



Sen. Robert F. Martwick

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10400HB5449sam003

LRB104 18328 JRC 37815 a

1 AMENDMENT TO HOUSE BILL 5449

2 AMENDMENT NO. _____. Amend House Bill 5449 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Common Interest Community Association Act
5 is amended by changing Sections 1-30 and 1-45 as follows:

6 (765 ILCS 160/1-30)

7 Sec. 1-30. Board duties and obligations; records.

8 (a) The board shall meet at least 4 times annually.

9 (b) A common interest community association may not enter
10 into a contract with a current board member, or with a
11 corporation, limited liability company, or partnership in
12 which a board member or a member of his or her immediate family
13 has 25% or more interest, unless notice of intent to enter into
14 the contract is given to members within 20 days after a
15 decision is made to enter into the contract and the members are
16 afforded an opportunity by filing a petition, signed by 20% of

1 the membership, for an election to approve or disapprove the
2 contract; such petition shall be filed within 20 days after
3 such notice and such election shall be held within 30 days
4 after filing the petition. For purposes of this subsection, a
5 board member's immediate family means the board member's
6 spouse, parents, siblings, and children.

7 (c) The bylaws or operating agreement shall provide for
8 the maintenance, repair, and replacement of the common areas
9 and payments therefor, including the method of approving
10 payment vouchers.

11 (d) (Blank).

12 (e) The association may engage the services of a manager
13 or management company.

14 (f) The association shall have one class of membership
15 unless the declaration, bylaws, or operating agreement provide
16 otherwise; however, this subsection (f) shall not be construed
17 to limit the operation of subsection (c) of Section 1-20 of
18 this Act.

19 (g) The board shall have the power, after notice and an
20 opportunity to be heard, to levy and collect reasonable fines
21 from members or unit owners for violations of the declaration,
22 bylaws, operating agreement, and rules and regulations of the
23 common interest community association.

24 (h) Other than attorney's fees and court or arbitration
25 costs, no fees pertaining to the collection of a member's or
26 unit owner's financial obligation to the association,

1 including fees charged by a manager or managing agent, shall
2 be added to and deemed a part of a member's or unit owner's
3 respective share of the common expenses unless: (i) the
4 managing agent fees relate to the costs to collect common
5 expenses for the association; (ii) the fees are set forth in a
6 contract between the managing agent and the association; and
7 (iii) the authority to add the management fees to a member's or
8 unit owner's respective share of the common expenses is
9 specifically stated in the declaration, bylaws, or operating
10 agreement of the association.

11 (i) Board records.

12 (1) The board shall maintain the following records of
13 the association and make them available for examination
14 and copying at convenient hours of weekdays by any member
15 or unit owner in a common interest community subject to
16 the authority of the board, their mortgagees, and their
17 duly authorized agents or attorneys:

18 (i) Copies of the recorded declaration, other
19 community instruments, other duly recorded covenants
20 and bylaws and any amendments, articles of
21 incorporation, articles of organization, annual
22 reports, and any rules and regulations adopted by the
23 board shall be available. Prior to the organization of
24 the board, the developer shall maintain and make
25 available the records set forth in this paragraph (i)
26 for examination and copying.

1 (ii) Detailed and accurate records in
2 chronological order of the receipts and expenditures
3 affecting the common areas, specifying and itemizing
4 the maintenance and repair expenses of the common
5 areas and any other expenses incurred, and copies of
6 all contracts, leases, or other agreements entered
7 into by the board shall be maintained.

8 (iii) The minutes of all meetings of the board
9 which shall be maintained for not less than 7 years.

10 (iv) With a written statement of a proper purpose,
11 ballots and proxies related thereto, if any, for any
12 election held for the board and for any other matters
13 voted on by the members, which shall be maintained for
14 not less than one year.

15 (v) With a written statement of a proper purpose,
16 such other records of the board as are available for
17 inspection by members of a not-for-profit corporation
18 pursuant to Section 107.75 of the General Not For
19 Profit Corporation Act of 1986 shall be maintained.

20 (vi) With respect to units owned by a land trust, a
21 living trust, or other legal entity, the trustee,
22 officer, or manager of the entity may designate, in
23 writing, a person to cast votes on behalf of the member
24 or unit owner and a designation shall remain in effect
25 until a subsequent document is filed with the
26 association.

1 (vii) Any reserve study.

2 (2) Where a request for records under this subsection
3 is made in writing to the board or its agent, failure to
4 provide the requested record or to respond within 30 days
5 shall be deemed a denial by the board.

6 (3) A reasonable fee may be charged by the board for
7 the cost of retrieving and copying records properly
8 requested.

9 (4) If the board fails to provide records properly
10 requested under paragraph (1) of this subsection (i)
11 within the time period provided in that paragraph (1), the
12 member may seek appropriate relief and shall be entitled
13 to an award of reasonable attorney's fees and costs if the
14 member prevails and the court finds that such failure is
15 due to the acts or omissions of the board of managers or
16 the board of directors.

17 (j) The board shall have standing and capacity to act in a
18 representative capacity in relation to matters involving the
19 common areas or more than one unit, on behalf of the members or
20 unit owners as their interests may appear.

21 (k) The board may contract with the highway commissioner
22 of a road district in which the association is located, if the
23 association comprises 50% of the population or greater of the
24 township or road district, to furnish materials related to the
25 maintenance or repair of roads. Any such purchases shall be
26 included in the board's finance report as outlined in Section

1 1-45.

2 (1) The board must provide a website no later than January
3 1, 2028 that unit owners can access on the Internet that
4 includes information about board and membership meetings and
5 the approved minutes from a meeting of the board.

6 (Source: P.A. 102-921, eff. 5-27-22; 103-486, eff. 1-1-24.)

7 (765 ILCS 160/1-45)

8 Sec. 1-45. Finances.

9 (a) Each member shall receive through a prescribed
10 delivery method, at least 30 days but not more than 60 days
11 prior to the adoption thereof by the board, a copy of the
12 proposed annual budget together with an indication of which
13 portions are intended for reserves, capital expenditures or
14 repairs or payment of real estate taxes.

15 (b) The board shall provide all members with a reasonably
16 detailed summary of the receipts, common expenses, and
17 reserves for the preceding budget year. The board shall (i)
18 make available for review to all members an itemized
19 accounting of the common expenses for the preceding year
20 actually incurred or paid, together with an indication of
21 which portions were for reserves, capital expenditures or
22 repairs or payment of real estate taxes and with a tabulation
23 of the amounts collected pursuant to the budget or assessment,
24 and showing the net excess or deficit of income over
25 expenditures plus reserves or (ii) provide a consolidated

1 annual independent audit report of the financial status of all
2 fund accounts within the association. This information must be
3 supplied through electronic transmission to all members who
4 have provided their information to the association and
5 authorized the association to transmit such information by
6 electronic transmission.

7 (c) If an adopted budget or any separate assessment
8 adopted by the board would result in the sum of all regular and
9 separate assessments payable in the current fiscal year
10 exceeding 115% of the sum of all regular and separate
11 assessments payable during the preceding fiscal year, the
12 common interest community association, upon written petition
13 by members with 20% of the votes of the association delivered
14 to the board within 14 days of the board action, shall call a
15 meeting of the members within 30 days of the date of delivery
16 of the petition to consider the budget or separate assessment;
17 unless a majority of the total votes of the members are cast at
18 the meeting to reject the budget or separate assessment, it
19 shall be deemed ratified.

20 (d) If total common expenses exceed the total amount of
21 the approved and adopted budget, the common interest community
22 association shall disclose this variance to all its members
23 and specifically identify the subsequent assessments needed to
24 offset this variance in future budgets.

25 (e) Separate assessments for expenditures relating to
26 emergencies or mandated by law may be adopted by the board

1 without being subject to member approval or the provisions of
2 subsection (c) or (f) of this Section. As used herein,
3 "emergency" means a danger to or a compromise of the
4 structural integrity of the common areas or any of the common
5 facilities of the common interest community. "Emergency" also
6 includes a danger to the life, health or safety of the
7 membership.

8 (f) Assessments for additions and alterations to the
9 common areas or to association-owned property not included in
10 the adopted annual budget, shall be separately assessed and
11 are subject to approval of a simple majority of the total
12 members at a meeting called for that purpose.

13 (g) The board may adopt separate assessments payable over
14 more than one fiscal year. With respect to multi-year
15 assessments not governed by subsections (e) and (f) of this
16 Section, the entire amount of the multi-year assessment shall
17 be deemed considered and authorized in the first fiscal year
18 in which the assessment is approved.

19 (h) The board of a common interest community association
20 shall have the authority to establish and maintain a system of
21 master metering of public utility services to collect payments
22 in conjunction therewith, subject to the requirements of the
23 Tenant Utility Payment Disclosure Act.

24 (i) An association subject to this Act that consists of
25 100 or more units shall use generally accepted accounting
26 principles in fulfilling any accounting obligations under this

1 Act.

2 (Source: P.A. 100-292, eff. 1-1-18.)

3 Section 10. The Condominium Property Act is amended by
4 changing Sections 18 and 18.4 as follows:

5 (765 ILCS 605/18) (from Ch. 30, par. 318)

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

8 (a) (1) The election from among the unit owners of a
9 board of managers, the number of persons constituting such
10 board, and that the terms of at least one-third of the
11 members of the board shall expire annually and that all
12 members of the board shall be elected at large; if there
13 are multiple owners of a single unit, only one of the
14 multiple owners shall be eligible to serve as a member of
15 the board at any one time. A declaration first submitting
16 property to the provisions of this Act, in accordance with
17 Section 3 after the effective date of this amendatory Act
18 of the 102nd General Assembly, or an amendment to the
19 condominium instruments adopted in accordance with Section
20 27 after the effective date of this amendatory Act of the
21 102nd General Assembly, may provide that a majority of the
22 board of managers, or such lesser number as may be
23 specified in the declaration, must be comprised of unit
24 owners occupying their unit as their primary residence;

1 provided that the condominium instruments may not require
2 that more than a majority of the board shall be comprised
3 of unit owners who occupy their unit as their principal
4 residence;

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

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

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

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

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

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

1 information shall be supplied through electronic
2 transmission to all members who have provided their
3 information to the association and authorized the
4 association to transmit such information by electronic
5 transmission as provided in Section 18.4;

6 (8) (i) that each unit owner shall receive notice, in
7 the same manner as is provided in this Act for membership
8 meetings, of any meeting of the board of managers
9 concerning the adoption of the proposed annual budget and
10 regular assessments pursuant thereto or to adopt a
11 separate (special) assessment, (ii) that except as
12 provided in subsection (iv) below, if an adopted budget or
13 any separate assessment adopted by the board would result
14 in the sum of all regular and separate assessments payable
15 in the current fiscal year exceeding 115% of the sum of all
16 regular and separate assessments payable during the
17 preceding fiscal year, the board of managers, upon written
18 petition by unit owners with 20 percent of the votes of the
19 association delivered to the board within 21 days of the
20 board action, shall call a meeting of the unit owners
21 within 30 days of the date of delivery of the petition to
22 consider the budget or separate assessment; unless a
23 majority of the total votes of the unit owners are cast at
24 the meeting to reject the budget or separate assessment,
25 it is ratified, (iii) that any common expense not set
26 forth in the budget or any increase in assessments over

1 the amount adopted in the budget shall be separately
2 assessed against all unit owners, (iv) that separate
3 assessments for expenditures relating to emergencies or
4 mandated by law may be adopted by the board of managers
5 without being subject to unit owner approval or the
6 provisions of item (ii) above or item (v) below. As used
7 herein, "emergency" means an immediate danger to the
8 structural integrity of the common elements or to the
9 life, health, safety or property of the unit owners, (v)
10 that assessments for additions and alterations to the
11 common elements or to association-owned property not
12 included in the adopted annual budget, shall be separately
13 assessed and are subject to approval of two-thirds of the
14 total votes of all unit owners, (vi) that the board of
15 managers may adopt separate assessments payable over more
16 than one fiscal year. With respect to multi-year
17 assessments not governed by items (iv) and (v), the entire
18 amount of the multi-year assessment shall be deemed
19 considered and authorized in the first fiscal year in
20 which the assessment is approved;

21 (9) (A) that every meeting of the board of managers
22 shall be open to any unit owner, except that the board may
23 close any portion of a noticed meeting or meet separately
24 from a noticed meeting to: (i) discuss litigation when an
25 action against or on behalf of the particular association
26 has been filed and is pending in a court or administrative

1 tribunal, or when the board of managers finds that such an
2 action is probable or imminent, (ii) discuss the
3 appointment, employment, engagement, or dismissal of an
4 employee, independent contractor, agent, or other provider
5 of goods and services, (iii) interview a potential
6 employee, independent contractor, agent, or other provider
7 of goods and services, (iv) discuss violations of rules
8 and regulations of the association, (v) discuss a unit
9 owner's unpaid share of common expenses, or (vi) consult
10 with the association's legal counsel; that any vote on
11 these matters shall take place at a meeting of the board of
12 managers or portion thereof open to any unit owner;

13 (B) that board members may participate in and act at
14 any meeting of the board of managers in person, by
15 telephonic means, or by use of any acceptable
16 technological means whereby all persons participating in
17 the meeting can communicate with each other; that
18 participation constitutes attendance and presence in
19 person at the meeting;

20 (C) that any unit owner may record the proceedings at
21 meetings of the board of managers or portions thereof
22 required to be open by this Act by tape, film or other
23 means, and that the board may prescribe reasonable rules
24 and regulations to govern the right to make such
25 recordings;

26 (D) that notice of every meeting of the board of

1 managers shall be given to every board member at least 48
2 hours prior thereto, unless the board member waives notice
3 of the meeting pursuant to subsection (a) of Section 18.8;
4 and

5 (E) that notice of every meeting of the board of
6 managers shall be posted in entranceways, elevators, or
7 other conspicuous places in the condominium at least 48
8 hours prior to the meeting of the board of managers except
9 where there is no common entranceway for 7 or more units,
10 the board of managers may designate one or more locations
11 in the proximity of these units where the notices of
12 meetings shall be posted; that notice of every meeting of
13 the board of managers shall also be given at least 48 hours
14 prior to the meeting, or such longer notice as this Act may
15 separately require, to: (i) each unit owner who has
16 provided the association with written authorization to
17 conduct business by acceptable technological means, and
18 (ii) to the extent that the condominium instruments of an
19 association require, to each other unit owner, as required
20 by subsection (f) of Section 18.8, by mail or delivery,
21 and that no other notice of a meeting of the board of
22 managers need be given to any unit owner;

23 (10) that the board shall meet at least 4 times
24 annually;

25 (11) that no member of the board or officer shall be
26 elected for a term of more than 2 years, but that officers

1 and board members may succeed themselves;

2 (12) the designation of an officer to mail and receive
3 all notices and execute amendments to condominium
4 instruments as provided for in this Act and in the
5 condominium instruments;

6 (13) the method of filling vacancies on the board
7 which shall include authority for the remaining members of
8 the board to fill the vacancy by two-thirds vote until the
9 next annual meeting of unit owners or for a period
10 terminating no later than 30 days following the filing of
11 a petition signed by unit owners holding 20% of the votes
12 of the association requesting a meeting of the unit owners
13 to fill the vacancy for the balance of the term, and that a
14 meeting of the unit owners shall be called for purposes of
15 filling a vacancy on the board no later than 30 days
16 following the filing of a petition signed by unit owners
17 holding 20% of the votes of the association requesting
18 such a meeting, and the method of filling vacancies among
19 the officers that shall include the authority for the
20 members of the board to fill the vacancy for the unexpired
21 portion of the term;

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

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

26 (16) the board of managers may not enter into a

1 contract with a current board member or with a corporation
2 or partnership in which a board member or a member of the
3 board member's immediate family has 25% or more interest,
4 unless notice of intent to enter the contract is given to
5 unit owners within 20 days after a decision is made to
6 enter into the contract and the unit owners are afforded
7 an opportunity by filing a petition, signed by 20% of the
8 unit owners, for an election to approve or disapprove the
9 contract; such petition shall be filed within 30 days
10 after such notice and such election shall be held within
11 30 days after filing the petition; for purposes of this
12 subsection, a board member's immediate family means the
13 board member's spouse, parents, and children;

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

22 (18) any proxy distributed for board elections by the
23 board of managers gives unit owners the opportunity to
24 designate any person as the proxy holder, and gives the
25 unit owner the opportunity to express a preference for any
26 of the known candidates for the board or to write in a

1 name;

2 (19) that special meetings of the board of managers
3 can be called by the president or 25% of the members of the
4 board;

5 (20) that the board of managers may establish and
6 maintain a system of master metering of public utility
7 services and collect payments in connection therewith,
8 subject to the requirements of the Tenant Utility Payment
9 Disclosure Act; and

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

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

22 (b)(1) What percentage of the unit owners, if other
23 than 20%, shall constitute a quorum provided that, for
24 condominiums with 20 or more units, the percentage of unit
25 owners constituting a quorum shall be 20% unless the unit
26 owners holding a majority of the percentage interest in

1 the association provide for a higher percentage, provided
2 that in voting on amendments to the association's bylaws,
3 a unit owner who is in arrears on the unit owner's regular
4 or separate assessments for 60 days or more, shall not be
5 counted for purposes of determining if a quorum is
6 present, but that unit owner retains the right to vote on
7 amendments to the association's bylaws;

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

10 (3) that the members shall hold an annual meeting, one
11 of the purposes of which shall be to elect members of the
12 board of managers;

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

14 (5) that special meetings of the members can be called
15 by the president, board of managers, or by 20% of unit
16 owners;

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

1 (7) that voting shall be on a percentage basis, and
2 that the percentage vote to which each unit is entitled is
3 the percentage interest of the undivided ownership of the
4 common elements appurtenant thereto, provided that the
5 bylaws may provide for approval by unit owners in
6 connection with matters where the requisite approval on a
7 percentage basis is not specified in this Act, on the
8 basis of one vote per unit;

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

21 (9) (A) except as provided in subparagraph (B) of this
22 paragraph (9) in connection with board elections, that a
23 unit owner may vote by proxy executed in writing by the
24 unit owner or by his duly authorized attorney in fact;
25 that the proxy must bear the date of execution and, unless
26 the condominium instruments or the written proxy itself

1 provide otherwise, is invalid after 11 months from the
2 date of its execution; to the extent the condominium
3 instruments or rules adopted thereunder expressly so
4 provide, a vote or proxy may be submitted by electronic
5 transmission, provided that any such electronic
6 transmission shall either set forth or be submitted with
7 information from which it can be determined that the
8 electronic transmission was authorized by the unit owner
9 or the unit owner's proxy;

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

1 of all candidates who have given the board or its
2 authorized agent timely written notice of their candidacy
3 and must give the person casting the ballot the
4 opportunity to cast votes for candidates whose names do
5 not appear on the ballot; that a ballot received by the
6 association or its designated agent after the close of
7 voting shall not be counted; that a unit owner who submits
8 a ballot by mail or other means of delivery specified in
9 the declaration, bylaws, or rule may request and cast a
10 ballot in person at the election meeting, and thereby void
11 any ballot previously submitted by that unit owner;

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

1 technological means is distributed to unit owners; every
2 instruction notice must include the names of all
3 candidates who have given the board or its authorized
4 agent timely written notice of their candidacy and must
5 give the person voting through electronic or acceptable
6 technological means the opportunity to cast votes for
7 candidates whose names do not appear on the ballot; a unit
8 owner who submits a vote using electronic or acceptable
9 technological means may request and cast a ballot in
10 person at the election meeting, thereby voiding any vote
11 previously submitted by that unit owner;

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

21 (D) that votes cast by ballot under subparagraph (B)
22 or electronic or acceptable technological means under
23 subparagraph (B-5) of this paragraph (9) are valid for the
24 purpose of establishing a quorum;

25 (10) that the association may, upon adoption of the
26 appropriate rules by the board of managers, conduct

1 elections by secret ballot whereby the voting ballot is
2 marked only with the percentage interest for the unit and
3 the vote itself, provided that the board further adopt
4 rules to verify the status of the unit owner issuing a
5 proxy or casting a ballot; and further, that a candidate
6 for election to the board of managers or such candidate's
7 representative shall have the right to be present at the
8 counting of ballots at such election;

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

1 Section 5 of the Installment Sales Contract Act and
2 Section 1(e) of the Dwelling Unit Installment Contract
3 Act;

4 (12) the method by which matters subject to the
5 approval of unit owners set forth in this Act, or in the
6 condominium instruments, will be submitted to the unit
7 owners at special membership meetings called for such
8 purposes; and

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

13 (i) merger or consolidation of the association;

14 (ii) sale, lease, exchange, or other disposition
15 (excluding the mortgage or pledge) of all, or
16 substantially all of the property and assets of the
17 association; and

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

20 (c) Election of a president from among the board of
21 managers, who shall preside over the meetings of the board
22 of managers and of the unit owners.

23 (d) Election of a secretary from among the board of
24 managers, who shall keep the minutes of all meetings of
25 the board of managers and of the unit owners and who shall,
26 in general, perform all the duties incident to the office

1 of secretary.

2 (e) Election of a treasurer from among the board of
3 managers, who shall keep the financial records and books
4 of account.

5 (f) Maintenance, repair and replacement of the common
6 elements and payments therefor, including the method of
7 approving payment vouchers.

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

1 authorize a management company to maintain the
2 association's reserve funds in a single interest bearing
3 account with similar funds of other associations. The
4 management company shall at all times maintain records
5 identifying all moneys of each association in such
6 investment account. The management company may hold all
7 operating funds of associations which it manages in a
8 single operating account but shall at all times maintain
9 records identifying all moneys of each association in such
10 operating account. Such operating and reserve funds held
11 by the management company for the association shall not be
12 subject to attachment by any creditor of the management
13 company.

14 For the purpose of this subsection, a management
15 company shall be defined as a person, partnership,
16 corporation, or other legal entity entitled to transact
17 business on behalf of others, acting on behalf of or as an
18 agent for a unit owner, unit owners or association of unit
19 owners for the purpose of carrying out the duties,
20 responsibilities, and other obligations necessary for the
21 day to day operation and management of any property
22 subject to this Act. For purposes of this subsection, the
23 term "fiduciary insurance coverage" shall be defined as
24 both a fidelity bond and directors and officers liability
25 coverage, the fidelity bond in the full amount of
26 association funds and association reserves that will be in

1 the custody of the association, and the directors and
2 officers liability coverage at a level as shall be
3 determined to be reasonable by the board of managers, if
4 not otherwise established by the declaration or by laws.

5 Until one year after September 21, 1985 (the effective
6 date of Public Act 84-722), if a condominium association
7 has reserves plus assessments in excess of \$250,000 and
8 cannot reasonably obtain 100% fidelity bond coverage for
9 such amount, then it must obtain a fidelity bond coverage
10 of \$250,000.

11 (h) Method of estimating the amount of the annual
12 budget, and the manner of assessing and collecting from
13 the unit owners their respective shares of such estimated
14 expenses, and of any other expenses lawfully agreed upon.

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

20 (j) Designation and removal of personnel necessary for
21 the maintenance, repair and replacement of the common
22 elements.

23 (k) Such restrictions on and requirements respecting
24 the use and maintenance of the units and the use of the
25 common elements, not set forth in the declaration, as are
26 designed to prevent unreasonable interference with the use

1 of their respective units and of the common elements by
2 the several unit owners.

3 (l) Method of adopting and of amending administrative
4 rules and regulations governing the operation and use of
5 the common elements.

6 (m) The percentage of votes required to modify or
7 amend the bylaws, but each one of the particulars set
8 forth in this section shall always be embodied in the
9 bylaws.

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

17 (ii) With regard to any lease entered into subsequent
18 to July 1, 1990 (the effective date of Public Act 86-991),
19 the unit owner leasing the unit shall deliver a copy of the
20 signed lease to the board or if the lease is oral, a
21 memorandum of the lease, not later than the date of
22 occupancy or 10 days after the lease is signed, whichever
23 occurs first. In addition to any other remedies, by filing
24 an action jointly against the tenant and the unit owner,
25 an association may seek to enjoin a tenant from occupying
26 a unit or seek to evict a tenant under the provisions of

1 Article IX of the Code of Civil Procedure for failure of
2 the lessor-owner to comply with the leasing requirements
3 prescribed by this Section or by the declaration, bylaws,
4 and rules and regulations. The board of managers may
5 proceed directly against a tenant, at law or in equity, or
6 under the provisions of Article IX of the Code of Civil
7 Procedure, for any other breach by tenant of any
8 covenants, rules, regulations or bylaws.

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

11 (p) That when 30% or fewer of the units, by number,
12 possess over 50% in the aggregate of the votes in the
13 association, any percentage vote of members specified
14 herein or in the condominium instruments shall require the
15 specified percentage by number of units rather than by
16 percentage of interest in the common elements allocated to
17 units that would otherwise be applicable and garage units
18 or storage units, or both, shall have, in total, no more
19 votes than their aggregate percentage of ownership in the
20 common elements; this shall mean that if garage units or
21 storage units, or both, are to be given a vote, or portion
22 of a vote, that the association must add the total number
23 of votes cast of garage units, storage units, or both, and
24 divide the total by the number of garage units, storage
25 units, or both, and multiply by the aggregate percentage
26 of ownership of garage units and storage units to

1 determine the vote, or portion of a vote, that garage
2 units or storage units, or both, have. For purposes of
3 this subsection (p), when making a determination of
4 whether 30% or fewer of the units, by number, possess over
5 50% in the aggregate of the votes in the association, a
6 unit shall not include a garage unit or a storage unit.

7 (q) That a unit owner may not assign, delegate,
8 transfer, surrender, or avoid the duties,
9 responsibilities, and liabilities of a unit owner under
10 this Act, the condominium instruments, or the rules and
11 regulations of the Association; and that such an attempted
12 assignment, delegation, transfer, surrender, or avoidance
13 shall be deemed void.

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

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

22 (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

23 Sec. 18.4. Powers and duties of board of managers. The
24 board of managers shall exercise for the association all
25 powers, duties and authority vested in the association by law

1 or the condominium instruments except for such powers, duties
2 and authority reserved by law to the members of the
3 association. The powers and duties of the board of managers
4 shall include, but shall not be limited to, the following:

5 (a) To provide for the operation, care, upkeep,
6 maintenance, replacement and improvement of the common
7 elements. Nothing in this subsection (a) shall be deemed
8 to invalidate any provision in a condominium instrument
9 placing limits on expenditures for the common elements,
10 provided, that such limits shall not be applicable to
11 expenditures for repair, replacement, or restoration of
12 existing portions of the common elements. The term
13 "repair, replacement or restoration" means expenditures to
14 deteriorated or damaged portions of the property related
15 to the existing decorating, facilities, or structural or
16 mechanical components, interior or exterior surfaces, or
17 energy systems and equipment with the functional
18 equivalent of the original portions of such areas.
19 Replacement of the common elements may result in an
20 improvement over the original quality of such elements or
21 facilities; provided that, unless the improvement is
22 mandated by law or is an emergency as defined in item (iv)
23 of subparagraph (8) of paragraph (a) of Section 18, if the
24 improvement results in a proposed expenditure exceeding 5%
25 of the annual budget, the board of managers, upon written
26 petition by unit owners with 20% of the votes of the

1 association delivered to the board within 21 days of the
2 board action to approve the expenditure, shall call a
3 meeting of the unit owners within 30 days of the date of
4 delivery of the petition to consider the expenditure.
5 Unless a majority of the total votes of the unit owners are
6 cast at the meeting to reject the expenditure, it is
7 ratified.

8 (b) To prepare, adopt and distribute the annual budget
9 for the property.

10 (c) To levy and expend assessments.

11 (d) To collect assessments from unit owners.

12 (e) To provide for the employment and dismissal of the
13 personnel necessary or advisable for the maintenance and
14 operation of the common elements.

15 (f) To obtain adequate and appropriate kinds of
16 insurance.

17 (g) To own, convey, encumber, lease, and otherwise
18 deal with units conveyed to or purchased by it.

19 (h) To adopt and amend rules and regulations covering
20 the details of the operation and use of the property,
21 after a meeting of the unit owners called for the specific
22 purpose of discussing the proposed rules and regulations.
23 Notice of the meeting shall contain the full text of the
24 proposed rules and regulations, and the meeting shall
25 conform to the requirements of Section 18(b) of this Act,
26 except that no quorum is required at the meeting of the

1 unit owners unless the declaration, bylaws or other
2 condominium instrument expressly provides to the contrary.
3 However, no rule or regulation may impair any rights
4 guaranteed by the First Amendment to the Constitution of
5 the United States or Section 4 of Article I of the Illinois
6 Constitution including, but not limited to, the free
7 exercise of religion, nor may any rules or regulations
8 conflict with the provisions of this Act or the
9 condominium instruments. No rule or regulation shall
10 prohibit any reasonable accommodation for religious
11 practices, including the attachment of religiously
12 mandated objects to the front-door area of a condominium
13 unit.

14 (i) To keep detailed, accurate records of the receipts
15 and expenditures affecting the use and operation of the
16 property.

17 (j) To have access to each unit from time to time as
18 may be necessary for the maintenance, repair or
19 replacement of any common elements or for making emergency
20 repairs necessary to prevent damage to the common elements
21 or to other units.

22 (k) To pay real property taxes, special assessments,
23 and any other special taxes or charges of the State of
24 Illinois or of any political subdivision thereof, or other
25 lawful taxing or assessing body, which are authorized by
26 law to be assessed and levied upon the real property of the

1 condominium.

2 (l) To impose charges for late payment of a unit
3 owner's proportionate share of the common expenses, or any
4 other expenses lawfully agreed upon, and after notice and
5 an opportunity to be heard, to levy reasonable fines for
6 violation of the declaration, by-laws, and rules and
7 regulations of the association.

8 (m) By a majority vote of the entire board of
9 managers, to assign the right of the association to future
10 income from common expenses or other sources, and to
11 mortgage or pledge substantially all of the remaining
12 assets of the association.

13 (n) To record the dedication of a portion of the
14 common elements to a public body for use as, or in
15 connection with, a street or utility where authorized by
16 the unit owners under the provisions of Section 14.2.

17 (o) To record the granting of an easement for the
18 laying of cable television or high speed Internet cable
19 where authorized by the unit owners under the provisions
20 of Section 14.3; to obtain, if available and determined by
21 the board to be in the best interests of the association,
22 cable television or bulk high speed Internet service for
23 all of the units of the condominium on a bulk identical
24 service and equal cost per unit basis; and to assess and
25 recover the expense as a common expense and, if so
26 determined by the board, to assess each and every unit on

1 the same equal cost per unit basis.

2 (p) To seek relief on behalf of all unit owners when
3 authorized pursuant to subsection (c) of Section 10 from
4 or in connection with the assessment or levying of real
5 property taxes, special assessments, and any other special
6 taxes or charges of the State of Illinois or of any
7 political subdivision thereof or of any lawful taxing or
8 assessing body.

9 (q) To reasonably accommodate the needs of a unit
10 owner who is a person with a disability as required by the
11 federal Civil Rights Act of 1968, the Human Rights Act and
12 any applicable local ordinances in the exercise of its
13 powers with respect to the use of common elements or
14 approval of modifications in an individual unit.

15 (r) To accept service of a notice of claim for
16 purposes of the Mechanics Lien Act on behalf of each
17 respective member of the Unit Owners' Association with
18 respect to improvements performed pursuant to any contract
19 entered into by the Board of Managers or any contract
20 entered into prior to the recording of the condominium
21 declaration pursuant to this Act, for a property
22 containing more than 8 units, and to distribute the notice
23 to the unit owners within 7 days of the acceptance of the
24 service by the Board of Managers. The service shall be
25 effective as if each individual unit owner had been served
26 individually with notice.

1 (s) To adopt and amend rules and regulations (1)
2 authorizing electronic delivery of notices and other
3 communications required or contemplated by this Act to
4 each unit owner who provides the association with written
5 authorization for electronic delivery and an electronic
6 address to which such communications are to be
7 electronically transmitted; and (2) authorizing each unit
8 owner to designate an electronic address or a U.S. Postal
9 Service address, or both, as the unit owner's address on
10 any list of members or unit owners which an association is
11 required to provide upon request pursuant to any provision
12 of this Act or any condominium instrument.

13 (t) The board must provide a website no later than
14 January 1, 2028 that unit owners can access on the
15 Internet that includes information about board and
16 membership meetings and the approved minutes from a
17 meeting of the board.

18 In the performance of their duties, the officers and
19 members of the board, whether appointed by the developer or
20 elected by the unit owners, shall exercise the care required
21 of a fiduciary of the unit owners.

22 The collection of assessments from unit owners by an
23 association, board of managers or their duly authorized agents
24 shall not be considered acts constituting a collection agency
25 for purposes of the Collection Agency Act.

26 The provisions of this Section are applicable to all

1 condominium instruments recorded under this Act. Any portion
2 of a condominium instrument which contains provisions contrary
3 to these provisions shall be void as against public policy and
4 ineffective. Any such instrument that fails to contain the
5 provisions required by this Section shall be deemed to
6 incorporate such provisions by operation of law.

7 (Source: P.A. 99-143, eff. 7-27-15; 99-849, eff. 1-1-17;
8 100-292, eff. 1-1-18.)".