- 3 includes a danger to the life, health or safety of the
- membership. 4
- 5 (f) Assessments for additions and alterations to the
- 6 common areas or to association-owned property not included in
- 7 the adopted annual budget, shall be separately assessed and
- 8 are subject to approval of a simple majority of the total
- 9 members at a meeting called for that purpose.
- 10 (q) The board may adopt separate assessments payable over
- 11 more than one fiscal year. With respect to multi-year
- 12 assessments not governed by subsections (e) and (f) of this
- Section, the entire amount of the multi-year assessment shall 13
- be deemed considered and authorized in the first fiscal year 14
- 15 in which the assessment is approved.
- 16 (h) The board of a common interest community association
- 17 shall have the authority to establish and maintain a system of
- 18 master metering of public utility services to collect payments
- in conjunction therewith, subject to the requirements of 19
- 20 Section 1.5 of the Residential Property Utility Service the
- 21 Tenant Utility Payment Disclosure Act.
- 22 (i) An association subject to this Act that consists of
- 23 100 or more units shall use generally accepted accounting
- principles in fulfilling any accounting obligations under this 24
- 25 Act.
- (Source: P.A. 100-292, eff. 1-1-18.) 26

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Section 10. The Condominium Property Act is amended by changing Sections 18 and 18.5 as follows:

3 (765 ILCS 605/18) (from Ch. 30, par. 318)

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

(a) (1) The election from among the unit owners of a board of managers, the number of persons constituting such board, and that the terms of at least one-third of the members of the board shall expire annually and that all members of the board shall be elected at large; if there are multiple owners of a single unit, only one of the multiple owners shall be eligible to serve as a member of the board at any one time. A declaration first submitting property to the provisions of this Act, in accordance with Section 3 after the effective date of this amendatory Act of the 102nd General Assembly, or an amendment to the condominium instruments adopted in accordance with Section 27 after the effective date of this amendatory Act of the 102nd General Assembly, may provide that a majority of the board of managers, or such lesser number as may be specified in the declaration, must be comprised of unit owners occupying their unit as their primary residence; provided that the condominium instruments may not require that more than a majority of the board shall be comprised

of unit owners who occupy their unit as their principal residence;

- (2) the powers and duties of the board;
- (3) the compensation, if any, of the members of the board;
 - (4) the method of removal from office of members of the board;
 - (5) that the board may engage the services of a manager or managing agent;
 - (6) that each unit owner shall receive, at least 25 days prior to the adoption thereof by the board of managers, a copy of the proposed annual budget together with an indication of which portions are intended for reserves, capital expenditures or repairs or payment of real estate taxes;
 - (7) that the board of managers shall annually supply to all unit owners an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with an indication of which portions were for reserves, capital expenditures or repairs or payment of real estate taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves;
 - (8)(i) that each unit owner shall receive notice, in the same manner as is provided in this Act for membership

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

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

(9) (A) that every meeting of the board of managers shall be open to any unit owner, except that the board may close any portion of a noticed meeting or meet separately from a noticed meeting to: (i) discuss litigation when an action against or on behalf of the particular association has been filed and is pending in a court or administrative tribunal, or when the board of managers finds that such an action is probable or imminent, (ii) discuss the appointment, employment, engagement, or dismissal of an employee, independent contractor, agent, or other provider goods and services, (iii) interview a potential employee, independent contractor, agent, or other provider of goods and services, (iv) discuss violations of rules

and regulations of the association, (v) discuss a unit owner's unpaid share of common expenses, or (vi) consult with the association's legal counsel; that any vote on these matters shall take place at a meeting of the board of managers or portion thereof open to any unit owner;

- (B) that board members may participate in and act at any meeting of the board of managers in person, by telephonic means, or by use of any acceptable technological means whereby all persons participating in the meeting can communicate with each other; that participation constitutes attendance and presence in person at the meeting;
- (C) that any unit owner may record the proceedings at meetings of the board of managers or portions thereof required to be open by this Act by tape, film or other means, and that the board may prescribe reasonable rules and regulations to govern the right to make such recordings;
- (D) that notice of every meeting of the board of managers shall be given to every board member at least 48 hours prior thereto, unless the board member waives notice of the meeting pursuant to subsection (a) of Section 18.8; and
- (E) that notice of every meeting of the board of managers shall be posted in entranceways, elevators, or other conspicuous places in the condominium at least 48

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- (10) that the board shall meet at least 4 times annually;
- (11) that no member of the board or officer shall be elected for a term of more than 2 years, but that officers and board members may succeed themselves;
- (12) the designation of an officer to mail and receive all notices and execute amendments to condominium instruments as provided for in this Act and in the condominium instruments;
- (13) the method of filling vacancies on the board which shall include authority for the remaining members of

the board to fill the vacancy by two-thirds vote until the next annual meeting of unit owners or for a period terminating no later than 30 days following the filing of a petition signed by unit owners holding 20% of the votes of the association requesting a meeting of the unit owners to fill the vacancy for the balance of the term, and that a meeting of the unit owners shall be called for purposes of filling a vacancy on the board no later than 30 days following the filing of a petition signed by unit owners holding 20% of the votes of the association requesting such a meeting, and the method of filling vacancies among the officers that shall include the authority for the members of the board to fill the vacancy for the unexpired portion of the term;

- (14) what percentage of the board of managers, if other than a majority, shall constitute a quorum;
- (15) provisions concerning notice of board meetings to members of the board;
- (16) the board of managers may not enter into a contract with a current board member or with a corporation or partnership in which a board member or a member of the board member's immediate family has 25% or more interest, unless notice of intent to enter the contract is given to unit owners within 20 days after a decision is made to enter into the contract and the unit owners are afforded an opportunity by filing a petition, signed by 20% of the

unit owners, for an election to approve or disapprove the contract; such petition shall be filed within 30 days after such notice and such election shall be held within 30 days after filing the petition; for purposes of this subsection, a board member's immediate family means the board member's spouse, parents, and children;

- (17) that the board of managers may disseminate to unit owners biographical and background information about candidates for election to the board if (i) reasonable efforts to identify all candidates are made and all candidates are given an opportunity to include biographical and background information in the information to be disseminated; and (ii) the board does not express a preference in favor of any candidate;
- (18) any proxy distributed for board elections by the board of managers gives unit owners the opportunity to designate any person as the proxy holder, and gives the unit owner the opportunity to express a preference for any of the known candidates for the board or to write in a name;
- (19) that special meetings of the board of managers can be called by the president or 25% of the members of the board;
- (20) that the board of managers may establish and maintain a system of master metering of public utility services and collect payments in connection therewith,

subject to the requirements of <u>Section 1.5 of the</u>

<u>Residential Property Utility Service</u> the <u>Tenant Utility</u>

<u>Payment Disclosure Act</u>; and

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

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

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

amendments to the association's bylaws;

- (2) that the association shall have one class of membership;
- (3) that the members shall hold an annual meeting, one of the purposes of which shall be to elect members of the board of managers;
 - (4) the method of calling meetings of the unit owners;
- (5) that special meetings of the members can be called by the president, board of managers, or by 20% of unit owners;
- shall be mailed or delivered giving members no less than 10 and no more than 30 days notice of the time, place and purpose of such meeting except that notice may be sent, to the extent the condominium instruments or rules adopted thereunder expressly so provide, by electronic transmission consented to by the unit owner to whom the notice is given, provided the director and officer or his agent certifies in writing to the delivery by electronic transmission;
- (7) that voting shall be on a percentage basis, and that the percentage vote to which each unit is entitled is the percentage interest of the undivided ownership of the common elements appurtenant thereto, provided that the bylaws may provide for approval by unit owners in connection with matters where the requisite approval on a

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

- (8) that, where there is more than one owner of a unit, if only one of the multiple owners is present at a meeting of the association, he is entitled to cast all the votes allocated to that unit, if more than one of the multiple owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the multiple owners, unless the declaration expressly provides otherwise, that there is majority agreement if any one of the multiple owners cast the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit;
- (9) (A) except as provided in subparagraph (B) of this paragraph (9) in connection with board elections, that a unit owner may vote by proxy executed in writing by the unit owner or by his duly authorized attorney in fact; that the proxy must bear the date of execution and, unless the condominium instruments or the written proxy itself provide otherwise, is invalid after 11 months from the date of its execution; to the extent the condominium instruments or rules adopted thereunder expressly so provide, a vote or proxy may be submitted by electronic transmission, provided such that any electronic transmission shall either set forth or be submitted with

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

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

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

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

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

- (C) that if a written petition by unit owners with at least 20% of the votes of the association is delivered to the board within 30 days after the board's approval of a rule adopted pursuant to subparagraph (B) or subparagraph (B-5) of this paragraph (9), the board shall call a meeting of the unit owners within 30 days after the date of delivery of the petition; that unless a majority of the total votes of the unit owners are cast at the meeting to reject the rule, the rule is ratified;
- (D) that votes cast by ballot under subparagraph (B) or electronic or acceptable technological means under subparagraph (B-5) of this paragraph (9) are valid for the purpose of establishing a quorum;
- (10) that the association may, upon adoption of the appropriate rules by the board of managers, conduct elections by secret ballot whereby the voting ballot is marked only with the percentage interest for the unit and the vote itself, provided that the board further adopt rules to verify the status of the unit owner issuing a proxy or casting a ballot; and further, that a candidate for election to the board of managers or such candidate's

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

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

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

- (13) that matters subject to the affirmative vote of not less than 2/3 of the votes of unit owners at a meeting duly called for that purpose, shall include, but not be limited to:
 - (i) merger or consolidation of the association;
 - (ii) sale, lease, exchange, or other disposition (excluding the mortgage or pledge) of all, or substantially all of the property and assets of the association; and
 - (iii) the purchase or sale of land or of units on behalf of all unit owners.
- (c) Election of a president from among the board of managers, who shall preside over the meetings of the board of managers and of the unit owners.
- (d) Election of a secretary from among the board of managers, who shall keep the minutes of all meetings of the board of managers and of the unit owners and who shall, in general, perform all the duties incident to the office of secretary.
- (e) Election of a treasurer from among the board of managers, who shall keep the financial records and books of account.
- (f) Maintenance, repair and replacement of the common elements and payments therefor, including the method of

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approving payment vouchers.

(q) An association with 30 or more units shall obtain maintain fidelity insurance covering persons control or disburse funds of the association for the maximum amount of coverage available to protect funds in custody or control of the association plus the association reserve fund. All management companies which are responsible for the funds held or administered by the association shall maintain and furnish to the association fidelity bond for the maximum amount of coverage available to protect funds in the custody of management company at any time. The association shall bear the cost of the fidelity insurance and fidelity bond, otherwise provided by contract between association and a management company. The association shall be the direct obligee of any such fidelity bond. A management company holding reserve funds of an association shall at all times maintain a separate account for each association, provided, however, that for investment purposes, the Board of Managers of an association may authorize а management company to maintain the association's reserve funds in a single interest bearing account with similar funds of other associations. The management company shall at all times maintain records identifying all moneys of each association investment account. The management company may hold all

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

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

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

- (h) Method of estimating the amount of the annual budget, and the manner of assessing and collecting from the unit owners their respective shares of such estimated expenses, and of any other expenses lawfully agreed upon.
- (i) That upon 10 days notice to the manager or board of managers and payment of a reasonable fee, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.
- (j) Designation and removal of personnel necessary for the maintenance, repair and replacement of the common elements.
- (k) Such restrictions on and requirements respecting the use and maintenance of the units and the use of the common elements, not set forth in the declaration, as are designed to prevent unreasonable interference with the use of their respective units and of the common elements by the several unit owners.
- (1) Method of adopting and of amending administrative rules and regulations governing the operation and use of the common elements.
 - (m) The percentage of votes required to modify or

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

- (n) (i) The provisions of this Act, the declaration, bylaws, other condominium instruments, and rules and regulations that relate to the use of the individual unit or the common elements shall be applicable to any person leasing a unit and shall be deemed to be incorporated in any lease executed or renewed on or after August 30, 1984 (the effective date of Public Act 83-1271).
- (ii) With regard to any lease entered into subsequent to July 1, 1990 (the effective date of Public Act 86-991), the unit owner leasing the unit shall deliver a copy of the signed lease to the board or if the lease is oral, a memorandum of the lease, not later than the date of occupancy or 10 days after the lease is signed, whichever occurs first. In addition to any other remedies, by filing an action jointly against the tenant and the unit owner, an association may seek to enjoin a tenant from occupying a unit or seek to evict a tenant under the provisions of Article IX of the Code of Civil Procedure for failure of the lessor-owner to comply with the leasing requirements prescribed by this Section or by the declaration, bylaws, and rules and regulations. The board of managers may proceed directly against a tenant, at law or in equity, or under the provisions of Article IX of the Code of Civil

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

- (o) The association shall have no authority to forbear the payment of assessments by any unit owner.
- (p) That when 30% or fewer of the units, by number, possess over 50% in the aggregate of the votes in the association, any percentage vote of members specified herein or in the condominium instruments shall require the specified percentage by number of units rather than by percentage of interest in the common elements allocated to units that would otherwise be applicable and garage units or storage units, or both, shall have, in total, no more votes than their aggregate percentage of ownership in the common elements; this shall mean that if garage units or storage units, or both, are to be given a vote, or portion of a vote, that the association must add the total number of votes cast of garage units, storage units, or both, and divide the total by the number of garage units, storage units, or both, and multiply by the aggregate percentage of ownership of garage units and storage units to determine the vote, or portion of a vote, that garage units or storage units, or both, have. For purposes of this subsection (p), when making a determination of whether 30% or fewer of the units, by number, possess over 50% in the aggregate of the votes in the association, a unit shall not include a garage unit or a storage unit.

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

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

15 (Source: P.A. 102-162, eff. 1-1-22.)

16 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

Sec. 18.5. Master Associations.

(a) If the declaration, other condominium instrument, or other duly recorded covenants provide that any of the powers of the unit owners associations are to be exercised by or may be delegated to a nonprofit corporation or unincorporated association that exercises those or other powers on behalf of one or more condominiums, or for the benefit of the unit owners of one or more condominiums, such corporation or association shall be a master association.

1 (b) There shall be included in the declaration, other 2 condominium instruments, or other duly recorded covenants 3 establishing the powers and duties of the master association

the provisions set forth in subsections (c) through (h).

In interpreting subsections (c) through (h), the courts should interpret these provisions so that they are interpreted consistently with the similar parallel provisions found in other parts of this Act.

- (c) Meetings and finances.
- (1) Each unit owner of a condominium subject to the authority of the board of the master association shall receive, at least 30 days prior to the adoption thereof by the board of the master association, a copy of the proposed annual budget.
- (2) The board of the master association shall annually supply to all unit owners of condominiums subject to the authority of the board of the master association an itemized accounting of the common expenses for the preceding year actually incurred or paid, together with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficit of income over expenditures plus reserves.
- (3) Each unit owner of a condominium subject to the authority of the board of the master association shall receive written notice mailed or delivered no less than 10 and no more than 30 days prior to any meeting of the board

of the master association concerning the adoption of the proposed annual budget or any increase in the budget, or establishment of an assessment.

- (4) Meetings of the board of the master association shall be open to any unit owner in a condominium subject to the authority of the board of the master association, except for the portion of any meeting held:
 - (A) to discuss litigation when an action against or on behalf of the particular master association has been filed and is pending in a court or administrative tribunal, or when the board of the master association finds that such an action is probable or imminent,
 - (B) to consider information regarding appointment, employment or dismissal of an employee, or
 - (C) to discuss violations of rules and regulations of the master association or unpaid common expenses owed to the master association.

Any vote on these matters shall be taken at a meeting or portion thereof open to any unit owner of a condominium subject to the authority of the master association.

Any unit owner may record the proceedings at meetings required to be open by this Act by tape, film or other means; the board may prescribe reasonable rules and regulations to govern the right to make such recordings. Notice of meetings shall be mailed or delivered at least 48 hours prior thereto, unless a written waiver of such

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notice is signed by the persons entitled to notice before the meeting is convened. Copies of notices of meetings of the board of the master association shall be posted in entranceways, elevators, or other conspicuous places in the condominium at least 48 hours prior to the meeting of the board of the master association. Where there is no common entranceway for 7 or more units, the board of the master association may designate one or more locations in the proximity of these units where the notices of meetings shall be posted.

(5) If the declaration provides for election by unit owners of members of the board of directors in the event of resale of a unit in the master association, purchaser of a unit from a seller other than the developer pursuant to an installment sales contract for purchase shall, during such times as he or she resides in the unit, be counted toward a quorum for purposes of election of members of the board of directors at any meeting of the unit owners called for purposes of electing members of the board, and shall have the right to vote for the election of members of the board of directors and to be elected to and the board of directors unless the serve on expressly retains in writing any or all of those rights. In no event may the seller and purchaser both be counted toward a quorum, be permitted to vote for a particular office, or be elected and serve on the board. Satisfactory

evidence of the installment sales contract shall be made available to the association or its agents. For purposes of this subsection, "installment sales contract" shall have the same meaning as set forth in Section 5 of the Installment Sales Contract Act and subsection (e) of Section 1 of the Dwelling Unit Installment Contract Act.

- (6) The board of the master association shall have the authority to establish and maintain a system of master metering of public utility services and to collect payments in connection therewith, subject to the requirements of Section 1.5 of the Residential Property Utility Service the Tenant Utility Payment Disclosure Act.
- (7) The board of the master association or a common interest community association shall have the power, after notice and an opportunity to be heard, to levy and collect reasonable fines from members for violations of the declaration, bylaws, and rules and regulations of the master association or the common interest community association. Nothing contained in this subdivision (7) shall give rise to a statutory lien for unpaid fines.
- (8) Other than attorney's fees, no fees pertaining to the collection of a unit owner's financial obligation to the Association, including fees charged by a manager or managing agent, shall be added to and deemed a part of an owner's respective share of the common expenses unless:

 (i) the managing agent fees relate to the costs to collect

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common expenses for the Association; (ii) the fees are set forth in a contract between the managing agent and the Association; and (iii) the authority to add the management fees to an owner's respective share of the common expenses is specifically stated in the declaration or bylaws of the Association.

(d) Records.

- (1) The board of the master association shall maintain the following records of the association and make them available for examination and copying at convenient hours of weekdays by any unit owners in a condominium subject to the authority of the board or their mortgagees and their duly authorized agents or attorneys:
 - (i) Copies of the recorded declaration, other condominium instruments, other duly recorded covenants and bylaws and any amendments, articles incorporation of the master association, reports and any rules and regulations adopted by the master association or its board shall be available. Prior to the organization of the master association, the developer shall maintain and make available the records set forth in this subdivision (d)(1) for examination and copying.
 - (ii) Detailed and accurate records chronological order of the receipts and expenditures affecting the common areas, specifying and itemizing

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the maintenance and repair expenses of the common areas and any other expenses incurred, and copies of all contracts, leases, or other agreements entered into by the master association, shall be maintained.

- (iii) The minutes of all meetings of the master association and the board of the master association shall be maintained for not less than 7 years.
- (iv) Ballots and proxies related thereto, if any, for any election held for the board of the master association and for any other matters voted on by the unit owners shall be maintained for not less than one year.
- (v) Such other records of the master association as are available for inspection by members of a not-for-profit corporation pursuant to Section 107.75 of the General Not For Profit Corporation Act of 1986 shall be maintained.
- (vi) With respect to units owned by a land trust, if a trustee designates in writing a person to cast votes on behalf of the unit owner, the designation shall remain in effect until a subsequent document is filed with the association.
- (2) Where a request for records under this subsection is made in writing to the board of managers or its agent, failure to provide the requested record or to respond within 30 days shall be deemed a denial by the board of

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- (3) A reasonable fee may be charged by the master association or its board for the cost of copying.
- (4) If the board of directors fails to provide records properly requested under subdivision (d)(1) within the time period provided in subdivision (d)(2), the unit owner may seek appropriate relief, including an award of attorney's fees and costs.
- The board of directors shall have standing and (e)capacity to act in a representative capacity in relation to matters involving the common areas of the master association or more than one unit, on behalf of the unit owners as their interests may appear.
- (f) Administration of property prior to election of the initial board of directors.
 - (1) Until the election, by the unit owners or the managers of the underlying condominium boards of associations, of the initial board of directors of a master association whose declaration is recorded on or after August 10, 1990, the same rights, titles, powers, privileges, trusts, duties and obligations that are vested in or imposed upon the board of directors by this Act or in the declaration or other duly recorded covenant shall be held and performed by the developer.
 - (2) The election of the initial board of directors of a master association whose declaration is recorded on or

after August 10, 1990, by the unit owners or the boards of managers of the underlying condominium associations, shall be held not later than 60 days after the conveyance by the developer of 75% of the units, or 3 years after the recording of the declaration, whichever is earlier. The developer shall give at least 21 days notice of the meeting to elect the initial board of directors and shall upon request provide to any unit owner, within 3 working days of the request, the names, addresses, and weighted vote of each unit owner entitled to vote at the meeting. Any unit owner shall upon receipt of the request be provided with the same information, within 10 days of the request, with respect to each subsequent meeting to elect members of the board of directors.

- (3) If the initial board of directors of a master association whose declaration is recorded on or after August 10, 1990 is not elected by the unit owners or the members of the underlying condominium association board of managers at the time established in subdivision (f)(2), the developer shall continue in office for a period of 30 days, whereupon written notice of his resignation shall be sent to all of the unit owners or members of the underlying condominium board of managers entitled to vote at an election for members of the board of directors.
- (4) Within 60 days following the election of a majority of the board of directors, other than the

developer, by unit owners, the developer shall deliver to the board of directors:

- (i) All original documents as recorded or filed pertaining to the property, its administration, and the association, such as the declaration, articles of incorporation, other instruments, annual reports, minutes, rules and regulations, and contracts, leases, or other agreements entered into by the association. If any original documents are unavailable, a copy may be provided if certified by affidavit of the developer, or an officer or agent of the developer, as being a complete copy of the actual document recorded or filed.
- (ii) A detailed accounting by the developer, setting forth the source and nature of receipts and expenditures in connection with the management, maintenance and operation of the property, copies of all insurance policies, and a list of any loans or advances to the association which are outstanding.
- (iii) Association funds, which shall have been at all times segregated from any other moneys of the developer.
- (iv) A schedule of all real or personal property, equipment and fixtures belonging to the association, including documents transferring the property, warranties, if any, for all real and personal property

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and equipment, deeds, title insurance policies, and all tax bills.

A list of all litigation, administrative action and arbitrations involving the association, any notices of governmental bodies involving actions taken or which may be taken concerning the association, architectural drawings engineering and specifications approved by any governmental as authority, all other documents filed with any other governmental authority, all governmental certificates, correspondence involving enforcement of any association requirements, copies of any documents relating to disputes involving unit owners, originals of all documents relating to everything listed in this subparagraph.

(vi) If the developer fails to fully comply with this paragraph (4) within the 60 days provided and fails to fully comply within 10 days of written demand mailed by registered or certified mail to his or her last known address, the board may bring an action to compel compliance with this paragraph (4). If the court finds that any of the required deliveries were not made within the required period, the board shall be entitled to recover its reasonable attorneys' fees and costs incurred from and after the date of expiration of the 10 day demand.

(5) With respect to any master association whose declaration is recorded on or after August 10, 1990, any contract, lease, or other agreement made prior to the election of a majority of the board of directors other than the developer by or on behalf of unit owners or underlying condominium associations, the association or the board of directors, which extends for a period of more than 2 years from the recording of the declaration, shall be subject to cancellation by more than 1/2 of the votes of the unit owners, other than the developer, cast at a special meeting of members called for that purpose during a period of 90 days prior to the expiration of the 2 year period if the board of managers is elected by the unit owners, otherwise by more than 1/2 of the underlying condominium board of managers. At least 60 days prior to expiration of the 2 year period, the board of directors, or, if the board is still under developer control, then the board of managers or the developer shall send notice to every unit owner or underlying condominium board of managers, notifying them of this provision, of what contracts, leases and other agreements are affected, and of the procedure for calling a meeting of the unit owners or for action by the underlying condominium board of managers for the purpose of acting to terminate such contracts, leases or other agreements. During the 90 day period the other party to the contract, lease, or other

1 agreement shall also have the right of cancellation.

- (6) The statute of limitations for any actions in law or equity which the master association may bring shall not begin to run until the unit owners or underlying condominium board of managers have elected a majority of the members of the board of directors.
- (g) In the event of any resale of a unit in a master association by a unit owner other than the developer, the owner shall obtain from the board of directors and shall make available for inspection to the prospective purchaser, upon demand, the following:
 - (1) A copy of the declaration, other instruments and any rules and regulations.
 - (2) A statement of any liens, including a statement of the account of the unit setting forth the amounts of unpaid assessments and other charges due and owing.
 - (3) A statement of any capital expenditures anticipated by the association within the current or succeeding 2 fiscal years.
 - (4) A statement of the status and amount of any reserve for replacement fund and any portion of such fund earmarked for any specified project by the board of directors.
 - (5) A copy of the statement of financial condition of the association for the last fiscal year for which such a statement is available.

- 1 (6) A statement of the status of any pending suits or judgments in which the association is a party.
 - (7) A statement setting forth what insurance coverage is provided for all unit owners by the association.
 - (8) A statement that any improvements or alterations made to the unit, or any part of the common areas assigned thereto, by the prior unit owner are in good faith believed to be in compliance with the declaration of the master association.

The principal officer of the unit owner's association or such other officer as is specifically designated shall furnish the above information when requested to do so in writing, within 30 days of receiving the request.

A reasonable fee covering the direct out-of-pocket cost of copying and providing such information may be charged by the association or its board of directors to the unit seller for providing the information.

(g-1) The purchaser of a unit of a common interest community at a judicial foreclosure sale, other than a mortgagee, who takes possession of a unit of a common interest community pursuant to a court order or a purchaser who acquires title from a mortgagee shall have the duty to pay the proportionate share, if any, of the common expenses for the unit that would have become due in the absence of any assessment acceleration during the 6 months immediately preceding institution of an action to enforce the collection

of assessments and the court costs incurred by the association in an action to enforce the collection that remain unpaid by the owner during whose possession the assessments accrued. If the outstanding assessments and the court costs incurred by the association in an action to enforce the collection are paid at any time during any action to enforce the collection of assessments, the purchaser shall have no obligation to pay any assessments that accrued before he or she acquired title. The notice of sale of a unit of a common interest community under subsection (c) of Section 15-1507 of the Code of Civil Procedure shall state that the purchaser of the unit other than a mortgagee shall pay the assessments and court costs required by this subsection (g-1).

(h) Errors and omissions.

(1) If there is an omission or error in the declaration or other instrument of the master association, the master association may correct the error or omission by an amendment to the declaration or other instrument, as may be required to conform it to this Act, to any other applicable statute, or to the declaration. The amendment shall be adopted by vote of two-thirds of the members of the board of directors or by a majority vote of the unit owners at a meeting called for that purpose, unless the Act or the declaration of the master association specifically provides for greater percentages or different procedures.

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- (2) If, through a scrivener's error, a unit has not been designated as owning an appropriate undivided share of the common areas or does not bear an appropriate share of the common expenses, or if all of the common expenses or all of the common elements in the condominium have not been distributed in the declaration, so that the sum total of the shares of common areas which have been distributed or the sum total of the shares of the common expenses fail to equal 100%, or if it appears that more than 100% of the common elements or common expenses have been distributed, the error may be corrected by operation of law by filing an the declaration, approved by vote of amendment to two-thirds of the members of the board of directors or a majority vote of the unit owners at a meeting called for that purpose, which proportionately adjusts all percentage interests so that the total is equal to 100%, unless the specifically provides for а declaration different procedure or different percentage vote by the owners of the units and the owners of mortgages thereon affected by modification being made in the undivided interest in the common areas, the number of votes in the unit owners association or liability for the common expenses appertaining to the unit.
 - (3) If an omission or error or a scrivener's error in the declaration or other instrument is corrected by vote of two-thirds of the members of the board of directors

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pursuant to the authority established in subdivisions (h)(1) or (h)(2) of this Section, the board, upon written petition by unit owners with 20% of the votes of the association or resolutions adopted by the board of managers or board of directors of the condominium and common interest community associations which select 20% of the members of the board of directors of the master association, whichever is applicable, received within 30 days of the board action, shall call a meeting of the unit owners or the boards of the condominium and common interest community associations which select members of the board of directors of the master association within 30 days of the filing of the petition or receipt of the condominium and common interest community association resolution to consider the board action. Unless a majority of the votes of the unit owners of the association are cast at the meeting to reject the action, or board of managers or board of directors of condominium and common interest community associations which select over 50% of members of the board of the master association adopt resolutions prior to the meeting rejecting the action of the board of directors of the master association, it is ratified whether or not a quorum is present.

(4) The procedures for amendments set forth in this subsection (h) cannot be used if such an amendment would materially or adversely affect property rights of the unit

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owners unless the affected unit owners consent in writing. This Section does not restrict the powers of the association to otherwise amend the declaration, bylaws, or other condominium instruments, but authorizes a simple process of amendment requiring a lesser vote for the purpose of correcting defects, errors, or omissions when the property rights of the unit owners are not materially or adversely affected.

omission or error (5) If there is an in the declaration or other instruments that may not be corrected by an amendment procedure set forth in subdivision (h)(1) or (h)(2) of this Section, then the circuit court in the county in which the master association is located shall have jurisdiction to hear a petition of one or more of the unit owners thereon or of the association, to correct the error or omission, and the action may be a class action. court may require that one or more methods of correcting the error or omission be submitted to the unit owners to determine the most acceptable correction. All unit owners in the association must be joined as parties to the action. Service of process on owners may be by publication, but the plaintiff shall furnish all unit owners not personally served with process with copies of the petition and final judgment of the court by certified mail, return receipt requested, at their last known address.

- (6) Nothing contained in this Section shall be construed to invalidate any provision of a declaration authorizing the developer to amend an instrument prior to the latest date on which the initial membership meeting of the unit owners must be held, whether or not it has actually been held, to bring the instrument into compliance with the legal requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the United States Veterans Administration or their respective successors and assigns.
- (i) The provisions of subsections (c) through (h) are applicable to all declarations, other condominium instruments, and other duly recorded covenants establishing the powers and duties of the master association recorded under this Act. Any portion of a declaration, other condominium instrument, or other duly recorded covenant establishing the powers and duties of a master association which contains provisions contrary to the provisions of subsection (c) through (h) shall be void as against public policy and ineffective. Any declaration, other condominium instrument, or other duly recorded covenant establishing the powers and duties of the master association which fails to contain the provisions required by subsections (c) through (h) shall be deemed to incorporate such provisions by operation of law.
 - (j) (Blank).

HB4090 Engrossed

- 1 (Source: P.A. 100-416, eff. 1-1-18.)
- 2 Section 15. The Rental Property Utility Service Act is
- 3 amended by changing the title of the Act and Section 0.01 and
- 4 by adding Section 1.5 as follows:
- 5 (765 ILCS 735/Act title)
- 6 An Act concerning residential providing remedies for
- 7 lessees in relation to the failure of lessors to pay for
- 8 utility services.
- 9 (765 ILCS 735/0.01) (from Ch. 80, par. 61)
- 10 Sec. 0.01. Short title. This Act may be cited as the
- 11 Residential Rental Property Utility Service Act.
- 12 (Source: P.A. 86-1324.)
- 13 (765 ILCS 735/1.5 new)
- 14 Sec. 1.5. Payment for master metered public utility
- 15 services.
- 16 (a) No landlord may demand payment for master metered
- 17 public utility services pursuant to a lease provision
- 18 providing for tenant payment of a proportionate share of
- 19 public utility service without the landlord first providing
- 20 the tenant with a copy in writing either as part of the lease
- or another written agreement of the formula used by the
- landlord for allocating the public utility payments among the

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tenants. The total of payments under the formula for the building as a whole for a billing period may not exceed the sum demanded by the public utility. The formula shall include all those that use that public utility service and may reflect variations in apartment size or usage. The landlord shall also make available to the tenant upon request a copy of the public utility bill for any billing period for which payment is demanded. Nothing herein shall preclude a landlord from leasing property to a tenant, including the cost of utilities, for a rental which does not segregate or allocate the cost of the utilities.

(b) No condominium or common interest community association may demand payment for master metered public utility services from a unit owner of a proportionate share for public utility service without the condominium or common interest community association first providing the unit owner with a copy in writing of the formula used by the association for allocating the public utility payments among the unit owners. The total of payments under the formula for the association as a whole for the annual budgeted billing period may not exceed the sum demanded by the public utility, however, the board of directors of the association may direct that any payments received by the association in excess of actual utility bills be applied to other budgeted items having a deficit, or be applied to the association's reserve fund, or be credited to the account of the unit owners for the following

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year's budget. The formula shall include all those that use that public utility service and may reflect, but is not limited to, percent interest, unit size, or usage. The condominium or common interest community association shall also make available to the unit owner upon request a copy of the public utility bill for any billing period for which payment is demanded. A condominium association shall have the right to establish and maintain a system of master metering of public utility services pursuant to Sections 18 and 18.5 of the Condominium Property Act. A common interest community association shall have the right to establish and maintain a system of master metering of public utility services pursuant to Section 1-45 of the Common Interest Community Association Act. Nothing in this Act shall be construed as giving a common interest community association the right to establish a system of master metering or submetering of public utility services.

(c) A municipality may request a copy in writing of the formula used by the landlord or condominium or common interest community association for allocating the public utility payments among the unit owners. The landlord or condominium or common interest community association shall respond within 30 calendar days of receiving the municipality's request.

(d) Treble damages available to residential tenants under Section 1.3 of this Act are not applicable to alleged violations of this Section.

(765 ILCS 740/Act rep.)

- 2 Section 20. The Tenant Utility Payment Disclosure Act is
- 3 repealed.

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