



## SHIFRIN LEGAL

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Formed with a “client-first” mentality, Shifrin Legal provides an array of legal services for condominium, townhome, homeowner association and cooperatives throughout the Chicagoland region. Shifrin Legal distinguishes itself within the industry through its unmatched dedication to client service and client needs – one of its core principles. Shifrin Legal is committed to educating community association managers, business partners, board members and unit owners and is pleased to offer this complimentary edition of the Condominium and Common Interest Community Ombudsperson Act.

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# CONDOMINIUM AND COMMON INTEREST COMMUNITY OMBUDSPERSON ACT (765 ILCS 615/1, *et seq.*)

## INTRODUCTION

**FULL TEXT** (as of January 1, 2020):

**Section 1. Short title.** This Act may be cited as the Condominium and Common Interest Community Ombudsperson Act.

**Section 5. Applicability.** This Act applies to all condominium associations governed by the Condominium Property Act and all common interest community associations governed by the Common Interest Community Association Act.

**Section 10. Findings.** The General Assembly finds as follows:

(1) Managing condominium property or common interest community property is a complex responsibility. Unit owners and persons charged with managing condominium property or common interest community property may have little or no prior experience in managing real property, operating a not-for-profit association or corporation, complying with the laws governing condominium property or common interest community property, and interpreting and enforcing restrictions and rules imposed by applicable instruments or covenants. Unit owners may not fully understand their rights and obligations under the law or applicable instruments or covenants. Mistakes and misunderstandings are inevitable and may lead to serious, costly, and divisive problems. This Act seeks to educate unit owners, condominium associations, common interest community associations, boards of managers, and boards of directors about the Condominium Property Act and the Common Interest Community Association Act. Effective education can prevent or reduce the severity of problems within a condominium or common interest community.

(2) Anecdotal accounts of abuses within condominiums and common interest communities create continuing public demand for reform of condominium and common interest community property law. This results in frequent changes to the law, making it difficult to understand and apply, and imposes significant transitional costs on these communities statewide. By collecting empirical data on the nature and incidence of problems within these communities, this Act will provide a sound basis for prioritizing reform efforts, thereby increasing the stability of condominium and common interest community property law.

**Section 15. Definitions.** As used in this Act:

"Association" means a condominium association or common interest community association as defined in this Act.

"Board of managers" or "board of directors" means:

- (1) a common interest community association's board of managers or board of directors, whichever is applicable; or
- (2) a condominium association's board of managers or board of directors, whichever is applicable.

"Common interest community" means a property governed by the Common Interest Community Association Act.

"Common interest community association" has the meaning ascribed to it in Section 1-5 of the Common Interest Community Association Act.

"Condominium" means a property governed by the Condominium Property Act.

"Condominium association" means a unit owners' association as defined in subsection (o) of Section 2 of the Condominium Property Act or a master association as defined in subsection (u) of Section 2 of the Condominium Property Act.

"Declaration" has the meaning ascribed to it in:

- (1) Section 1-5 of the Common Interest Community Association Act; or
- (2) Section 2 of the Condominium Property Act.

"Department" means the Department of Financial and Professional Regulation.

"Director" means the Director of the Division of Real Estate.

"Division" means the Division of Real Estate within the Department of Financial and Professional Regulation.

"Office" means the Office of the Condominium and Common Interest Community Ombudsperson established under Section 20 of this Act.

"Ombudsperson" means the Condominium and Common Interest Community Ombudsperson named under Section 20 of this Act.

"Person" includes a natural person, firm, association, organization, partnership, business trust, corporation, limited liability company, or public entity.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation.

"Unit" means a part of the condominium property or common interest community property designed and intended for any type of independent use.

"Unit owner" has the meaning ascribed to it in:

- (1) subsection (g) of Section 2 of the Condominium Property Act; or
- (2) Section 1-5 of the Common Interest Community Association Act.

**Section 20. Office of the Condominium and Common Interest Community Ombudsperson.**

- (a) There is created in the Division of Real Estate within the Department of Financial and Professional Regulation, under the supervision and control of the Secretary, the Office of the Condominium and Common Interest Community Ombudsperson.
- (b) The Department shall name an Ombudsperson and other persons as necessary to discharge the requirements of this Act. The Ombudsperson shall have the powers delegated to him or her by the Department, in addition to the powers set forth in this Act.
- (c) Neither the Ombudsperson nor the Department shall have any authority to consider matters that may constitute grounds for charges or complaints under the Illinois Human Rights Act or that are properly brought before the Department of Human Rights or the Illinois Human Rights Commission, before a comparable department or body established by a county, municipality, or township pursuant to an ordinance prohibiting discrimination and established for the purpose of investigating and adjudicating charges or complaints of discrimination under the ordinance, or before a federal agency or commission that administers and enforces federal anti-discrimination laws and investigates and adjudicates charges or complaints of discrimination under such laws.
- (d) Information and advice provided by the Ombudsperson has no binding legal effect and is not subject to the provisions of the Illinois Administrative Procedure Act.

**Section 25. Training and education.** On or before July 1, 2017, the Ombudsperson shall offer training, outreach, and educational materials, and may arrange for the offering of courses to unit owners, associations, boards of managers, and boards of directors in subjects relevant to: (i) the operation and management of condominiums and common interest communities; and (ii) the Condominium Property Act and the Common Interest Community Association Act.

**Section 30. Website; toll-free number.**

- (a) The Office shall maintain on the Department's website the following information:
  - (1) the text of this Act, the Condominium Property Act, the Common Interest Community Association Act, and any other statute, administrative rule, or regulation that the Ombudsperson determines is relevant to the operation and management of a condominium association or common interest community association;
  - (2) information concerning non-judicial resolution of disputes that may arise within a condominium or common interest community, including, but not limited to, alternative dispute resolution programs and contacts for locally-available dispute resolution programs;
  - (3) a description of the services provided by the Ombudsperson and information on how to contact the Ombudsperson for assistance; and
  - (4) any other information that the Ombudsperson determines is useful to unit owners, associations, boards of managers, and boards of directors.
- (b) The Office may make available during regular business hours a statewide toll-free telephone number to provide information and resources on matters relating to condominium property and common interest community property.

**Section 35. Written policy for resolving complaints.**

- (a) Each association, except for those outlined in subsection (b) of this Section, shall adopt a written policy for resolving complaints made by unit owners. The association shall make the policy available to all unit owners upon request. The policy must include:
  - (1) a sample form on which a unit owner may make a complaint to the association;
  - (2) a description of the process by which complaints shall be delivered to the association;
  - (3) the association's timeline and manner of making final determinations in response to a unit owner's complaint; and
  - (4) a requirement that the final determination made by the association in response to a unit owner's complaint be:
    - (i) made in writing;
    - (ii) made within 180 days after the association received the unit owner's original complaint; and
    - (iii) marked clearly and conspicuously as "final".
- (b) Common interest community associations exempt from the Common Interest Community Association Act are not required to have a written policy for resolving complaints.

(c) No later than January 1, 2019, associations, except for those identified in subsection (b) of this Section, must establish and adopt the policy required under this Section.

(d) Associations first created after January 1, 2019, except for those identified in subsection (b) of this Section, must establish and adopt the policy required under this Section within 180 days following creation of the association.

(e) A unit owner may not bring a request for assistance under Section 40 of this Act for an association's lack of or inadequacy of a written policy to resolve complaints, but may notify the Department in writing of the association's lack of or inadequacy of a written policy.

**Section 40. Dispute resolution.**

(a) Beginning on July 1, 2020, and subject to appropriation, unit owners meeting the requirements of this Section may make a written request, as outlined in subsection (f) of this Section, to the Ombudsperson for assistance in resolving a dispute between a unit owner and an association that involves a violation of the Condominium Property Act or the Common Interest Community Association Act.

(b) The Ombudsperson shall not accept requests for resolutions of disputes with community association managers, supervising community association managers, or community association management firms, as defined in the Community Association Manager Licensing and Disciplinary Act.

(c) The Ombudsperson shall not accept requests for resolutions of disputes for which there is a pending complaint filed in any court or administrative tribunal in any jurisdiction or for which arbitration or alternative dispute resolution is scheduled to occur or has previously occurred.

(d) The assistance described in subsection (a) of this Section is available only to unit owners. In order for a unit owner to receive the assistance from the Ombudsperson described in subsection (a) of this Section, the unit owner must:

(1) owe no outstanding assessments, fees, or funds to the association, unless the assessments, fees, or funds are central to the dispute;

(2) allege a dispute that was initiated, or initially occurred, within the 2 calendar years preceding the date of the request;

(3) have made a written complaint pursuant to the unit owner's association's complaint policy, as outlined in Section 35, which alleged violations of the Condominium Property Act or the Common Interest Community Association Act;

(4) have received a final and adverse decision from the association and attach a copy of the association's final adverse decision marked "final" to the request to the Ombudsperson; and

(5) have filed the request within 30 days after the receipt of the association's final adverse decision.

(e) A unit owner who has not received a response, marked "final", to his or her complaint from the association within a reasonable time may request assistance from the Ombudsperson pursuant to subsection (a) of this Section if the unit owner meets the requirements of items (1), (2), and (3) of subsection (d) of this Section. A unit owner may not request assistance from the Ombudsperson until at least 90 days after the initial written complaint was submitted to the association. The Ombudsperson may decline a unit owner's request for assistance on the basis that a reasonable time has not yet passed.

(f) The request for assistance shall be in writing, on forms provided electronically by the Office, and include the following:

(1) the name, address, and contact information of the unit owner;

(2) the name, address, and contact information of the association;

(3) the applicable association governing documents unless the absence of governing documents is central to the dispute;

(4) the date of the final adverse decision by the association;

(5) a copy of the association's written complaint policy required under Section 35 of this Act;

(6) a copy of the unit owner's complaint to the association with a specific reference to the alleged violations of the Condominium Property Act or the Common Interest Community Association Act;

(7) documentation verifying the unit owner's ownership of a unit, such as a copy of a recorded deed or other document conferring title; and

(8) a copy of the association's adverse decision marked "final", if applicable.

(g) On receipt of a unit owner's request for assistance that the Department determines meets the requirements of this Section, the Ombudsperson shall, within the limits of the available resources, confer with the interested parties and assist in efforts to resolve the dispute by mutual agreement of the parties.

(h) The Ombudsperson shall assist only opposing parties who mutually agree to participate in dispute resolution.

(i) A unit owner is limited to one request for assistance per dispute. The meaning of dispute is to be broadly interpreted by the Department.

(j) The Department has the authority to determine whether or not a final decision is adverse under paragraph (4) of subsection (d) of this Section.

(k) The Department shall, on or before July 1, 2020, establish rules describing the time limit, method, and manner for dispute resolution.

(l) (Blank)

**Section 45. Confidentiality.**

(a) All information collected by the Department in the course of addressing a request for assistance or for any other purpose pursuant to this Act shall be maintained for the confidential use of the Department and shall not be disclosed. The Department shall not disclose the information to anyone other than law enforcement officials or regulatory agencies that have an appropriate regulatory interest as determined by the Secretary. Information and documents disclosed to a federal, State, county, or local law enforcement agency shall not be disclosed by that agency for any purpose to any other agency or person.

(b) A request for information made to the Department, or the Ombudsperson, under this Act does not constitute a request under the Freedom of Information Act.

(c) The confidentiality provisions of this Section do not extend to educational, training, and outreach material, statistical data, or operational information maintained by the Department in administering this Act.

**Section 50. Reports.**

The Department shall submit an annual written report on the activities of the Office to the General Assembly. The Department shall submit the first report no later than July 1, 2018. Beginning in 2019, the Department shall submit the report no later than October 1 of each year. The report shall include all of the following:

(1) annual workload and performance data, including (i) the number of requests for information; (ii) training, education, or other information provided; (iii) the manner in which education and training was conducted; and (iv) the staff time required to provide the training, education, or other information. For each category of data, the report shall provide subtotals based on the type of question or dispute involved in the request; and

(2) where relevant information is available, analysis of the most common and serious types of concerns within condominiums and common interest communities, along with any recommendations for statutory reform to reduce the frequency or severity of those disputes.

**Section 55. (Repealed).**

**Section 60. Rules.** The Department may, from time to time, adopt such rules as are necessary for the administration and enforcement of any provision of this Act. Any rule adopted under this Act is subject to the rulemaking provisions of the Illinois Administrative Procedure Act.

**Section 65. State Lawsuit Immunity Act.** Nothing in this Act shall be construed to constitute a waiver of the immunity of the State, Department, Division, Office, or Ombudsperson, or any officer, employee, or agent thereof under the State Lawsuit Immunity Act.

**Section 70. Repeal.** This Act is repealed on July 1, 2022.

**Section 999. Effective date.** This Act takes effect January 1, 2017.