



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3527

Introduced 2/5/2026, by Sen. Adriane Johnson

SYNOPSIS AS INTRODUCED:

765 ILCS 160/1-35

765 ILCS 160/1-45

765 ILCS 605/18.4

765 ILCS 605/22.1

from Ch. 30, par. 318.4

from Ch. 30, par. 322.1

Amends the Common Interest Community Association Act and the Condominium Property Act. Requires an association under both Acts to adopt policies and procedures concerning the collection of unpaid assessments. Prohibits an association or a holder or assignee of the association's debt from taking legal action to collect common expenses unless the association has adopted a written policy governing the collection policy for unpaid assessments. Specifies what the policy, at a minimum, must contain.

LRB104 18988 JRC 32433 b

1 AN ACT concerning civil law.

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

4 Section 5. The Common Interest Community Association Act
5 is amended by changing Sections 1-35 and 1-45 as follows:

6 (765 ILCS 160/1-35)

7 Sec. 1-35. Member powers, duties, and obligations.

8 (a) The provisions of this Act, the declaration, bylaws,
9 other community instruments, and rules and regulations that
10 relate to the use of an individual unit or the common areas
11 shall be applicable to any person leasing a unit and shall be
12 deemed to be incorporated in any lease executed or renewed on
13 or after the effective date of this Act. Unless otherwise
14 provided in the community instruments, with regard to any
15 lease entered into subsequent to the effective date of this
16 Act, the unit owner leasing the unit shall deliver a copy of
17 the signed lease to the association or if the lease is oral, a
18 memorandum of the lease, not later than the date of occupancy
19 or 10 days after the lease is signed, whichever occurs first.

20 (b) If there are multiple owners of a single unit, only one
21 of the multiple owners shall be eligible to serve as a member
22 of the board at any one time, unless the unit owner owns
23 another unit independently.

1 (c) Two-thirds of the membership may remove a board member
2 as a director at a duly called special meeting.

3 (d) In the event of any resale of a unit in a common
4 interest community association by a member or unit owner other
5 than the developer, the board shall make available for
6 inspection to the prospective purchaser, upon demand, the
7 following:

8 (1) A copy of the declaration, other instruments, and
9 any rules and regulations.

10 (2) A statement of any liens, including a statement of
11 the account of the unit setting forth the amounts of
12 unpaid assessments and other charges due and owing.

13 (3) A statement of any capital expenditures
14 anticipated by the association within the current or
15 succeeding 2 fiscal years.

16 (4) A statement of the status and amount of any
17 reserve or replacement fund and any other fund
18 specifically designated for association projects.

19 (5) A copy of the statement of financial condition of
20 the association for the last fiscal year for which such a
21 statement is available.

22 (6) A statement of the status of any pending suits or
23 judgments in which the association is a party.

24 (7) A statement setting forth what insurance coverage
25 is provided for all members or unit owners by the
26 association for common properties.

1 (8) A copy of the collection policy adopted under
2 subsection (j) of Section 1-45.

3 The principal officer of the board or such other officer
4 as is specifically designated shall furnish the above
5 information within 30 days after receiving a written request
6 for such information.

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

11 (Source: P.A. 97-605, eff. 8-26-11; 97-1090, eff. 8-24-12;
12 98-842, eff. 1-1-15.)

13 (765 ILCS 160/1-45)

14 Sec. 1-45. Finances.

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

21 (b) The board shall provide all members with a reasonably
22 detailed summary of the receipts, common expenses, and
23 reserves for the preceding budget year. The board shall (i)
24 make available for review to all members an itemized
25 accounting of the common expenses for the preceding year

1 actually incurred or paid, together with an indication of
2 which portions were for reserves, capital expenditures or
3 repairs or payment of real estate taxes and with a tabulation
4 of the amounts collected pursuant to the budget or assessment,
5 and showing the net excess or deficit of income over
6 expenditures plus reserves or (ii) provide a consolidated
7 annual independent audit report of the financial status of all
8 fund accounts within the association.

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

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

1 (e) Separate assessments for expenditures relating to
2 emergencies or mandated by law may be adopted by the board
3 without being subject to member approval or the provisions of
4 subsection (c) or (f) of this Section. As used herein,
5 "emergency" means a danger to or a compromise of the
6 structural integrity of the common areas or any of the common
7 facilities of the common interest community. "Emergency" also
8 includes a danger to the life, health or safety of the
9 membership.

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

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

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

26 (i) An association subject to this Act that consists of

1 100 or more units shall use generally accepted accounting
2 principles in fulfilling any accounting obligations under this
3 Act.

4 (j) To promote responsible governance, the board must
5 adopt policies and procedures concerning the collection of
6 unpaid assessments.

7 (1) Notwithstanding any provision in the community
8 instruments to the contrary, the association or a holder
9 or assignee of the association's debt, whether the holder
10 or assignee of the association's debt is an entity or a
11 natural person, take legal action to collect common
12 expenses unless the association or a holder or assignee of
13 the association's debt has adopted, and follows, a written
14 policy governing the collection of unpaid assessments. The
15 policy must, at a minimum, specify:

16 (A) the date on which common expenses must be paid
17 to the entity and when an assessment is considered
18 delinquent;

19 (B) any late fees and interest the entity is
20 entitled to impose on a delinquent unit owner's
21 account;

22 (C) any returned-check charges the entity is
23 entitled to impose;

24 (D) the circumstances, if any, under which a unit
25 owner is entitled to enter into a payment plan with the
26 entity and the minimum terms of the payment plan;

1 (E) the amount or duration of time before the
2 entity refers a delinquent account to an attorney for
3 legal action;

4 (F) the method by which payments may be applied on
5 the delinquent account of a unit owner; and

6 (G) the legal remedies available to the entity to
7 collect on a unit owner's delinquent account pursuant
8 to the governing documents of the entity and Illinois
9 law.

10 (2) As used in this subsection, "entity" means an
11 association or a holder or assignee of the association's
12 debt, whether the holder or assignee of the association's
13 debt is an entity or a natural person.

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

15 Section 10. The Condominium Property Act is amended by
16 changing Sections 18.4 and 22.1 as follows:

17 (765 ILCS 605/18.4) (from Ch. 30, par. 318.4)

18 Sec. 18.4. Powers and duties of board of managers. The
19 board of managers shall exercise for the association all
20 powers, duties and authority vested in the association by law
21 or the condominium instruments except for such powers, duties
22 and authority reserved by law to the members of the
23 association. The powers and duties of the board of managers
24 shall include, but shall not be limited to, the following:

1 (a) To provide for the operation, care, upkeep,
2 maintenance, replacement and improvement of the common
3 elements. Nothing in this subsection (a) shall be deemed
4 to invalidate any provision in a condominium instrument
5 placing limits on expenditures for the common elements,
6 provided, that such limits shall not be applicable to
7 expenditures for repair, replacement, or restoration of
8 existing portions of the common elements. The term
9 "repair, replacement or restoration" means expenditures to
10 deteriorated or damaged portions of the property related
11 to the existing decorating, facilities, or structural or
12 mechanical components, interior or exterior surfaces, or
13 energy systems and equipment with the functional
14 equivalent of the original portions of such areas.
15 Replacement of the common elements may result in an
16 improvement over the original quality of such elements or
17 facilities; provided that, unless the improvement is
18 mandated by law or is an emergency as defined in item (iv)
19 of subparagraph (8) of paragraph (a) of Section 18, if the
20 improvement results in a proposed expenditure exceeding 5%
21 of the annual budget, the board of managers, upon written
22 petition by unit owners with 20% of the votes of the
23 association delivered to the board within 21 days of the
24 board action to approve the expenditure, shall call a
25 meeting of the unit owners within 30 days of the date of
26 delivery of the petition to consider the expenditure.

1 Unless a majority of the total votes of the unit owners are
2 cast at the meeting to reject the expenditure, it is
3 ratified.

4 (b) To prepare, adopt and distribute the annual budget
5 for the property.

6 (c) To levy and expend assessments.

7 (d) To collect assessments from unit owners.

8 (e) To provide for the employment and dismissal of the
9 personnel necessary or advisable for the maintenance and
10 operation of the common elements.

11 (f) To obtain adequate and appropriate kinds of
12 insurance.

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

15 (h) To adopt and amend rules and regulations covering
16 the details of the operation and use of the property,
17 after a meeting of the unit owners called for the specific
18 purpose of discussing the proposed rules and regulations.
19 Notice of the meeting shall contain the full text of the
20 proposed rules and regulations, and the meeting shall
21 conform to the requirements of Section 18(b) of this Act,
22 except that no quorum is required at the meeting of the
23 unit owners unless the declaration, bylaws or other
24 condominium instrument expressly provides to the contrary.
25 However, no rule or regulation may impair any rights
26 guaranteed by the First Amendment to the Constitution of

1 the United States or Section 4 of Article I of the Illinois
2 Constitution including, but not limited to, the free
3 exercise of religion, nor may any rules or regulations
4 conflict with the provisions of this Act or the
5 condominium instruments. No rule or regulation shall
6 prohibit any reasonable accommodation for religious
7 practices, including the attachment of religiously
8 mandated objects to the front-door area of a condominium
9 unit.

10 (i) To keep detailed, accurate records of the receipts
11 and expenditures affecting the use and operation of the
12 property.

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

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

24 (l) To impose charges for late payment of a unit
25 owner's proportionate share of the common expenses, or any
26 other expenses lawfully agreed upon, and after notice and

1 an opportunity to be heard, to levy reasonable fines for
2 violation of the declaration, by-laws, and rules and
3 regulations of the association.

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

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

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

24 (p) To seek relief on behalf of all unit owners when
25 authorized pursuant to subsection (c) of Section 10 from
26 or in connection with the assessment or levying of real

1 property taxes, special assessments, and any other special
2 taxes or charges of the State of Illinois or of any
3 political subdivision thereof or of any lawful taxing or
4 assessing body.

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

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

23 (s) To adopt and amend rules and regulations (1)
24 authorizing electronic delivery of notices and other
25 communications required or contemplated by this Act to
26 each unit owner who provides the association with written

1 authorization for electronic delivery and an electronic
2 address to which such communications are to be
3 electronically transmitted; and (2) authorizing each unit
4 owner to designate an electronic address or a U.S. Postal
5 Service address, or both, as the unit owner's address on
6 any list of members or unit owners which an association is
7 required to provide upon request pursuant to any provision
8 of this Act or any condominium instrument.

9 (t) To promote responsible governance, the board must
10 adopt policies and procedures concerning the collection of
11 unpaid assessments.

12 (1) Notwithstanding any provision of the
13 condominium instruments and adopted rules and
14 regulations to the contrary, the association or a
15 holder or assignee of the association's debt, whether
16 the holder or assignee of the association's debt is an
17 entity or a natural person, may not take legal action
18 to collect common expenses unless the association or a
19 holder or assignee of the association's debt has
20 adopted, and follows, a written policy governing the
21 collection of unpaid assessments. The policy must, at
22 a minimum, specify:

23 (A) the date on which common expenses must be
24 paid to the entity and when an assessment is
25 considered delinquent;

26 (B) any late fees and interest the entity is

1 entitled to impose on a delinquent unit owner's
2 account;

3 (C) any returned-check charges the entity is
4 entitled to impose;

5 (D) the circumstances, if any, under which a
6 unit owner is entitled to enter into a payment
7 plan with the entity and the minimum terms of the
8 payment plan;

9 (E) the amount or duration of time before the
10 entity refers a delinquent account to an attorney
11 for legal action;

12 (F) the method by which payments may be
13 applied on the delinquent account of a unit owner;
14 and

15 (G) the legal remedies available to the entity
16 to collect on a unit owner's delinquent account
17 pursuant to the governing documents of the entity
18 and Illinois law.

19 (2) As used in this subsection, "entity" means an
20 association or a holder or assignee of the
21 association's debt, whether the holder or assignee of
22 the association's debt is an entity or a natural
23 person.

24 In the performance of their duties, the officers and
25 members of the board, whether appointed by the developer or
26 elected by the unit owners, shall exercise the care required

1 of a fiduciary of the unit owners.

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

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

13 (Source: P.A. 99-143, eff. 7-27-15; 99-849, eff. 1-1-17;
14 100-292, eff. 1-1-18.)

15 (765 ILCS 605/22.1) (from Ch. 30, par. 322.1)

16 Sec. 22.1. (a) In the event of any resale of a condominium
17 unit by a unit owner other than the developer such owner shall
18 obtain from the Board of Managers and shall make available for
19 inspection to the prospective purchaser, upon demand, the
20 following:

21 (1) A copy of the Declaration, by-laws, other
22 condominium instruments, and any rules and regulations.

23 (2) A statement of any liens, including a statement of
24 the account of the unit setting forth the amounts of
25 unpaid assessments and other charges due and owing as

1 authorized and limited by the provisions of Section 9 of
2 this Act or the condominium instruments.

3 (3) A statement of any capital expenditures
4 anticipated by the unit owner's association within the
5 current or succeeding 2 fiscal years.

6 (4) A statement of the status and amount of any
7 reserve for replacement fund and any portion of such fund
8 earmarked for any specified project by the Board of
9 Managers.

10 (5) A copy of the statement of financial condition of
11 the unit owner's association for the last fiscal year for
12 which such statement is available.

13 (6) A statement of the status of any pending suits or
14 judgments in which the unit owner's association is a
15 party.

16 (7) A statement setting forth what insurance coverage
17 is provided for all unit owners by the unit owner's
18 association.

19 (8) A statement that any improvements or alterations
20 made to the unit, or the limited common elements assigned
21 thereto, by the prior unit owner are in good faith
22 believed to be in compliance with the condominium
23 instruments.

24 (9) The identity and mailing address of the principal
25 officer of the unit owner's association or of the other
26 officer or agent as is specifically designated to receive

1 notices.

2 (10) A copy of the collection policy adopted under
3 subsection (t) of Section 18.4.

4 (b) The principal officer of the unit owner's association
5 or such other officer as is specifically designated shall
6 furnish the above information when requested to do so in
7 writing and within 10 business days of the request.

8 (c) Within 15 days of the recording of a mortgage or trust
9 deed against a unit ownership given by the owner of that unit
10 to secure a debt, the owner shall inform the Board of Managers
11 of the unit owner's association of the identity of the lender
12 together with a mailing address at which the lender can
13 receive notices from the association. If a unit owner fails or
14 refuses to inform the Board as required under subsection (c)
15 then that unit owner shall be liable to the association for all
16 costs, expenses, and reasonable attorney's fees and such other
17 damages, if any, incurred by the association as a result of
18 such failure or refusal.

19 A reasonable fee, not to exceed \$375, covering the direct
20 out-of-pocket cost of providing such information and copying
21 may be charged by the association or its Board of Managers to
22 the unit seller for providing such information. Beginning one
23 year after the effective date of this amendatory Act of the
24 102nd General Assembly, the \$375 fee shall be increased or
25 decreased, as applicable, by a percentage equal to the
26 percentage change in the consumer price index-u during the

1 preceding 12-month calendar year. "Consumer price index-u"
2 means the index published by the Bureau of Labor Statistics of
3 the United States Department of Labor that measures the
4 average change in prices of goods and services purchased by
5 all urban consumers, United States city average, all items,
6 1982-84 = 100. An association may charge an additional \$100
7 for rush service completed within 72 hours.
8 (Source: P.A. 102-976, eff. 1-1-23.)