



Rep. Kelly M. Burke

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1 AMENDMENT TO HOUSE BILL 220

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 220 by replacing  
3 everything after the enacting clause with the following:

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

1 significant infrastructure that has not had a reserve study  
2 conducted on or after January 1, 2020, shall require that a  
3 reserve study be conducted on or before January 1, 2026, and  
4 shall update the study every 5 years for purposes of assessing  
5 the condition of and planning for maintenance, repair, and  
6 replacement of the common areas.

7 (c) As used in this Section, "reserve study" means an  
8 analysis of the reserves required for future major  
9 maintenance, repairs, and replacements of the common areas  
10 that:

11 (1) identifies each structural, mechanical,  
12 electrical, and plumbing component of the common areas and  
13 any other components that are the responsibility of the  
14 association to maintain, repair, and replace;

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

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

19 (4) states the estimated annual reserve amount  
20 necessary to accomplish any identified future maintenance,  
21 repair, or replacement.

22 (d) As used in this Section, "major shared components or  
23 significant infrastructure" means structural, mechanical,  
24 electrical, and plumbing components of the common areas and  
25 any other components that are the responsibility of the  
26 association to maintain, restore, repair, and replace, or

1 infrastructure including, but not limited to, roads, street  
2 lighting, hardscape, landscape, ponds and lakes, water  
3 features, pools, and accessory buildings, with an aggregate  
4 restoration or replacement cost exceeding \$10,000, that are  
5 capital expenses as identified in the federal tax code and  
6 generally accepted accounting principles.

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

9 (765 ILCS 605/18.5) (from Ch. 30, par. 318.5)

10 Sec. 18.5. Master Associations.

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

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

23 In interpreting subsections (c) through (h), the courts  
24 should interpret these provisions so that they are interpreted

1 consistently with the similar parallel provisions found in  
2 other parts of this Act.

3 (c) Meetings and finances.

4 (1) Each unit owner of a condominium subject to the  
5 authority of the board of the master association shall  
6 receive, at least 30 days prior to the adoption thereof by  
7 the board of the master association, a copy of the  
8 proposed annual budget.

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

17 (3) Each unit owner of a condominium subject to the  
18 authority of the board of the master association shall  
19 receive written notice mailed or delivered no less than 10  
20 and no more than 30 days prior to any meeting of the board  
21 of the master association concerning the adoption of the  
22 proposed annual budget or any increase in the budget, or  
23 establishment of an assessment.

24 (4) Meetings of the board of the master association  
25 shall be open to any unit owner in a condominium subject to  
26 the authority of the board of the master association,

1           except for the portion of any meeting held:

2                   (A) to discuss litigation when an action against  
3                   or on behalf of the particular master association has  
4                   been filed and is pending in a court or administrative  
5                   tribunal, or when the board of the master association  
6                   finds that such an action is probable or imminent,

7                   (B) to consider information regarding appointment,  
8                   employment or dismissal of an employee, or

9                   (C) to discuss violations of rules and regulations  
10                  of the master association or unpaid common expenses  
11                  owed to the master association.

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

15           Any unit owner may record the proceedings at meetings  
16           required to be open by this Act by tape, film or other  
17           means; the board may prescribe reasonable rules and  
18           regulations to govern the right to make such recordings.  
19           Notice of meetings shall be mailed or delivered at least  
20           48 hours prior thereto, unless a written waiver of such  
21           notice is signed by the persons entitled to notice before  
22           the meeting is convened. Copies of notices of meetings of  
23           the board of the master association shall be posted in  
24           entranceways, elevators, or other conspicuous places in  
25           the condominium at least 48 hours prior to the meeting of  
26           the board of the master association. Where there is no

1 common entranceway for 7 or more units, the board of the  
2 master association may designate one or more locations in  
3 the proximity of these units where the notices of meetings  
4 shall be posted.

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

1           (6) The board of the master association shall have the  
2 authority to establish and maintain a system of master  
3 metering of public utility services and to collect  
4 payments in connection therewith, subject to the  
5 requirements of the Tenant Utility Payment Disclosure Act.

6           (7) The board of the master association or a common  
7 interest community association shall have the power, after  
8 notice and an opportunity to be heard, to levy and collect  
9 reasonable fines from members for violations of the  
10 declaration, bylaws, and rules and regulations of the  
11 master association or the common interest community  
12 association. Nothing contained in this subdivision (7)  
13 shall give rise to a statutory lien for unpaid fines.

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

26           (d) Records.

1           (1) The board of the master association shall maintain  
2 the following records of the association and make them  
3 available for examination and copying at convenient hours  
4 of weekdays by any unit owners in a condominium subject to  
5 the authority of the board or their mortgagees and their  
6 duly authorized agents or attorneys:

7           (i) Copies of the recorded declaration, other  
8 condominium instruments, other duly recorded covenants  
9 and bylaws and any amendments, articles of  
10 incorporation of the master association, annual  
11 reports and any rules and regulations adopted by the  
12 master association or its board shall be available.  
13 Prior to the organization of the master association,  
14 the developer shall maintain and make available the  
15 records set forth in this subdivision (d)(1) for  
16 examination and copying.

17           (ii) Detailed and accurate records in  
18 chronological order of the receipts and expenditures  
19 affecting the common areas, specifying and itemizing  
20 the maintenance and repair expenses of the common  
21 areas and any other expenses incurred, and copies of  
22 all contracts, leases, or other agreements entered  
23 into by the master association, shall be maintained.

24           (iii) The minutes of all meetings of the master  
25 association and the board of the master association  
26 shall be maintained for not less than 7 years.



1           (iv) Ballots and proxies related thereto, if any,  
2           for any election held for the board of the master  
3           association and for any other matters voted on by the  
4           unit owners shall be maintained for not less than one  
5           year.

6           (v) Such other records of the master association  
7           as are available for inspection by members of a  
8           not-for-profit corporation pursuant to Section 107.75  
9           of the General Not For Profit Corporation Act of 1986  
10          shall be maintained.

11          (vi) With respect to units owned by a land trust,  
12          if a trustee designates in writing a person to cast  
13          votes on behalf of the unit owner, the designation  
14          shall remain in effect until a subsequent document is  
15          filed with the association.

16          (2) Where a request for records under this subsection  
17          is made in writing to the board of managers or its agent,  
18          failure to provide the requested record or to respond  
19          within 30 days shall be deemed a denial by the board of  
20          directors.

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

23          (4) If the board of directors fails to provide records  
24          properly requested under subdivision (d)(1) within the  
25          time period provided in subdivision (d)(2), the unit owner  
26          may seek appropriate relief, including an award of

1 attorney's fees and costs.

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

7 (f) Administration of property prior to election of the  
8 initial board of directors.

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

18 (2) The election of the initial board of directors of  
19 a master association whose declaration is recorded on or  
20 after August 10, 1990, by the unit owners or the boards of  
21 managers of the underlying condominium associations, shall  
22 be held not later than 60 days after the conveyance by the  
23 developer of 75% of the units, or 3 years after the  
24 recording of the declaration, whichever is earlier. The  
25 developer shall give at least 21 days notice of the  
26 meeting to elect the initial board of directors and shall

1       upon request provide to any unit owner, within 3 working  
2       days of the request, the names, addresses, and weighted  
3       vote of each unit owner entitled to vote at the meeting.  
4       Any unit owner shall upon receipt of the request be  
5       provided with the same information, within 10 days of the  
6       request, with respect to each subsequent meeting to elect  
7       members of the board of directors.

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

18               (4) Within 60 days following the election of a  
19       majority of the board of directors, other than the  
20       developer, by unit owners, the developer shall deliver to  
21       the board of directors:

22                       (i) All original documents as recorded or filed  
23       pertaining to the property, its administration, and  
24       the association, such as the declaration, articles of  
25       incorporation, other instruments, annual reports,  
26       minutes, rules and regulations, and contracts, leases,

1 or other agreements entered into by the association.  
2 If any original documents are unavailable, a copy may  
3 be provided if certified by affidavit of the  
4 developer, or an officer or agent of the developer, as  
5 being a complete copy of the actual document recorded  
6 or filed.

7 (ii) A detailed accounting by the developer,  
8 setting forth the source and nature of receipts and  
9 expenditures in connection with the management,  
10 maintenance and operation of the property, copies of  
11 all insurance policies, and a list of any loans or  
12 advances to the association which are outstanding.

13 (iii) Association funds, which shall have been at  
14 all times segregated from any other moneys of the  
15 developer.

16 (iv) A schedule of all real or personal property,  
17 equipment and fixtures belonging to the association,  
18 including documents transferring the property,  
19 warranties, if any, for all real and personal property  
20 and equipment, deeds, title insurance policies, and  
21 all tax bills.

22 (v) A list of all litigation, administrative  
23 action and arbitrations involving the association, any  
24 notices of governmental bodies involving actions taken  
25 or which may be taken concerning the association,  
26 engineering and architectural drawings and

1 specifications as approved by any governmental  
2 authority, all other documents filed with any other  
3 governmental authority, all governmental certificates,  
4 correspondence involving enforcement of any  
5 association requirements, copies of any documents  
6 relating to disputes involving unit owners, and  
7 originals of all documents relating to everything  
8 listed in this subparagraph.

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

20 (5) With respect to any master association whose  
21 declaration is recorded on or after August 10, 1990, any  
22 contract, lease, or other agreement made prior to the  
23 election of a majority of the board of directors other  
24 than the developer by or on behalf of unit owners or  
25 underlying condominium associations, the association or  
26 the board of directors, which extends for a period of more

1 than 2 years from the recording of the declaration, shall  
2 be subject to cancellation by more than 1/2 of the votes of  
3 the unit owners, other than the developer, cast at a  
4 special meeting of members called for that purpose during  
5 a period of 90 days prior to the expiration of the 2 year  
6 period if the board of managers is elected by the unit  
7 owners, otherwise by more than 1/2 of the underlying  
8 condominium board of managers. At least 60 days prior to  
9 the expiration of the 2 year period, the board of  
10 directors, or, if the board is still under developer  
11 control, then the board of managers or the developer shall  
12 send notice to every unit owner or underlying condominium  
13 board of managers, notifying them of this provision, of  
14 what contracts, leases and other agreements are affected,  
15 and of the procedure for calling a meeting of the unit  
16 owners or for action by the underlying condominium board  
17 of managers for the purpose of acting to terminate such  
18 contracts, leases or other agreements. During the 90 day  
19 period the other party to the contract, lease, or other  
20 agreement shall also have the right of cancellation.

21 (6) The statute of limitations for any actions in law  
22 or equity which the master association may bring shall not  
23 begin to run until the unit owners or underlying  
24 condominium board of managers have elected a majority of  
25 the members of the board of directors.

26 (g) In the event of any resale of a unit in a master

1 association by a unit owner other than the developer, the  
2 owner shall obtain from the board of directors and shall make  
3 available for inspection to the prospective purchaser, upon  
4 demand, the following:

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

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

10 (3) A statement of any capital expenditures  
11 anticipated by the association within the current or  
12 succeeding 2 fiscal years.

13 (4) A statement of the status and amount of any  
14 reserve for replacement fund and any portion of such fund  
15 earmarked for any specified project by the board of  
16 directors.

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

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

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

24 (8) A statement that any improvements or alterations  
25 made to the unit, or any part of the common areas assigned  
26 thereto, by the prior unit owner are in good faith

1           believed to be in compliance with the declaration of the  
2           master association.

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

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 its board of directors to the unit seller for  
10          providing the information.

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



1 assessments that accrued before he or she acquired title. The  
2 notice of sale of a unit of a common interest community under  
3 subsection (c) of Section 15-1507 of the Code of Civil  
4 Procedure shall state that the purchaser of the unit other  
5 than a mortgagee shall pay the assessments and court costs  
6 required by this subsection (g-1).

7 (h) Errors and omissions.

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

20 (2) If, through a scrivener's error, a unit has not  
21 been designated as owning an appropriate undivided share  
22 of the common areas or does not bear an appropriate share  
23 of the common expenses, or if all of the common expenses or  
24 all of the common elements in the condominium have not  
25 been distributed in the declaration, so that the sum total  
26 of the shares of common areas which have been distributed

1 or the sum total of the shares of the common expenses fail  
2 to equal 100%, or if it appears that more than 100% of the  
3 common elements or common expenses have been distributed,  
4 the error may be corrected by operation of law by filing an  
5 amendment to the declaration, approved by vote of  
6 two-thirds of the members of the board of directors or a  
7 majority vote of the unit owners at a meeting called for  
8 that purpose, which proportionately adjusts all percentage  
9 interests so that the total is equal to 100%, unless the  
10 declaration specifically provides for a different  
11 procedure or different percentage vote by the owners of  
12 the units and the owners of mortgages thereon affected by  
13 modification being made in the undivided interest in the  
14 common areas, the number of votes in the unit owners  
15 association or the liability for common expenses  
16 appertaining to the unit.

17 (3) If an omission or error or a scrivener's error in  
18 the declaration or other instrument is corrected by vote  
19 of two-thirds of the members of the board of directors  
20 pursuant to the authority established in subdivisions  
21 (h)(1) or (h)(2) of this Section, the board, upon written  
22 petition by unit owners with 20% of the votes of the  
23 association or resolutions adopted by the board of  
24 managers or board of directors of the condominium and  
25 common interest community associations which select 20% of  
26 the members of the board of directors of the master

1 association, whichever is applicable, received within 30  
2 days of the board action, shall call a meeting of the unit  
3 owners or the boards of the condominium and common  
4 interest community associations which select members of  
5 the board of directors of the master association within 30  
6 days of the filing of the petition or receipt of the  
7 condominium and common interest community association  
8 resolution to consider the board action. Unless a majority  
9 of the votes of the unit owners of the association are cast  
10 at the meeting to reject the action, or board of managers  
11 or board of directors of condominium and common interest  
12 community associations which select over 50% of the  
13 members of the board of the master association adopt  
14 resolutions prior to the meeting rejecting the action of  
15 the board of directors of the master association, it is  
16 ratified whether or not a quorum is present.

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

1 or adversely affected.

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

20 (6) Nothing contained in this Section shall be  
21 construed to invalidate any provision of a declaration  
22 authorizing the developer to amend an instrument prior to  
23 the latest date on which the initial membership meeting of  
24 the unit owners must be held, whether or not it has  
25 actually been held, to bring the instrument into  
26 compliance with the legal requirements of the Federal

1 National Mortgage Association, the Federal Home Loan  
2 Mortgage Corporation, the Federal Housing Administration,  
3 the United States Veterans Administration or their  
4 respective successors and assigns.

5 (i) The provisions of subsections (c) through (h) are  
6 applicable to all declarations, other condominium instruments,  
7 and other duly recorded covenants establishing the powers and  
8 duties of the master association recorded under this Act. Any  
9 portion of a declaration, other condominium instrument, or  
10 other duly recorded covenant establishing the powers and  
11 duties of a master association which contains provisions  
12 contrary to the provisions of subsection (c) through (h) shall  
13 be void as against public policy and ineffective. Any  
14 declaration, other condominium instrument, or other duly  
15 recorded covenant establishing the powers and duties of the  
16 master association which fails to contain the provisions  
17 required by subsections (c) through (h) shall be deemed to  
18 incorporate such provisions by operation of law.

19 (j) Reserve study.

20 (1) Any association with major shared components or  
21 significant infrastructure that has had a reserve study  
22 conducted on or after January 1, 2020 shall have an  
23 updated reserve study conducted within 5 years after the  
24 date the reserve study was conducted, and at least every 5  
25 years thereafter, for purposes of assessing the condition  
26 of and planning for maintenance, repair, and replacement

1 of the common areas.

2 (2) Any association with major shared components or  
3 significant infrastructure that has not had a reserve  
4 study conducted on or after January 1, 2020, shall require  
5 that a reserve study be conducted on or before January 1,  
6 2026, and shall update the study every 5 years for  
7 purposes of assessing the condition of and planning for  
8 maintenance, repair, and replacement of the common areas.

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

13 (i) identifies each structural, mechanical,  
14 electrical, and plumbing component of the common areas  
15 and any other components that are the responsibility  
16 of the association to maintain, repair, and replace;

17 (ii) states the normal useful life and the  
18 estimated remaining useful life of each identified  
19 component;

20 (iii) states the estimated cost of maintenance,  
21 repair, or replacement of each identified component;  
22 and

23 (iv) states the estimated annual reserve amount  
24 necessary to accomplish any identified future  
25 maintenance, repair, or replacement.

26 (4) As used in this subsection (j), "major shared

1 components or significant infrastructure" means  
2 structural, mechanical, electrical, and plumbing  
3 components of the common areas and any other components  
4 that are the responsibility of the association to  
5 maintain, restore, repair, and replace, or infrastructure  
6 including, but not limited to, roads, street lighting,  
7 hardscape, landscape, ponds and lakes, water features,  
8 pools, and accessory buildings, with an aggregate  
9 restoration or replacement cost exceeding \$10,000, that  
10 are capital expenses as identified in the federal tax code  
11 and generally accepted accounting principles ~~(Blank)~~.

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

13 (765 ILCS 605/18.12 new)

14 Sec. 18.12. Reserve study.

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

23 (b) Any association with major shared components or  
24 significant infrastructure that has not had a reserve study  
25 conducted on or after January 1, 2020, shall require that a

1 reserve study be conducted on or before January 1, 2026, and  
2 shall update the study every 5 years for purposes of assessing  
3 the condition of and planning for maintenance, repair, and  
4 replacement of the common elements.

5 (c) As used in this Section, "reserve study" means an  
6 analysis of the reserves required for future major  
7 maintenance, repairs, and replacements of the common elements  
8 that:

9 (1) identifies each structural, mechanical,  
10 electrical, and plumbing component of the common elements  
11 and any other components that are the responsibility of  
12 the association to maintain, repair, and replace;

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

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

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

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



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