



End of Legislative Session Update (Spring 2022)

On April 9, 2022, the Illinois General Assembly adjourned until the fall veto session. Five bills affecting community associations and community association managers passed both Houses during the Spring legislative session. The General Assembly has 30 days after the date the bill passes both Houses to send it to the Governor. The Governor then has 60 days to sign the bill into law or veto the bill (including an “amendatory veto” or “item veto”). If the Governor does nothing during that 60-day period, then the bill becomes law.

ILAC, through the tireless efforts of its phenomenal lobbyist Jeff Dixon and ILAC’s dedicated volunteer members, successfully amended several of the bills with language drafted by the ILAC team and worked with the sponsors to pass the bills through both Houses of the General Assembly. ILAC participated in numerous Zoom meetings and conference calls with legislators, their staff, and other stakeholders. ILAC also hosted two separate virtual meetings (via Zoom) with Senate and House members to educate them about the community association industry and to discuss key bills pending before the Illinois legislature. In addition, ILAC members, along with Jeff Dixon testified before House and Senate committees on important bills that affect community associations and their service providers.

The bills that have passed both Houses and are expected to go to the Governor are as follows:

HB 4158 – Property Records Reserve Study

HB 4158 was introduced by Representative Margaret Croke. As introduced, the bill amended the Common Interest Community Association Act (Section 1-30) and the Condominium Property Act (Section 19). The bill clarifies that if an association obtains a reserve study, that reserve study is part of the association’s books and records, and therefore, owners have a right to examine and copy that reserve study. The bill does not mandate that an association obtain a reserve study. Assuming it becomes law, the bill will become effective upon becoming law.

The bill was amended in the Senate by Senator Sara Feigenholtz. That amendment did not change any of the bill as it was introduced. Instead, the amendment made changes to the Common Interest Community Association Act, the Condominium Property Act, and the Condominium and Common Interest Community Ombudsperson Act (“Ombudsperson Act”) to extend the repeal date of the Ombudsperson Act to January 1, 2024, which was set to be repealed on July 1, 2022.

ILAC worked with Representative Croke and Senator Feigenholtz and supported the bill.

HB 5167 – Creation of the Division of Real Estate General Fund

HB 5167 was introduced by Representative Kathleen Willis. As introduced, the bill amended numerous statutes involving areas over which the Illinois Department of Financial and Professional Regulation

("IDFPR") has regulatory authority. One of those statutes is the Community Association Manager Licensing and Disciplinary Act ("CAM Act"). The bill was amended in the House, which amendment made changes to the language amending the CAM Act. Assuming it becomes law, the bill will become effective upon becoming law with respect to changes to the CAM Act.

The bill makes changes to Sections 10, 25, 55, 60, and 65 of the CAM Act. Some of those changes were non-substantive. For example, replacing "his or her" with "the" or replacing "his or her" with "the broker's". The substantive changes include: (a) providing the members of the Community Association Manager Licensing and Disciplinary Board immunity from a lawsuit involving disciplinary proceedings; (b) requiring community association managers to provide associations with a copy of a certificate of fidelity insurance within 10 days after a request for such certificate when the fidelity insurance is not secured and paid for by the association; (c) requiring community association managers to provide associations with a copy of a certificate of general liability and errors and omissions insurance within 10 days after a request for such certificate when the fidelity insurance is not secured and paid for by the association; and (d) eliminating the Community Association Manager and Licensing and Disciplinary Fund and directing licensing fees and other money received by IDFPR under the CAM Act go to the Division of Real Estate General Fund.

ILAC worked closely with IDFPR on drafting the language amending the CAM Act and supported the bill.

HB 5246 – Condo Act: Resale of Unit

HB 5246 was introduced by Representative Keith Wheeler. As introduced, the bill amended Section 22.1 of the Condominium Property Act to reduce the time an association has to respond to a request under Section 22.1 and imposed a cap on the fee that an association may charge for providing the information enumerated in Section 22.1. The bill was amended in the House, which amendment reflects negotiated language providing for more reasonable changes. Assuming it becomes law, the bill will become effective January 1, 2023.

ILAC worked very closely with Representative Wheeler, Senator Cappel, and other interested parties on this bill. CAI National, through Dawn Bauman and Phoebe Neseth assisted ILAC in negotiations with legislators, as well as calls to action sent to CAI members. The bill, in the form passed by both Houses, was the result of much discussion between ILAC and the bill sponsors.

In its initial form, the bill would have required an association to respond to a Section 22.1 request within five business days of the request. Also, the bill would have limited the fee an association could charge for a Section 22.1 response to not exceed \$100. Given the real-world experience of ILAC's members with Section 22.1 requests, consultation with other industry professionals, and a review of how other states have handled similar issues, it was clear that the changes proposed by HB5246 as it was introduced were not reasonable and would likely result in more, not less, disputes. With both Illinois specific and national information available, ILAC engaged the bill sponsors and explained how to modify the bill to achieve the goals expressed by the sponsors. The sponsors understood ILAC's concerns raised on behalf of community associations and the community association industry and worked with ILAC on reasonable changes to the bill's language.

Ultimately, the bill was amended to provide an association ten business days to respond to a Section 22.1 request and that the fee charged by an association cannot exceed \$375. The bill further provides that fees may be adjusted based on the consumer price index for the preceding twelve-month calendar year. Also, the bill provides that an association may charge an additional \$100 for rush service completed within 72 hours. Overall, ILAC was successful in working with the bill sponsors to achieve a reasonable compromise that is consistent with how other states have addressed similar issues and supported the bill to that extent.

SB 3069 - Property Tax - Homeowner Association

SB 3069 was introduced by Senator Laura Murphy. The bill amends the Property Tax Code to clarify that condominium and homeowner associations have the right to file appeals with the Property Tax Appeal Board. The bill was amended in the House, which amendment did not change the purpose of the bill but changed that language to accomplish that purpose. The bill, as passed by both Houses, adds a new paragraph to Section 16-160 of the Property Tax Code. That new paragraph provides that an association may file an appeal to the Property Tax Appeal Board. That new paragraph defines “association” to include common interest community associations, condominium associations, and master associations, as those terms are defined in the Common Interest Community Association Act and the Condominium Property Act, respectively. Assuming it becomes law, the bill will become effective January 1, 2023.

ILAC supported this bill because it addresses an issue that some associations experienced when working to reduce property taxes.

SB 3792 – State High School Diploma

SB 3792 was introduced by Senator Cristina Castro. The bill amends several statutes, including the Community Association Manager Licensing and Disciplinary Act. It makes non-substantive changes to all of those statutes. Specifically, the bill changes the term “high school equivalency certificate” to “State of Illinois High School Diploma”. Assuming it becomes law, the bill will become effective on January 1, 2023.

ILAC did not take a position on or get closely involved with this bill because it was a general revisory (or “clean up”) bill and did not make any substantive changes.

Other Legislation

The five bills that passed both Houses of the General Assembly (described above) are only a few of the many bills that were introduced in the legislature. Some of those introduced bills never made it out of the originating chamber. Some bills did make it out of the originating chamber but died in the other chamber. One such bill was HB 3125. That bill passed out of the House but failed to pass out of the Senate. HB 3125 is similar to past bills and is likely to come back again in upcoming legislative sessions.

HB 3125 – Electric Vehicles

HB 3125 was introduced by Representative Robyn Gabel, Assistant Majority Leader. The bill would create a new Electric Vehicle Charging Act. Among other things, the bill provides that a condominium or common interest community cannot prohibit the installation of an electric vehicle charging station by a unit owner. However, an association can impose reasonable restrictions on electric vehicle charging station installation. A reasonable restriction is defined as “a restriction that does not significantly

increase the cost of the electric vehicle charging station or electric vehicle charging system or significantly decrease its efficiency or specified performance.” A unit owner who wishes to install an electric vehicle charging station would be responsible for the cost of installation and maintenance, damage from the installation and use, and insuring the charging station. The unit owner would also be responsible for the cost of electricity used.

ILAC worked closely with Representative Gabel and successfully amended the bill with language prepared by ILAC to address important community association concerns. ILAC supported the bill as passed by the House. The use of electric vehicles is increasing. Accordingly, ILAC anticipates that HB 3125 or a similar bill will be taken up in a future legislative session and will be ready to work with the sponsor to make any necessary changes.

For more information on IL-LAC’s activities and community association legislation in Illinois, visit <https://www.caionline.org/Advocacy/LAC/IL/Pages/default.aspx>

CAI’s IL-LAC may rely on professional lobbying as a vital and integral part of the legislative process. As volunteers, CAI’s IL-LAC members including homeowner leaders, community managers, and business partners, significantly rely on this highly effective professional representation. In addition to contributions from management companies and business partners, CAI’s IL-LAC needs your financial support to bolster their advocacy activities in 2022 and beyond. We encourage donations from Virginia community associations, business partners, and individuals. Please visit www.caionline.org/lacdonate/ and donate to “Illinois” to support our continued efforts.

We need YOUR voice! [Sign up today](#) to become a CAI Advocacy Ambassador and help shape legislation in your state!

Sincerely,

CAI IL-LAC Co-Chairs Brian Butler and Kris Kasten