



FREQUENTLY ASKED QUESTIONS ABOUT COMMUNITY ASSOCIATION MANAGEMENT ("CAM") FIRM LICENSES

Does Illinois require that CAM Firms be licensed?

Yes. Effective June 2, 2023, CAM Firms engaging in the business of community association management in Illinois must be licensed. This requirement applies to all CAM Firms, regardless of when they were formed.

Specifically, the Community Association Manager Licensing and Disciplinary Act (225 ILCS 427/1 ("Act")) requires that any corporation, partnership, limited liability company, or other legally formed entity holding themselves out as a CAM Firm to any community association in this State, must first obtain a license to provide those services. This includes a single member LLC or single shareholder corporation.

If you are going to engage in CAM activities as a *sole proprietor*, and not as a limited liability company, corporation, or partnership, you will not need a CAM Firm license.

What is a CAM Firm?

The Act defines "community association management firm" as a company, corporation, limited liability company, partnership, or other entity that engages in community association management services."

What are "community association management services"?

"Community association management services" are defined in the Act, and apply to an individual who administers for compensation the financial, administrative, maintenance or other duties for a community association, including the following services:

- (A) collecting, controlling or disbursing funds of the community association or having the authority to do so;
- (B) preparing budgets or other financial documents for the community association;
- (C) assisting in the conduct of community association meetings;
- (D) maintaining association records;
- (E) administering association contracts or procuring goods and services in accordance with the declaration, bylaws, proprietary lease, declaration of covenants, or other governing document of the community association or at the direction of the board of managers; and
- (F) coordinating financial, administrative, maintenance, or other duties called for in the management contract, including individuals who are direct employees of the community association. (225 ILCS 427/10)

The term "community association manager" does not mean support staff, such as bookkeepers, administrative assistants, secretaries, property inspectors, or customer service representatives.



How do I obtain a CAM Firm license?

CAM Firms must be authorized to conduct business in the State of Illinois, apply to the Department on forms provided by the Department, and pay a non-refundable fee in the amount of \$650.00.

When applying for a CAM Firm license, the applicant must also provide evidence that the CAM Firm has a licensed and *designated community association manager*. Section 1445.35 of the Administrative Rule sets forth the specific information required to apply for a CAM Firm license. (68 Ill. Adm. Code 1445.35)

What is a designated community association manager?

A designated community association manager must be a licensed community association manager who:

- (1) has an ownership interest in or is employed by a community association management firm to act as a controlling person; and
- (2) is the authorized signatory or has delegated signing authority for the firm on community association accounts; and
- (3) supervises, manages, and is responsible for the firm's community association manager activities.

A licensed community association manager may only be the designated community association manager for one community association management firm.

What are the penalties for not having a CAM Firm license?

The Act provides that, in addition to any other penalty provided by law, any person, entity or other business who practices, offers to practice, attempts to practice, or holds oneself out to practice as a community association management firm or provides services as a community association management firm to any community association in this State without being licensed or, shall, after notice and a hearing, pay a civil penalty to the Department in an amount not to exceed \$10,000 for each offense, as determined by the Department. (225 ILCS 427/92)

How often must I renew my CAM Firm license?

CAM Firm licenses have a two-year term and shall expire on August 31 of odd-numbered years. The renewal fee for a CAM Firm license is \$650.00 for a two-year term. Licenses first issued in 2023 will expire August 31, 2025. (68 IAC 1445.70 & 100)



If I have a Community Association Manager license do I also need a Community Association Management Firm license?

It depends. If you work for a CAM Firm or operate as a sole proprietor, then you do not also need a CAM Firm license. However, if you do not work for a CAM firm and operate your business as a corporation, limited liability company, partnership, or other entity that engages in community association management services then you do also need a CAM Firm license.

What if I am already a licensed Real Estate Broker or have Real Estate Brokerage entity and hold a Community Association Manager license?

For licensees who hold both a Real Estate and Community Association Manager license, each license type must be renewed before the expiration of that license pursuant to their own Act and Rules.

Community association management services must be conducted separately and independently from real estate brokerage services even if the same person and/or entity holds both licenses.

If you are going to perform community association management services as a business entity, you must also obtain the CAM Firm license in addition to your community association manager license.

If an existing real estate brokerage chooses to operate a CAM firm or open up a related but distinct CAM firm, both must function independently and be separate in the eyes of the consumer.

- For example, the business name advertised to the consumer for the CAM firm must be different from the real estate brokerage. How the entity or entities wish to setup their legal structure for both services is up to the licensee and their counsel.

Disclaimer: The above questions and answers are provided for general information only and may not be completely accurate in every circumstance, do not purport to be legal advice, and are not intended to be legally binding on the Department in a particular case. Questions involving interpretation of the law and your legal rights and obligations should be addressed to your lawyer.