



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4620

Introduced 1/31/2024, by Rep. Harry Benton

SYNOPSIS AS INTRODUCED:

765 ILCS 160/1-45

Amends the Common Interest Community Association Act. Deletes language governing procedures for the ratification of a budget if the adopted budget or any separate assessment adopted by the board would result in the sum of all regular and separate assessments payable in the current fiscal year exceeding 115% of the sum of all regular and separate assessments payable during the preceding fiscal year. Provides instead that no adopted budget or any separate assessment adopted by the board shall result in the sum of all regular and separate assessments payable in the current fiscal year exceeding 105% of the sum of all regular and separate assessments payable during the preceding fiscal year.

LRB103 38881 JRC 69018 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 Section 1-45 as follows:

6 (765 ILCS 160/1-45)

7 Sec. 1-45. Finances.

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

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

1 expenditures plus reserves or (ii) provide a consolidated
2 annual independent audit report of the financial status of all
3 fund accounts within the association.

4 (c) No ~~If an~~ adopted budget or any separate assessment
5 adopted by the board shall ~~would~~ result in the sum of all
6 regular and separate assessments payable in the current fiscal
7 year exceeding 105% ~~115%~~ of the sum of all regular and separate
8 assessments payable during the preceding fiscal year, ~~the~~
9 ~~common interest community association, upon written petition~~
10 ~~by members with 20% of the votes of the association delivered~~
11 ~~to the board within 14 days of the board action, shall call a~~
12 ~~meeting of the members within 30 days of the date of delivery~~
13 ~~of the petition to consider the budget or separate assessment,~~
14 ~~unless a majority of the total votes of the members are cast at~~
15 ~~the meeting to reject the budget or separate assessment, it~~
16 ~~shall be deemed ratified.~~

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

22 (e) Separate assessments for expenditures relating to
23 emergencies or mandated by law may be adopted by the board
24 without being subject to member approval or the provisions of
25 subsection (c) or (f) of this Section. As used herein,
26 "emergency" means a danger to or a compromise of the

1 structural integrity of the common areas or any of the common
2 facilities of the common interest community. "Emergency" also
3 includes a danger to the life, health or safety of the
4 membership.

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

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

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

21 (i) An association subject to this Act that consists of
22 100 or more units shall use generally accepted accounting
23 principles in fulfilling any accounting obligations under this
24 Act.

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