

**Illinois Condominium Property Act
(As Effective January 1, 2022)
Illinois Compiled Statutes, Ch. 765, Act 605, Sections 1 through 35**

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Sec. 18.7. Standards for community association managers.

(a) "Community association" means an association in which membership is a condition of ownership or shareholder interest of a unit in a condominium, cooperative, townhouse, villa, or other residential unit that is part of a residential development plan as a master association or common interest community and that is authorized to impose an assessment and other costs that may become a lien on the unit or lot.

(b) "Community association manager" means an individual who administers for compensation the coordination of financial, administrative, maintenance, or other duties called for in the management contract, including individuals who are direct employees of a community association. A manager does not include support staff, such as bookkeepers, administrative assistants, secretaries, property inspectors, or customer service representatives.

(c) Requirements. To perform services as a community association manager, an individual must meet these requirements:

(1) shall have attained the age of 21 and be a citizen or legal permanent resident of the United States;

(2) shall not have been convicted of forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or other similar offense or offenses;

(3) shall have a working knowledge of the fundamentals of community association management, including the Condominium Property Act, the Illinois Not-for-Profit Corporation Act, and any other laws pertaining to community association management; and

(4) shall not have engaged in the following activities: failure to cooperate with any law enforcement agency in the investigation of a complaint; or failure to produce any document, book, or record in the possession or control of the community association manager after a request for production of that document, book, or record in the course of an investigation of a complaint.

(d) Access to community association funds. For community associations of 6 or more units, apartments, townhomes, villas or other residential units, a community association manager or the firm with whom the manager is employed shall not solely and exclusively have access to and disburse funds of a community association unless:

(1) There is a fidelity bond in place.

(2) The fidelity bond is in an amount not less than all monies of that association in the custody or control of the community association manager.

(3) The fidelity bond covers the community association manager and all partners, officers, and employees of the firm with whom the community association manager is employed during the term of the bond, as well as the community association officers, directors, and employees of the community association who control or disburse funds.

(4) The insurance company issuing the bond may not cancel or refuse to renew the bond without giving not less than 10 days' prior written notice to the community association.

(5) The community association shall secure and pay for the bond.

(e) A community association manager who provides community association management services for more than one community association shall maintain separate, segregated accounts for each community association. The funds shall not, in any event, be commingled with funds of the community association manager, the firm of the community association manager, or any other community association. The maintenance of these accounts shall be custodial, and the accounts shall be in the name of the respective community association.

(f) Exempt persons. Except as otherwise provided, this Section does not apply to any person acting as a receiver, trustee in bankruptcy, administrator, executor, or guardian acting under a court order or under the authority of a will or of a trust instrument.

(g) Right of Action.

(1) Nothing in this amendatory Act of the 95th General Assembly shall create a cause of action by a unit owner, shareholder, or community association member against a community association manager or the firm of a community association manager.

(2) This amendatory Act of the 95th General Assembly shall not impair any right of action by a unit owner or shareholder against a community association board of directors under existing law.

Sec. 18.8. Use of technology.

(a) Any notice required to be sent or received or signature, vote, consent, or approval required to be obtained under any condominium instrument or any provision of this Act may be accomplished using acceptable technological means. This Section shall govern the use of technology in implementing the provisions of any condominium instrument or any provision of this Act concerning notices, signatures, votes, consents, or approvals.

(b) The association, unit owners, and other persons entitled to occupy a unit may perform any obligation or exercise any right under any condominium instrument or any provision of this Act by use of acceptable technological means.

(c) A signature transmitted by acceptable technological means satisfies any requirement for a signature under any condominium instrument or any provision of this Act.

(d) Voting on, consent to, and approval of any matter under any condominium instrument or any provision of this Act may be accomplished by any acceptable technological means, provided that a record is created as evidence thereof and maintained as long as the record would be required to be maintained in nonelectronic form.

(e) Subject to other provisions of law, no action required or permitted by any condominium instrument or any provision of this Act need be acknowledged before a notary public if the identity and signature of the signatory can otherwise be authenticated to the satisfaction of the board of directors or board of managers.

(f) If any person does not provide written authorization to conduct business using acceptable technological means, the association shall, at its expense, conduct business with the person without the use of acceptable technological means.

(g) This Section does not apply to any notices required: (i) under Article IX of the Code of Civil Procedure; or (ii) in connection with foreclosure proceedings in enforcement of any lien rights under this Act.

Sec. 18.9. Common elements; rights of board.

(a) Any provision in a condominium instrument is void as against public policy and ineffective if it limits or restricts the rights of the board of managers by:

(1) requiring the prior consent of the unit owners in order for the board of managers to take any action, including the institution of any action in court or a demand for a trial by jury; or (2) notwithstanding Section 32 of this Act, requiring the board of managers to arbitrate or mediate a dispute with any one or more of all of the declarants under the condominium instruments or the developer or any person not then a unit owner prior to the institution of any action by the board of managers or a demand for a trial by jury.

(b) A provision in a declaration which would otherwise be void and ineffective under this Section may be enforced if it is approved by a vote of not less than 75% of the unit owners at any time after the election of the first unit owner board of managers.

Sec. 18.10. Generally accepted accounting principles.

An association subject to this Act that consists of 100 or more units shall use generally accepted accounting principles in fulfilling any accounting obligations under this Act.

Sec. 19. Records of the association; availability for examination.

(a) The board of managers of every association shall keep and maintain the following records, or true and complete copies of these records, at the association's principal office:

- (1) the association's declaration, bylaws, and plats of survey, and all amendments of these;
- (2) the rules and regulations of the association, if any;
- (3) if the association is incorporated as a corporation, the articles of incorporation of the association and all amendments to the articles of incorporation;
- (4) minutes of all meetings of the association and its board of managers for the immediately preceding 7 years;
- (5) all current policies of insurance of the association;
- (6) all contracts, leases, and other agreements then in effect to which the association is a party or under which the association or the unit owners have obligations or liabilities;
- (7) a current listing of the names, addresses, email addresses, telephone numbers, and weighted vote of all members entitled to vote;
- (8) ballots and proxies related to ballots for all matters voted on by the members of the

association during the immediately preceding 12 months, including but not limited to the election of members of the board of managers; and

(9) the books and records for the association's current and 10 immediately preceding fiscal years, including but not limited to itemized and detailed records of all receipts, expenditures, and accounts.

(b) Any member of an association shall have the right to inspect, examine, and make copies of the records described in subdivisions (1), (2), (3), (4), (5), (6), and (9) of subsection (a) of this Section, in person or by agent, at any reasonable time or times, at the association's principal office. In order to exercise this right, a member must submit a written request to the association's board of managers or its authorized agent, stating with particularity the records sought to be examined. Failure of an association's board of managers to make available all records so requested within 10 business days of receipt of the member's written request shall be deemed a denial.

Any member who prevails in an enforcement action to compel examination of records described in subdivisions (1), (2), (3), (4), (5), (6) and (9) of subsection (a) of this Section shall be entitled to recover reasonable attorney's fees and costs from the association.

(c) (Blank).

(d) (Blank).

(d-5) As used in this Section, "commercial purpose" means the use of any part of a record or records described in subdivisions (7) and (8) of subsection (a) of this Section, or information derived from such records, in any form for sale, resale, or solicitation or advertisement for sales or services.

(e) Except as otherwise provided in subsection (g) of this Section, any member of an association shall have the right to inspect, examine, and make copies of the records described in subdivisions (7) and (8) of subsection (a) of this Section, in person or by agent, at any reasonable time or times but only for a purpose that relates to the association, at the association's principal office. In order to exercise this right, a member must submit a written request, to the association's board of managers or its authorized agent, stating with particularity the records sought to be examined. As a condition for exercising this right, the board of managers or authorized agent of the association may require the member to certify in writing that the information contained in the records obtained by the member will not be used by the member for any commercial purpose or for any purpose that does not relate to the association. The board of managers of the association may impose a fine in accordance with item (l) of Section 18.4 upon any person who makes a false certification. Subject to the provisions of subsection (g) of this Section, failure of an association's board of managers to make available all records so requested within 10 business days of receipt of the member's written request shall be deemed a denial; provided, however, that the board of managers of an association that has adopted a secret ballot election process as provided in Section 18 of this Act shall not be deemed to have denied a member's request for records described in subdivision (8) of subsection (a) of this Section if voting ballots, without identifying unit numbers, are made available to the requesting member within 10 business days of receipt of the member's written request.

Any member who prevails in an enforcement action to compel examination of records described in subdivisions (7) or (8) of subsection (a) of this Section shall be entitled to recover reasonable attorney's fees and costs from the association only if the court finds that the board of directors acted in bad faith in denying the member's request.

(f) The actual cost to the association of retrieving and making requested records available for inspection and examination under this Section may be charged by the association to the requesting member. If a member requests copies of records requested under this Section, the actual costs to the association of reproducing the records may also be charged by the association to the requesting member.

(g) Notwithstanding the provisions of subsection (e) of this Section, unless otherwise directed by court order, an association need not make the following records available for inspection, examination, or copying by its members:

(1) documents relating to appointment, employment, discipline, or dismissal of association employees;

(2) documents relating to actions pending against or on behalf of the association or its board of managers in a court or administrative tribunal;

(3) documents relating to actions threatened against, or likely to be asserted on behalf of, the association or its board of managers in a court or administrative tribunal;

(4) documents relating to common expenses or other charges owed by a member other than the requesting member; and

(5) documents provided to an association in connection with the lease, sale, or other transfer of a unit by a member other than the requesting member.

(h) The provisions of this Section are applicable to all condominium instruments recorded under this Act. Any portion of a condominium instrument that contains provisions contrary to these provisions shall be void as against public policy and ineffective. Any condominium instrument that fails to contain the provisions required by this Section shall be deemed to incorporate the provisions by operation of law.

Sec. 20. Exemption from rules of property.

It is expressly provided that the rule of property known as the rule against perpetuities and the rule of property known as the rule restricting unreasonable restraints on alienation shall not be applied to defeat any of the provisions of this Act.

Sec. 21. Severability.

If any provision of this Act or any section, sentence, clause, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of the Act and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

Sec. 22. Full disclosure before sale.

In relation to the initial sale or offering for sale of any condominium unit, the seller must make full

disclosure of, and provide copies to the prospective buyer of, the following information relative to the condominium project:

- (a) the Declaration;
- (b) the Bylaws of the association;
- (c) a projected operating budget for the condominium unit to be sold to the prospective buyer, including full details concerning the estimated monthly payments for the condominium unit, estimated monthly charges for maintenance or management of the condominium property, and monthly charges for the use of recreational facilities; and
- (d) a floor plan of the apartment to be purchased by the prospective buyer and the street address of the unit, if any, and if the unit has no unique street address, the street address of the project.
- (e) in addition, any developer of a conversion condominium shall include the following information:
 - (1) A specific statement of the amount of any initial or special condominium fee due from the purchaser on or before settlement of the purchase contract and the basis of such fee;
 - (2) Information, if available, on the actual expenditures made on all repairs, maintenance, operation, or upkeep of the subject building or buildings within the last 2 years, set forth tabularly with the proposed budget of the condominium and cumulatively, broken down on a per unit basis in proportion to the relative voting strengths allocated to the units by the bylaws. If such building or buildings have not been occupied for a period of 3 years then the information shall be set forth for the last 2 year period such building or buildings have been occupied;
 - (3) A description of any provisions made in the budget for reserves for capital expenditures and an explanation of the basis for such reserves, or, if no provision is made for such reserves, a statement to that effect;
 - (4) For developments of more than 6 units for which the notice of intent to convert is issued after the effective date of this amendatory Act of 1979, an engineer's report furnished by the developer as to the present condition of all structural components and major utility installations in the condominium, which statement shall include the approximate dates of construction, installation, major repairs and the expected useful life of such items, together with the estimated cost (in current dollars) of replacing such items; and
 - (5) Any release, warranty, certificate of insurance, or surety required by Section 9.1.

All of the information required by this Section which is available at the time shall be furnished to the prospective buyer before execution of the contract for sale. Thereafter, no changes or amendments may be made in any of the items furnished to the prospective buyer which would materially affect the rights of the buyer or the value of the unit without obtaining the approval of at least 75% of the buyers then owning interest in the condominium. If all of the information is not available at the time of execution of the contract for sale, then the contract shall be voidable at option of the buyer at any time up until 5 days after the last item of required information is furnished to the prospective buyer, or until the closing of the sale, whichever is earlier. Failure on the part of the seller to make full disclosure as required by this Section shall entitle the buyer to rescind the contract for sale at any time before the closing of the contract and to receive a refund of all deposit moneys paid with interest thereon at the

rate then in effect for interest on judgments.

A sale is not an initial sale for the purposes of this Section if there is not a bona fide transfer of the ownership and possession of the condominium unit for the purpose of occupancy of such unit as the result of the sale or if the sale was entered into for the purpose of avoiding the requirements of this Section.

The buyer in the first bona fide sale of any condominium unit has the rights granted to buyers under this Section. If the buyer in any sale of a condominium unit asserts that such sale is the first bona fide sale of that unit, the seller has the burden of proving that his interest was acquired through a bona fide sale.

Sec. 22.1. Resales – Disclosures – Fees

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

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

(2) A statement of any liens, including a statement of the account of the unit setting forth the amounts of unpaid assessments and other charges due and owing as authorized and limited by the provisions of Section 9 of this Act or the condominium instruments.

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

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

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

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

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

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

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

(b) The principal officer of the unit owner's association or such other officer as is specifically designated shall furnish the above information when requested to do so in writing and within 30 days of the request.

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

A reasonable fee covering the direct out-of-pocket cost of providing such information and copying may be charged by the association or its Board of Managers to the unit seller for providing such information.

Sec. 22.2. Resale approval.

In the event of a sale of a condominium unit by a unit owner, no condominium association shall exercise any right of refusal, option to purchase, or right to disapprove the sale, on the basis that the purchaser's financing is guaranteed by the Federal Housing Administration.

Sec. 23. Encroachments.

If any portion of the common elements encroaches upon any unit, or if any unit encroaches upon any portion of the common elements or any other unit as a result of the construction, repair, reconstruction, settlement or shifting of any building, a valid mutual easement shall exist in favor of the owners of the common elements and the respective unit owners involved to the extent of the encroachment. A valid easement shall not exist in favor of any owner who creates an encroachment by his intentional, wilful or negligent conduct or that of his agent.

Sec. 24. Deposits by Purchaser.

Any deposit, payment or advance in the payment of the purchase price for the initial sale of a unit, received by the developer or his agent other than a payment made for extra work ordered in writing by the purchaser of a unit, shall be held in an escrow account until title is conveyed to the purchaser. The escrow funds shall be segregated in a separate account designated for this purpose. The developer shall deposit all the payments in an interest bearing account at a federally insured bank or savings and loan institution, which account shall be maintained within applicable federal insurance limits, and all the interest is to be credited to the purchaser on the purchase price of the unit. Such interest shall accrue from the time of the deposit, payment or advance in the payment of the purchase price of the unit. There shall be no interest however, if the transfer of title takes place 45 days from the time the contract to purchase is entered. In the event of a refund or default, the interest earned on such deposit, payment or advance shall follow the disposition of the deposit, payment or advance. Escrow funds shall not be subject to attachment by any creditor of a purchaser or of the developer or by the holder of a lien against any portion of the property.

The provisions of this Section shall not apply to any payment received on account for the purchase of a completed condominium unit under articles of agreement for deed, installment agreement for deed, or lease with option to purchase, if the agreement provides for conveyance of title more than one year after the date of execution of the agreement.

Sec. 25. Add-on Condominiums.

- (b) The Illinois Uniform Arbitration Act shall govern all arbitrations proceeding under this
- (b-5) The Uniform Mediation Act shall govern all mediations proceeding under this Section.
- (c) The association may require the disputants to bear the costs of mediation or arbitration.

Sec. 33 Limitations on the use of smoking cannabis.

The condominium instruments of an association may prohibit or limit the smoking of cannabis, as the term “smoking” as defined in the Cannabis Regulation and Tax Act, within a unit owner’s unit. The condominium instruments and rules and regulations shall not otherwise restrict the consumption of cannabis by any other method within a unit owner’s unit, or the limited common elements, but may restrict any form of consumption on the common elements.

Sec. 35. Compliance with the Condominium and Common Interest Community Ombudsperson Act

Every unit owners' association must comply with the Condominium and Common Interest Community Ombudsperson Act and is subject to all provisions of the Condominium and Common Interest Community Ombudsperson Act. This Section is repealed July 1, 2022.