

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 adding Section 1-32 as follows:

6 (765 ILCS 160/1-32 new)

7 Sec. 1-32. Reserve study.

8 (a) Any association with major shared components or  
9 significant infrastructure that has had a reserve study  
10 conducted on or after January 1, 2020 shall have an updated  
11 reserve study conducted within 5 years after the date the  
12 reserve study was conducted, and at least every 5 years  
13 thereafter, for purposes of assessing the condition of and  
14 planning for maintenance, repair, and replacement of the  
15 common areas.

16 (b) Any association with major shared components or  
17 significant infrastructure that has not had a reserve study  
18 conducted on or after January 1, 2020, shall require that a  
19 reserve study be conducted on or before January 1, 2026, and  
20 shall update the study every 5 years for purposes of assessing  
21 the condition of and planning for maintenance, repair, and  
22 replacement of the common areas.

23 (c) As used in this Section, "reserve study" means an

1 analysis of the reserves required for future major  
2 maintenance, repairs, and replacements of the common areas  
3 that:

4 (1) identifies each structural, mechanical,  
5 electrical, and plumbing component of the common areas and  
6 any other components that are the responsibility of the  
7 association to maintain, repair, and replace;

8 (2) states the normal useful life and the estimated  
9 remaining useful life of each identified component;

10 (3) states the estimated cost of maintenance, repair,  
11 or replacement of each identified component; and

12 (4) states the estimated annual reserve amount  
13 necessary to accomplish any identified future maintenance,  
14 repair, or replacement.

15 (d) As used in this Section, "major shared components or  
16 significant infrastructure" means structural, mechanical,  
17 electrical, and plumbing components of the common areas and  
18 any other components that are the responsibility of the  
19 association to maintain, restore, repair, and replace, or  
20 infrastructure, including, but not limited to, roads, street  
21 lighting, hardscape, landscape, ponds and lakes, water  
22 features, pools, and accessory buildings, with an aggregate  
23 restoration or replacement cost exceeding \$10,000, that are  
24 capital expenses as identified in the federal tax code and  
25 generally accepted accounting principles.

1 Section 10. The Condominium Property Act is amended by  
2 changing Section 18.5 and by adding Section 18.12 as follows:

3 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

4 Sec. 18.5. Master Associations.

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

13 (b) There shall be included in the declaration, other  
14 condominium instruments, or other duly recorded covenants  
15 establishing the powers and duties of the master association  
16 the provisions set forth in subsections (c) through (h).

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

21 (c) Meetings and finances.

22 (1) Each unit owner of a condominium subject to the  
23 authority of the board of the master association shall  
24 receive, at least 30 days prior to the adoption thereof by  
25 the board of the master association, a copy of the

1 proposed annual budget.

2 (2) The board of the master association shall annually  
3 supply to all unit owners of condominiums subject to the  
4 authority of the board of the master association an  
5 itemized accounting of the common expenses for the  
6 preceding year actually incurred or paid, together with a  
7 tabulation of the amounts collected pursuant to the budget  
8 or assessment, and showing the net excess or deficit of  
9 income over expenditures plus reserves.

10 (3) Each unit owner of a condominium subject to the  
11 authority of the board of the master association shall  
12 receive written notice mailed or delivered no less than 10  
13 and no more than 30 days prior to any meeting of the board  
14 of the master association concerning the adoption of the  
15 proposed annual budget or any increase in the budget, or  
16 establishment of an assessment.

17 (4) Meetings of the board of the master association  
18 shall be open to any unit owner in a condominium subject to  
19 the authority of the board of the master association,  
20 except for the portion of any meeting held:

21 (A) to discuss litigation when an action against  
22 or on behalf of the particular master association has  
23 been filed and is pending in a court or administrative  
24 tribunal, or when the board of the master association  
25 finds that such an action is probable or imminent,

26 (B) to consider information regarding appointment,

1           employment or dismissal of an employee, or  
2                   (C) to discuss violations of rules and regulations  
3           of the master association or unpaid common expenses  
4           owed to the master association.

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

8           Any unit owner may record the proceedings at meetings  
9           required to be open by this Act by tape, film or other  
10          means; the board may prescribe reasonable rules and  
11          regulations to govern the right to make such recordings.  
12          Notice of meetings shall be mailed or delivered at least  
13          48 hours prior thereto, unless a written waiver of such  
14          notice is signed by the persons entitled to notice before  
15          the meeting is convened. Copies of notices of meetings of  
16          the board of the master association shall be posted in  
17          entranceways, elevators, or other conspicuous places in  
18          the condominium at least 48 hours prior to the meeting of  
19          the board of the master association. Where there is no  
20          common entranceway for 7 or more units, the board of the  
21          master association may designate one or more locations in  
22          the proximity of these units where the notices of meetings  
23          shall be posted.

24               (5) If the declaration provides for election by unit  
25          owners of members of the board of directors in the event of  
26          a resale of a unit in the master association, the

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

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

25 (7) The board of the master association or a common  
26 interest community association shall have the power, after

1 notice and an opportunity to be heard, to levy and collect  
2 reasonable fines from members for violations of the  
3 declaration, bylaws, and rules and regulations of the  
4 master association or the common interest community  
5 association. Nothing contained in this subdivision (7)  
6 shall give rise to a statutory lien for unpaid fines.

7 (8) Other than attorney's fees, no fees pertaining to  
8 the collection of a unit owner's financial obligation to  
9 the Association, including fees charged by a manager or  
10 managing agent, shall be added to and deemed a part of an  
11 owner's respective share of the common expenses unless:  
12 (i) the managing agent fees relate to the costs to collect  
13 common expenses for the Association; (ii) the fees are set  
14 forth in a contract between the managing agent and the  
15 Association; and (iii) the authority to add the management  
16 fees to an owner's respective share of the common expenses  
17 is specifically stated in the declaration or bylaws of the  
18 Association.

19 (d) Records.

20 (1) The board of the master association shall maintain  
21 the following records of the association and make them  
22 available for examination and copying at convenient hours  
23 of weekdays by any unit owners in a condominium subject to  
24 the authority of the board or their mortgagees and their  
25 duly authorized agents or attorneys:

26 (i) Copies of the recorded declaration, other

1 condominium instruments, other duly recorded covenants  
2 and bylaws and any amendments, articles of  
3 incorporation of the master association, annual  
4 reports and any rules and regulations adopted by the  
5 master association or its board shall be available.  
6 Prior to the organization of the master association,  
7 the developer shall maintain and make available the  
8 records set forth in this subdivision (d)(1) for  
9 examination and copying.

10 (ii) Detailed and accurate records in  
11 chronological order of the receipts and expenditures  
12 affecting the common areas, specifying and itemizing  
13 the maintenance and repair expenses of the common  
14 areas and any other expenses incurred, and copies of  
15 all contracts, leases, or other agreements entered  
16 into by the master association, shall be maintained.

17 (iii) The minutes of all meetings of the master  
18 association and the board of the master association  
19 shall be maintained for not less than 7 years.

20 (iv) Ballots and proxies related thereto, if any,  
21 for any election held for the board of the master  
22 association and for any other matters voted on by the  
23 unit owners shall be maintained for not less than one  
24 year.

25 (v) Such other records of the master association  
26 as are available for inspection by members of a



1 not-for-profit corporation pursuant to Section 107.75  
2 of the General Not For Profit Corporation Act of 1986  
3 shall be maintained.

4 (vi) With respect to units owned by a land trust,  
5 if a trustee designates in writing a person to cast  
6 votes on behalf of the unit owner, the designation  
7 shall remain in effect until a subsequent document is  
8 filed with the association.

9 (2) Where a request for records under this subsection  
10 is made in writing to the board of managers or its agent,  
11 failure to provide the requested record or to respond  
12 within 30 days shall be deemed a denial by the board of  
13 directors.

14 (3) A reasonable fee may be charged by the master  
15 association or its board for the cost of copying.

16 (4) If the board of directors fails to provide records  
17 properly requested under subdivision (d)(1) within the  
18 time period provided in subdivision (d)(2), the unit owner  
19 may seek appropriate relief, including an award of  
20 attorney's fees and costs.

21 (e) The board of directors shall have standing and  
22 capacity to act in a representative capacity in relation to  
23 matters involving the common areas of the master association  
24 or more than one unit, on behalf of the unit owners as their  
25 interests may appear.

26 (f) Administration of property prior to election of the

1 initial board of directors.

2 (1) Until the election, by the unit owners or the  
3 boards of managers of the underlying condominium  
4 associations, of the initial board of directors of a  
5 master association whose declaration is recorded on or  
6 after August 10, 1990, the same rights, titles, powers,  
7 privileges, trusts, duties and obligations that are vested  
8 in or imposed upon the board of directors by this Act or in  
9 the declaration or other duly recorded covenant shall be  
10 held and performed by the developer.

11 (2) The election of the initial board of directors of  
12 a master association whose declaration is recorded on or  
13 after August 10, 1990, by the unit owners or the boards of  
14 managers of the underlying condominium associations, shall  
15 be held not later than 60 days after the conveyance by the  
16 developer of 75% of the units, or 3 years after the  
17 recording of the declaration, whichever is earlier. The  
18 developer shall give at least 21 days notice of the  
19 meeting to elect the initial board of directors and shall  
20 upon request provide to any unit owner, within 3 working  
21 days of the request, the names, addresses, and weighted  
22 vote of each unit owner entitled to vote at the meeting.  
23 Any unit owner shall upon receipt of the request be  
24 provided with the same information, within 10 days of the  
25 request, with respect to each subsequent meeting to elect  
26 members of the board of directors.

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

11           (4) Within 60 days following the election of a  
12 majority of the board of directors, other than the  
13 developer, by unit owners, the developer shall deliver to  
14 the board of directors:

15           (i) All original documents as recorded or filed  
16 pertaining to the property, its administration, and  
17 the association, such as the declaration, articles of  
18 incorporation, other instruments, annual reports,  
19 minutes, rules and regulations, and contracts, leases,  
20 or other agreements entered into by the association.  
21 If any original documents are unavailable, a copy may  
22 be provided if certified by affidavit of the  
23 developer, or an officer or agent of the developer, as  
24 being a complete copy of the actual document recorded  
25 or filed.

26           (ii) A detailed accounting by the developer,

1 setting forth the source and nature of receipts and  
2 expenditures in connection with the management,  
3 maintenance and operation of the property, copies of  
4 all insurance policies, and a list of any loans or  
5 advances to the association which are outstanding.

6 (iii) Association funds, which shall have been at  
7 all times segregated from any other moneys of the  
8 developer.

9 (iv) A schedule of all real or personal property,  
10 equipment and fixtures belonging to the association,  
11 including documents transferring the property,  
12 warranties, if any, for all real and personal property  
13 and equipment, deeds, title insurance policies, and  
14 all tax bills.

15 (v) A list of all litigation, administrative  
16 action and arbitrations involving the association, any  
17 notices of governmental bodies involving actions taken  
18 or which may be taken concerning the association,  
19 engineering and architectural drawings and  
20 specifications as approved by any governmental  
21 authority, all other documents filed with any other  
22 governmental authority, all governmental certificates,  
23 correspondence involving enforcement of any  
24 association requirements, copies of any documents  
25 relating to disputes involving unit owners, and  
26 originals of all documents relating to everything

1 listed in this subparagraph.

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

13 (5) With respect to any master association whose  
14 declaration is recorded on or after August 10, 1990, any  
15 contract, lease, or other agreement made prior to the  
16 election of a majority of the board of directors other  
17 than the developer by or on behalf of unit owners or  
18 underlying condominium associations, the association or  
19 the board of directors, which extends for a period of more  
20 than 2 years from the recording of the declaration, shall  
21 be subject to cancellation by more than 1/2 of the votes of  
22 the unit owners, other than the developer, cast at a  
23 special meeting of members called for that purpose during  
24 a period of 90 days prior to the expiration of the 2 year  
25 period if the board of managers is elected by the unit  
26 owners, otherwise by more than 1/2 of the underlying

1 condominium board of managers. At least 60 days prior to  
2 the expiration of the 2 year period, the board of  
3 directors, or, if the board is still under developer  
4 control, then the board of managers or the developer shall  
5 send notice to every unit owner or underlying condominium  
6 board of managers, notifying them of this provision, of  
7 what contracts, leases and other agreements are affected,  
8 and of the procedure for calling a meeting of the unit  
9 owners or for action by the underlying condominium board  
10 of managers for the purpose of acting to terminate such  
11 contracts, leases or other agreements. During the 90 day  
12 period the other party to the contract, lease, or other  
13 agreement shall also have the right of cancellation.

14 (6) The statute of limitations for any actions in law  
15 or equity which the master association may bring shall not  
16 begin to run until the unit owners or underlying  
17 condominium board of managers have elected a majority of  
18 the members of the board of directors.

19 (g) In the event of any resale of a unit in a master  
20 association by a unit owner other than the developer, the  
21 owner shall obtain from the board of directors and shall make  
22 available for inspection to the prospective purchaser, upon  
23 demand, the following:

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

26 (2) A statement of any liens, including a statement of

1 the account of the unit setting forth the amounts of  
2 unpaid assessments and other charges due and owing.

3 (3) A statement of any capital expenditures  
4 anticipated by the association within the current or  
5 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 directors.

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

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

15 (7) A statement setting forth what insurance coverage  
16 is provided for all unit owners by the association.

17 (8) A statement that any improvements or alterations  
18 made to the unit, or any part of the common areas assigned  
19 thereto, by the prior unit owner are in good faith  
20 believed to be in compliance with the declaration of the  
21 master association.

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

26 A reasonable fee covering the direct out-of-pocket cost of

1 copying and providing such information may be charged by the  
2 association or its board of directors to the unit seller for  
3 providing the information.

4 (g-1) The purchaser of a unit of a common interest  
5 community at a judicial foreclosure sale, other than a  
6 mortgagee, who takes possession of a unit of a common interest  
7 community pursuant to a court order or a purchaser who  
8 acquires title from a mortgagee shall have the duty to pay the  
9 proportionate share, if any, of the common expenses for the  
10 unit that would have become due in the absence of any  
11 assessment acceleration during the 6 months immediately  
12 preceding institution of an action to enforce the collection  
13 of assessments and the court costs incurred by the association  
14 in an action to enforce the collection that remain unpaid by  
15 the owner during whose possession the assessments accrued. If  
16 the outstanding assessments and the court costs incurred by  
17 the association in an action to enforce the collection are  
18 paid at any time during any action to enforce the collection of  
19 assessments, the purchaser shall have no obligation to pay any  
20 assessments that accrued before he or she acquired title. The  
21 notice of sale of a unit of a common interest community under  
22 subsection (c) of Section 15-1507 of the Code of Civil  
23 Procedure shall state that the purchaser of the unit other  
24 than a mortgagee shall pay the assessments and court costs  
25 required by this subsection (g-1).

26 (h) Errors and omissions.



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

13          (2) If, through a scrivener's error, a unit has not  
14          been designated as owning an appropriate undivided share  
15          of the common areas or does not bear an appropriate share  
16          of the common expenses, or if all of the common expenses or  
17          all of the common elements in the condominium have not  
18          been distributed in the declaration, so that the sum total  
19          of the shares of common areas which have been distributed  
20          or the sum total of the shares of the common expenses fail  
21          to equal 100%, or if it appears that more than 100% of the  
22          common elements or common expenses have been distributed,  
23          the error may be corrected by operation of law by filing an  
24          amendment to the declaration, approved by vote of  
25          two-thirds of the members of the board of directors or a  
26          majority vote of the unit owners at a meeting called for

1           that purpose, which proportionately adjusts all percentage  
2           interests so that the total is equal to 100%, unless the  
3           declaration specifically provides for a different  
4           procedure or different percentage vote by the owners of  
5           the units and the owners of mortgages thereon affected by  
6           modification being made in the undivided interest in the  
7           common areas, the number of votes in the unit owners  
8           association or the liability for common expenses  
9           appertaining to the unit.

10           (3) If an omission or error or a scrivener's error in  
11           the declaration or other instrument is corrected by vote  
12           of two-thirds of the members of the board of directors  
13           pursuant to the authority established in subdivisions  
14           (h) (1) or (h) (2) of this Section, the board, upon written  
15           petition by unit owners with 20% of the votes of the  
16           association or resolutions adopted by the board of  
17           managers or board of directors of the condominium and  
18           common interest community associations which select 20% of  
19           the members of the board of directors of the master  
20           association, whichever is applicable, received within 30  
21           days of the board action, shall call a meeting of the unit  
22           owners or the boards of the condominium and common  
23           interest community associations which select members of  
24           the board of directors of the master association within 30  
25           days of the filing of the petition or receipt of the  
26           condominium and common interest community association

1 resolution to consider the board action. Unless a majority  
2 of the votes of the unit owners of the association are cast  
3 at the meeting to reject the action, or board of managers  
4 or board of directors of condominium and common interest  
5 community associations which select over 50% of the  
6 members of the board of the master association adopt  
7 resolutions prior to the meeting rejecting the action of  
8 the board of directors of the master association, it is  
9 ratified whether or not a quorum is present.

10 (4) The procedures for amendments set forth in this  
11 subsection (h) cannot be used if such an amendment would  
12 materially or adversely affect property rights of the unit  
13 owners unless the affected unit owners consent in writing.  
14 This Section does not restrict the powers of the  
15 association to otherwise amend the declaration, bylaws, or  
16 other condominium instruments, but authorizes a simple  
17 process of amendment requiring a lesser vote for the  
18 purpose of correcting defects, errors, or omissions when  
19 the property rights of the unit owners are not materially  
20 or adversely affected.

21 (5) If there is an omission or error in the  
22 declaration or other instruments that may not be corrected  
23 by an amendment procedure set forth in subdivision (h)(1)  
24 or (h)(2) of this Section, then the circuit court in the  
25 county in which the master association is located shall  
26 have jurisdiction to hear a petition of one or more of the

1 unit owners thereon or of the association, to correct the  
2 error or omission, and the action may be a class action.  
3 The court may require that one or more methods of  
4 correcting the error or omission be submitted to the unit  
5 owners to determine the most acceptable correction. All  
6 unit owners in the association must be joined as parties  
7 to the action. Service of process on owners may be by  
8 publication, but the plaintiff shall furnish all unit  
9 owners not personally served with process with copies of  
10 the petition and final judgment of the court by certified  
11 mail, return receipt requested, at their last known  
12 address.

13 (6) Nothing contained in this Section shall be  
14 construed to invalidate any provision of a declaration  
15 authorizing the developer to amend an instrument prior to  
16 the latest date on which the initial membership meeting of  
17 the unit owners must be held, whether or not it has  
18 actually been held, to bring the instrument into  
19 compliance with the legal requirements of the Federal  
20 National Mortgage Association, the Federal Home Loan  
21 Mortgage Corporation, the Federal Housing Administration,  
22 the United States Veterans Administration or their  
23 respective successors and assigns.

24 (i) The provisions of subsections (c) through (h) are  
25 applicable to all declarations, other condominium instruments,  
26 and other duly recorded covenants establishing the powers and

1 duties of the master association recorded under this Act. Any  
2 portion of a declaration, other condominium instrument, or  
3 other duly recorded covenant establishing the powers and  
4 duties of a master association which contains provisions  
5 contrary to the provisions of subsection (c) through (h) shall  
6 be void as against public policy and ineffective. Any  
7 declaration, other condominium instrument, or other duly  
8 recorded covenant establishing the powers and duties of the  
9 master association which fails to contain the provisions  
10 required by subsections (c) through (h) shall be deemed to  
11 incorporate such provisions by operation of law.

12 (j) Reserve study.

13 (1) Any association with major shared components or  
14 significant infrastructure that has had a reserve study  
15 conducted on or after January 1, 2020 shall have an  
16 updated reserve study conducted within 5 years after the  
17 date the reserve study was conducted, and at least every 5  
18 years thereafter, for purposes of assessing the condition  
19 of and planning for maintenance, repair, and replacement  
20 of the common areas.

21 (2) Any association with major shared components or  
22 significant infrastructure that has not had a reserve  
23 study conducted on or after January 1, 2020, shall require  
24 that a reserve study be conducted on or before January 1,  
25 2026, and shall update the study every 5 years for  
26 purposes of assessing the condition of and planning for

1 maintenance, repair, and replacement of the common areas.

2 (3) As used in this subsection (j), "reserve study"  
3 means an analysis of the reserves required for future  
4 major maintenance, repairs, and replacements of the common  
5 areas that:

6 (i) identifies each structural, mechanical,  
7 electrical, and plumbing component of the common areas  
8 and any other components that are the responsibility  
9 of the association to maintain, repair, and replace;

10 (ii) states the normal useful life and the  
11 estimated remaining useful life of each identified  
12 component;

13 (iii) states the estimated cost of maintenance,  
14 repair, or replacement of each identified component;  
15 and

16 (iv) states the estimated annual reserve amount  
17 necessary to accomplish any identified future  
18 maintenance, repair, or replacement.

19 (4) As used in this subsection (j), "major shared  
20 components or significant infrastructure" means  
21 structural, mechanical, electrical, and plumbing  
22 components of the common areas and any other components  
23 that are the responsibility of the association to  
24 maintain, restore, repair, and replace, or infrastructure,  
25 including, but not limited to, roads, street lighting,  
26 hardscape, landscape, ponds and lakes, water features,

1 pools, and accessory buildings, with an aggregate  
2 restoration or replacement cost exceeding \$10,000, that  
3 are capital expenses as identified in the federal tax code  
4 and generally accepted accounting principles ~~(Blank)~~.

5 (Source: P.A. 100-416, eff. 1-1-18.)

6 (765 ILCS 605/18.12 new)

7 Sec. 18.12. Reserve study.

8 (a) Any association with major shared components or  
9 significant infrastructure that has had a reserve study  
10 conducted on or after January 1, 2020 shall have an updated  
11 reserve study conducted within 5 years after the date the  
12 reserve study was conducted, and at least every 5 years  
13 thereafter, for purposes of assessing the condition of and  
14 planning for maintenance, repair, and replacement of the  
15 common elements.

16 (b) Any association with major shared components or  
17 significant infrastructure that has not had a reserve study  
18 conducted on or after January 1, 2020, shall require that a  
19 reserve study be conducted on or before January 1, 2026, and  
20 shall update the study every 5 years for purposes of assessing  
21 the condition of and planning for maintenance, repair, and  
22 replacement of the common elements.

23 (c) As used in this Section, "reserve study" means an  
24 analysis of the reserves required for future major  
25 maintenance, repairs, and replacements of the common elements

1 that:

2 (1) identifies each structural, mechanical,  
3 electrical, and plumbing component of the common elements  
4 and any other components that are the responsibility of  
5 the association to maintain, repair, and replace;

6 (2) states the normal useful life and the estimated  
7 remaining useful life of each identified component;

8 (3) states the estimated cost of maintenance, repair,  
9 or replacement of each identified component; and

10 (4) states the estimated annual reserve amount  
11 necessary to accomplish any identified future maintenance,  
12 repair, or replacement.

13 (d) As used in this Section, "major shared components or  
14 significant infrastructure" means structural, mechanical,  
15 electrical, and plumbing components of the common elements and  
16 any other components that are the responsibility of the  
17 association to maintain, restore, repair, and replace, or  
18 infrastructure, including, but not limited to, roads, street  
19 lighting, hardscape, landscape, ponds and lakes, water  
20 features, pools, and accessory buildings, with an aggregate  
21 restoration or replacement cost exceeding \$10,000, that are  
22 capital expenses as identified in the federal tax code and  
23 generally accepted accounting principles.