

## STANDARDS FOR COMMUNITY ASSOCIATION MANAGERS PASS -- THE FIRST STEP TO ENHANCING MANAGER PROFESSIONALISM

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[Public Act 95-0318](#) is the first step in a legislative process to enhance professionalism of community association managers. Introduced as [House Bill 1071](#), the bill protects association boards and owners whose managers administer association funds and maintain association property.

Co-sponsored in the Illinois House by Representatives Elaine Nekritz (D-57) and Skip Saviano (R-77), Public Act 95-0318 creates a new Section 18.7 of the Illinois Condominium Property Act that requires community association managers to maintain standards of professionalism and financial responsibility. Representative Kenneth Dunkin (D-5) was the additional House Co-Sponsor. Senator John Cullerton (D-6; Majority Caucus Whip) was the chief Senate Sponsor, with Senators Kwame Raoul (D-13) and Kirk Dillard (R-24; Minority Whip) as Co-Sponsors. The bill passed the House of Representatives on May 1, 2007, was approved by the Senate on May 22, 2007, was signed into law on August 21, 2007 by Governor Rod Blagojevich (D).

This legislation is the first step of a joint effort with the Illinois Association of Realtors to license community association managers. Section 18.7 sets standards for community association managers, and applies to managers of condominiums, cooperatives, townhomes or homeowner associations. The new law has the following provisions:

- Managers are individuals who administer for compensation financial, administrative, maintenance, or other duties called for in a management contract, including individuals who are direct employees of a community association (but does not include support staff such as bookkeepers, secretaries, etc.).
- Managers must be 21 and a citizen or legal permanent resident of the United States.
- Managers shall not have been convicted of forgery, embezzlement, obtaining money under false pretensions, etc.
- Managers shall have a working knowledge of the fundamentals of community association management.
- Managers must cooperate with any law enforcement agency in the investigation of a management complaint and produce any materials in their possession or control in management transition.

- Managers will not have sole and exclusive access to and disburse association funds unless there is a fidelity bond in place. The amount of the bond must not be less than all monies of that association. The bond covers the managers and all partners, officers and employees of the management firm.
- Managers shall maintain separate, segregated accounts for each community association they manage.

Association managers are the only professionals who hold significant amounts of money, but do not have minimum standards of conduct and are not regulated. Now is the time to protect the industry.

This new law, effective January 1, 2008, represents a legislative compromise to initial efforts to license property managers. CAI's [Illinois LAC](#) has a commitment from the Illinois Association of Realtors to work toward specific licensing standards that will protect associations, institute needed professionalism to the industry, and provide for the administration of a license program that is self-funded.