

Illinois Association of Lake Communities

Common Interest Community Association Act (CICAA)

Memo for Scott Marquardt

SB 927 and SB 928 Concerns

Illinois Association of Lake Communities (IALC) is a not for profit corporation established in 1979 to help develop a better understanding of the nature and functions of lake communities among the public, public officials and members organizations. IALC is currently comprised of 23 different private community associations in 17 different counties throughout Illinois and represents the interest of thousands of property owners from these member associations. Member associations range in size from less than 1,000 sites to associations with more than 6,000 sites.

SB 927

- Will prevent common interest communities from using the Forcible Act or foreclosing their liens when attempting to collect unpaid assessments, unless the unit owner's obligation exceeds \$1,000.00.
- While this \$1,000.00 threshold seems relatively low, for a large number of common interest communities, it will take multiple years of non-payment for an owner to accrue a balance in this amount.
- Many common interest communities have annual assessments less than or around \$500.00. For a common interest community with an annual assessment of \$500 or less, under SB 927, 100% of the owners could choose not to pay assessments for 2 years and only after 2 years of non-payment could an association foreclose or seek to evict. If just 20% of the owners knew they could choose to not pay for 2 years before facing foreclosure or eviction, this could have incredibly devastating effects upon common interest communities.
- Those owners who timely pay their assessments will bear the increased burden of non-payment and the limitations imposed upon collection. Essentially, assessments will go up for everyone by restricting their ability to collect assessments.
- The assessments are the lifeblood and for almost all common interest communities, their only source of revenue. These assessments are used to insure the common properties, the common facilities and for storm water management, among other things.
- Granting owners a statutorily-imposed grace period on collection will result in associations having to make difficult decisions on deferring maintenance and will overall negatively impact property values.

SB 928

- Creates a new section regarding prospective buyers. It conflicts with the provisions of the Section 1-35(d) of CICAA.
 - If the intent is to inform prospective purchasers as to the assessment obligation, Section 1-35(d) already does this.
 - The requirement that seller and buyer sign a statement and association keep a copy is unworkable. What happens if the seller and buyer don't return the statement? This will just aid people in claiming, "I didn't know I was part of an association or owed any amounts" despite a recorded declaration against their property and the opportunity to be fully-informed as to the assessment obligation under Section 1-35(d).
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