

HOUSE BILL 1158

C2, N1

8lr1122
CF 8lr3836

By: **Delegate Holmes**

Introduced and read first time: February 8, 2018

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Regulation of Common Ownership Community Managers**

3 FOR the purpose of creating the State Board of Common Ownership Community Managers
4 in the Department of Labor, Licensing, and Regulation; providing for the composition
5 of the Board and the appointment, terms, and expenses of the Board members;
6 providing for the powers, duties, and functions of the Board; providing that certain
7 provisions of this Act do not prohibit certain persons from providing certain services
8 under certain circumstances; requiring an individual to be issued a license by the
9 Board before providing management services for a common ownership community
10 under certain circumstances; specifying the qualifications for a license; providing for
11 the issuance, fees, renewal, and reinstatement of a license; authorizing the Board to
12 deny a license to any applicant, reprimand a licensed community manager, or
13 suspend or revoke a license under certain circumstances; requiring an individual to
14 be issued a limited license by the Board before providing management services for a
15 common ownership community under certain circumstances; specifying the
16 qualifications for a limited license; providing for the issuance, fees, renewal, and
17 reinstatement of a limited license; authorizing the Board to deny a limited license to
18 any applicant, reprimand any licensed associate community manager, or suspend or
19 revoke a limited license under certain circumstances; requiring a common ownership
20 community to register with the Board under certain circumstances; imposing certain
21 duties on a contracting party concerning a fidelity bond or theft insurance under
22 certain circumstances; imposing certain duties concerning financial institution
23 accounts on a licensed community manager; requiring a contract to provide
24 management services to include certain provisions under certain circumstances;
25 prohibiting certain acts and imposing certain penalties for a violation of this Act;
26 making certain provisions of this Act subject to the Maryland Program Evaluation
27 Act; establishing the State Board of Common Ownership Community Managers
28 Fund; providing for the purpose, administration, composition, use, and audit of the
29 Fund; requiring that certain interest earnings be credited to the Fund; requiring the
30 Secretary of Labor, Licensing, and Regulation, in consultation with the Board, to
31 calculate certain costs annually; authorizing the Board to set certain fees, based on

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain calculations; prohibiting a fee established by the Board from being increased
2 by more than a certain percentage annually; specifying the terms of the initial
3 members of the Board; providing that the Board may take into consideration certain
4 training and testing standards when adopting certain regulations; providing that a
5 certain examination shall satisfy certain examination requirements for a license
6 under certain circumstances; requiring the Board to grant a waiver of certain
7 training and examination requirements for a license under certain circumstances;
8 requiring the Department of Labor, Licensing, and Regulation to report to the
9 General Assembly on or before a certain date; authorizing the Department of Budget
10 and Management to advance certain funds to the Board and requiring the Board to
11 reimburse certain funds under certain circumstances; defining certain terms; and
12 generally relating to the regulation of common ownership community managers.

13 BY renumbering

14 Article – Business Regulation
15 Section 2–108(a)(10) through (33), respectively
16 to be Section 2–108(a)(11) through (34), respectively
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2017 Supplement)

19 BY renumbering

20 Article – State Government
21 Section 8–403(b)(13) through (56), respectively
22 to be Section 8–403(b)(14) through (57), respectively
23 Annotated Code of Maryland
24 (2014 Replacement Volume and 2017 Supplement)

25 BY adding to

26 Article – Business Occupations and Professions
27 Section 22–101 through 22–802 to be under the new title “Title 22. Common
28 Ownership Community Managers”
29 Annotated Code of Maryland
30 (2010 Replacement Volume and 2017 Supplement)

31 BY adding to

32 Article – Business Regulation
33 Section 2–106.15, 2–106.16, and 2–108(a)(10)
34 Annotated Code of Maryland
35 (2015 Replacement Volume and 2017 Supplement)

36 BY adding to

37 Article – Corporations and Associations
38 Section 5–6B–12.1
39 Annotated Code of Maryland
40 (2014 Replacement Volume and 2017 Supplement)

41 BY adding to

1 Article – Real Property
2 Section 11–130.1 and 11B–115.2
3 Annotated Code of Maryland
4 (2015 Replacement Volume and 2017 Supplement)

5 BY repealing and reenacting, without amendments,
6 Article – State Finance and Procurement
7 Section 6–226(a)(2)(i)
8 Annotated Code of Maryland
9 (2015 Replacement Volume and 2017 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article – State Finance and Procurement
12 Section 6–226(a)(2)(ii)101. and 102.
13 Annotated Code of Maryland
14 (2015 Replacement Volume and 2017 Supplement)

15 BY adding to
16 Article – State Finance and Procurement
17 Section 6–226(a)(2)(ii)103.
18 Annotated Code of Maryland
19 (2015 Replacement Volume and 2017 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article – State Government
22 Section 8–403(a)
23 Annotated Code of Maryland
24 (2014 Replacement Volume and 2017 Supplement)

25 BY adding to
26 Article – State Government
27 Section 8–403(b)(13)
28 Annotated Code of Maryland
29 (2014 Replacement Volume and 2017 Supplement)

30 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
31 That Section(s) 2–108(a)(10) through (33), respectively, of Article – Business Regulation of
32 the Annotated Code of Maryland be renumbered to be Section(s) 2–108(a)(11) through (34),
33 respectively.

34 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8–403(b)(13)
35 through (56), respectively, of Article – State Government of the Annotated Code of
36 Maryland be renumbered to be Section(s) 8–403(b)(14) through (57), respectively.

37 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
38 as follows:

1 **Article – Business Occupations and Professions**

2 **TITLE 22. COMMON OWNERSHIP COMMUNITY MANAGERS.**

3 **SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.**

4 **22-101.**

5 **(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
6 **INDICATED.**

7 **(B) “BOARD” MEANS THE STATE BOARD OF COMMON OWNERSHIP**
8 **COMMUNITY MANAGERS.**

9 **(C) (1) “COMMON OWNERSHIP COMMUNITY” MEANS:**

10 **(I) A CONDOMINIUM AS DEFINED IN § 11-101 OF THE REAL**
11 **PROPERTY ARTICLE THAT IS USED FOR RESIDENTIAL PURPOSES;**

12 **(II) A COOPERATIVE HOUSING CORPORATION AS DEFINED IN §**
13 **5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; AND**

14 **(III) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B-101 OF**
15 **THE REAL PROPERTY ARTICLE.**

16 **(2) “COMMON OWNERSHIP COMMUNITY” DOES NOT INCLUDE A**
17 **TIME-SHARE PROJECT AS DEFINED IN § 11A-101 OF THE REAL PROPERTY**
18 **ARTICLE.**

19 **(D) “LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A**
20 **LICENSE ISSUED BY THE BOARD UNDER SUBTITLE 3 OF THIS TITLE THAT ALLOWS**
21 **AN INDIVIDUAL TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP**
22 **COMMUNITY.**

23 **(E) “LICENSED ASSOCIATE COMMUNITY MANAGER” MEANS, UNLESS THE**
24 **CONTEXT REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS ISSUED A LIMITED**
25 **LICENSE BY THE BOARD UNDER SUBTITLE 4 OF THIS TITLE TO PROVIDE**
26 **MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY UNDER THE**
27 **SUPERVISION OF A LICENSED COMMUNITY MANAGER.**

28 **(F) “LICENSED COMMUNITY MANAGER” MEANS, UNLESS THE CONTEXT**
29 **REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS ISSUED A LICENSE BY THE BOARD**
30 **UNDER SUBTITLE 3 OF THIS TITLE TO PROVIDE MANAGEMENT SERVICES FOR A**
31 **COMMON OWNERSHIP COMMUNITY.**

1 **(G) “LIMITED LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES**
2 **OTHERWISE, A LIMITED LICENSE ISSUED BY THE BOARD UNDER SUBTITLE 4 OF THIS**
3 **TITLE THAT ALLOWS THE INDIVIDUAL TO PROVIDE MANAGEMENT SERVICES FOR A**
4 **COMMON OWNERSHIP COMMUNITY UNDER THE SUPERVISION OF A LICENSED**
5 **COMMUNITY MANAGER.**

6 **(H) “PROVIDE MANAGEMENT SERVICES” MEANS:**

7 **(1) TO ACT WITH THE AUTHORITY OF THE COMMON OWNERSHIP**
8 **COMMUNITY IN ITS BUSINESS, LEGAL, FINANCIAL, OR OTHER TRANSACTIONS WITH**
9 **MEMBERS AND NONMEMBERS OF THE COMMON OWNERSHIP COMMUNITY;**

10 **(2) TO EXECUTE THE RESOLUTIONS AND DECISIONS OF A COMMON**
11 **OWNERSHIP COMMUNITY OR, WITH THE AUTHORITY OF THE COMMON OWNERSHIP**
12 **COMMUNITY, TO ENFORCE THE RIGHTS OF THE COMMON OWNERSHIP COMMUNITY**
13 **SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR BYLAW;**

14 **(3) TO NEGOTIATE CONTRACTS OR OTHERWISE COORDINATE OR**
15 **ARRANGE FOR SERVICES OR THE PURCHASE OF PROPERTY AND GOODS FOR OR ON**
16 **BEHALF OF A COMMON OWNERSHIP COMMUNITY;**

17 **(4) TO COLLECT, DISBURSE, OR OTHERWISE EXERCISE DOMINION OR**
18 **CONTROL OVER MONEY OR OTHER PROPERTY BELONGING TO A COMMON**
19 **OWNERSHIP COMMUNITY;**

20 **(5) TO PREPARE BUDGETS, FINANCIAL STATEMENTS, OR OTHER**
21 **FINANCIAL REPORTS FOR A COMMON OWNERSHIP COMMUNITY;**

22 **(6) TO ARRANGE, CONDUCT, OR COORDINATE MEETINGS OF A**
23 **COMMON OWNERSHIP COMMUNITY OR THE GOVERNING BODY OF A COMMON**
24 **OWNERSHIP COMMUNITY; OR**

25 **(7) TO OFFER OR SOLICIT TO PERFORM ANY OF THE ACTS OR**
26 **SERVICES LISTED IN ITEMS (1) THROUGH (6) OF THIS SUBSECTION ON BEHALF OF A**
27 **COMMON OWNERSHIP COMMUNITY.**

28 **(I) “RESPONSIBLE MANAGER” MEANS A LICENSED COMMUNITY MANAGER**
29 **WHO HAS PRIMARY RESPONSIBILITY FOR PROVIDING MANAGEMENT SERVICES TO A**
30 **COMMON OWNERSHIP COMMUNITY UNDER THE TERMS OF A CONTRACT ENTERED**
31 **INTO BY THE COMMON OWNERSHIP COMMUNITY.**

32 **22-102.**

1 **THE PROVISIONS OF THIS TITLE THAT REQUIRE AN INDIVIDUAL TO BE ISSUED**
2 **A LICENSE OR A LIMITED LICENSE DO NOT PROHIBIT:**

3 **(1) AN INDIVIDUAL WHO IS A REGULAR, SALARIED EMPLOYEE OF A**
4 **LICENSED COMMUNITY MANAGER OR A SINGLE COMMON OWNERSHIP COMMUNITY**
5 **FROM PERFORMING ADMINISTRATIVE, INTERNAL, BOOKKEEPING, OR MINISTERIAL**
6 **FUNCTIONS IN SUPPORT OF THE LICENSED COMMUNITY MANAGER OR THE SINGLE**
7 **COMMON OWNERSHIP COMMUNITY;**

8 **(2) AN INDIVIDUAL WHO IS ADMINISTRATIVE SUPPORT STAFF OR AN**
9 **ASSISTANT OF A LICENSED COMMUNITY MANAGER FROM INCIDENTALLY PROVIDING**
10 **MANAGEMENT SERVICES IF THE INDIVIDUAL IS SUPERVISED BY A LICENSED**
11 **COMMUNITY MANAGER;**

12 **(3) A RESIDENT OF A COMMON OWNERSHIP COMMUNITY WHO ACTS**
13 **WITHOUT COMPENSATION FROM PROVIDING MANAGEMENT SERVICES FOR THAT**
14 **COMMON OWNERSHIP COMMUNITY;**

15 **(4) A MEMBER OF THE GOVERNING BODY OF A COMMON OWNERSHIP**
16 **COMMUNITY WHO ACTS WITHOUT COMPENSATION FROM PROVIDING MANAGEMENT**
17 **SERVICES FOR THAT COMMON OWNERSHIP COMMUNITY;**

18 **(5) AN ATTORNEY AT LAW FROM REPRESENTING A COMMON**
19 **OWNERSHIP COMMUNITY, A LICENSED COMMUNITY MANAGER, OR A LICENSED**
20 **ASSOCIATE COMMUNITY MANAGER IN ANY BUSINESS THAT CONSTITUTES THE**
21 **PRACTICE OF LAW;**

22 **(6) AN INDIVIDUAL LICENSED UNDER THIS ARTICLE AS A LICENSED**
23 **CERTIFIED PUBLIC ACCOUNTANT, A LICENSED REAL ESTATE BROKER, OR A**
24 **LICENSED ASSOCIATE REAL ESTATE BROKER FROM PROVIDING TO A COMMON**
25 **OWNERSHIP COMMUNITY THE SERVICES FOR WHICH THE INDIVIDUAL IS LICENSED;**
26 **OR**

27 **(7) AN INDIVIDUAL WHO ACTS AS A RECEIVER OR TRUSTEE IN**
28 **BANKRUPTCY IN THE PERFORMANCE OF DUTIES OR AN INDIVIDUAL WHO ACTS**
29 **UNDER A COURT ORDER FROM PROVIDING MANAGEMENT SERVICES FOR A COMMON**
30 **OWNERSHIP COMMUNITY.**

31 **SUBTITLE 2. STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS.**

32 **22-201.**

33 **THERE IS A STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS**
34 **IN THE DEPARTMENT.**

1 **22-202.**

2 (A) (1) **THE BOARD CONSISTS OF NINE MEMBERS.**

3 (2) **OF THE NINE MEMBERS OF THE BOARD:**

4 (I) **FIVE SHALL BE LICENSED COMMON OWNERSHIP**
5 **COMMUNITY MANAGERS;**

6 (II) **ONE SHALL BE A LAWYER, AS DEFINED IN § 10-101 OF THIS**
7 **ARTICLE, WHOSE PRIMARY PRACTICE INCLUDES THE REPRESENTATION OF**
8 **COMMON OWNERSHIP COMMUNITIES; AND**

9 (III) **THREE SHALL BE RESIDENT OWNERS IN A COMMON**
10 **OWNERSHIP COMMUNITY.**

11 (3) **THE GOVERNOR SHALL APPOINT THE MEMBERS WITH THE**
12 **ADVICE OF THE SECRETARY AND THE ADVICE AND CONSENT OF THE SENATE.**

13 (B) **EACH MEMBER OF THE BOARD SHALL BE A RESIDENT OF THE STATE.**

14 (C) **BEFORE TAKING OFFICE, EACH APPOINTEE TO THE BOARD SHALL TAKE**
15 **THE OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.**

16 (D) (1) **THE TERM OF A MEMBER IS 4 YEARS AND BEGINS ON JULY 1.**

17 (2) **THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY**
18 **THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2018.**

19 (3) **AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL**
20 **A SUCCESSOR IS APPOINTED AND QUALIFIES.**

21 (4) **A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES**
22 **ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND**
23 **QUALIFIES.**

24 (5) **A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE**
25 **TERMS.**

26 **22-203.**

27 **FROM AMONG THE MEMBERS OF THE BOARD, THE GOVERNOR SHALL**
28 **APPOINT A CHAIR AND VICE CHAIR.**

1 **22-204.**

2 (A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A
3 QUORUM.

4 (B) THE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS
5 MEETINGS.

6 (C) A MEMBER OF THE BOARD:

7 (1) MAY NOT RECEIVE COMPENSATION; BUT

8 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
9 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

10 (D) THE BOARD MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE
11 BUDGET.

12 **22-205.**

13 (A) IN ADDITION TO ANY POWERS SET FORTH ELSEWHERE, THE BOARD
14 MAY:

15 (1) ADOPT BYLAWS AS NECESSARY TO DO THE BUSINESS OF THE
16 BOARD; AND

17 (2) ADOPT ANY REGULATIONS TO CARRY OUT THIS TITLE.

18 (B) IN ADDITION TO ANY DUTIES SET FORTH ELSEWHERE, THE BOARD
19 SHALL:

20 (1) ADOPT RULES OF PROFESSIONAL CONDUCT AS APPROPRIATE FOR
21 INDIVIDUALS ISSUED A LICENSE OR A LIMITED LICENSE UNDER THIS TITLE;

22 (2) ESTABLISH CRITERIA AND A PROCESS FOR CERTIFICATION OF A
23 VARIETY OF EDUCATIONAL OFFERINGS AND TRAINING PROGRAMS FOR ISSUING
24 LICENSES OR LIMITED LICENSES UNDER THIS TITLE;

25 (3) ESTABLISH CONTINUING EDUCATION REQUIREMENTS FOR
26 INDIVIDUALS WHO HAVE BEEN ISSUED A LICENSE OR A LIMITED LICENSE UNDER
27 THIS TITLE; AND

28 (4) KEEP A RECORD OF ITS PROCEEDINGS.

29 (C) THE BOARD MAY ESTABLISH BY REGULATION:

1 **(1) THE PROCESS OF RESOLVING DISCIPLINARY MATTERS PENDING**
2 **BEFORE THE BOARD THROUGH NONJUDICIAL DISPUTE RESOLUTION PROCESSES;**

3 **(2) EDUCATION AND TRAINING OPPORTUNITIES FOR GOVERNING**
4 **BODIES OF COMMON OWNERSHIP COMMUNITIES; AND**

5 **(3) ANY OTHER PROCEDURES OR STANDARDS CONSISTENT WITH THE**
6 **MISSION OF THE BOARD.**

7 **22-206.**

8 **(A) THE BOARD SHALL MAINTAIN A PUBLIC LIST OF THE NAMES AND**
9 **MAILING ADDRESSES OF ALL INDIVIDUALS ISSUED A LICENSE OR A LIMITED**
10 **LICENSE UNDER THIS TITLE.**

11 **(B) EACH INDIVIDUAL ISSUED A LICENSE OR A LIMITED LICENSE UNDER**
12 **THIS TITLE SHALL:**

13 **(1) DESIGNATE A MAILING ADDRESS AT THE TIME OF ISSUANCE OF**
14 **THE ORIGINAL LICENSE OR LIMITED LICENSE AND ON RENEWAL OF THE LICENSE OR**
15 **LIMITED LICENSE; AND**

16 **(2) NOTIFY THE BOARD OF A CHANGE OF ADDRESS WITHIN 30 DAYS**
17 **AFTER THE CHANGE.**

18 **22-207.**

19 **(A) (1) THE BOARD MAY SET BY REGULATION REASONABLE FEES FOR ITS**
20 **SERVICES.**

21 **(2) THE FEES CHARGED SHALL BE:**

22 **(I) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST**
23 **OF MAINTAINING THE BOARD;**

24 **(II) BASED ON THE CALCULATIONS PERFORMED BY THE**
25 **SECRETARY UNDER § 2-106.16 OF THE BUSINESS REGULATION ARTICLE; AND**

26 **(III) CONSISTENT WITH OTHER FEES FOR COMPARABLE**
27 **LICENSES ISSUED BY OTHER BOARDS AND COMMISSIONS IN THE STATE.**

28 **(B) THE BOARD SHALL PUBLISH THE FEE SCHEDULE SET BY THE BOARD.**

1 **(C) (1) THE BOARD SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE**
2 **TO THE COMPTROLLER.**

3 **(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE STATE**
4 **BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS FUND ESTABLISHED**
5 **UNDER § 2-106.15 OF THE BUSINESS REGULATION ARTICLE.**

6 **22-208.**

7 **THE BOARD EXERCISES ITS POWERS, DUTIES, AND FUNCTIONS SUBJECT TO**
8 **THE AUTHORITY OF THE SECRETARY.**

9 **22-209.**

10 **(A) IN ADDITION TO ANY OTHER REMEDY AUTHORIZED UNDER THIS TITLE,**
11 **THE BOARD, WITH THE APPROVAL OF THE ATTORNEY GENERAL, MAY SUE IN THE**
12 **NAME OF THE STATE TO ENJOIN ANY ACT THAT IS PROHIBITED UNDER SUBTITLE 7**
13 **OF THIS TITLE.**

14 **(B) THE BOARD MAY TAKE APPROPRIATE ACTIONS TO:**

15 **(1) ASSIST A COMMON OWNERSHIP COMMUNITY IN EXERCISING ANY**
16 **RIGHTS OF THE COMMON OWNERSHIP COMMUNITY UNDER THIS TITLE; OR**

17 **(2) ENTER INTO COOPERATIVE AND INFORMATION-SHARING**
18 **AGREEMENTS WITH ANY UNIT OF LAW ENFORCEMENT AS ALLOWED BY LAW.**

19 **SUBTITLE 3. LICENSED COMMUNITY MANAGERS.**

20 **22-301.**

21 **(A) AN INDIVIDUAL SHALL BE ISSUED A LICENSE BY THE BOARD BEFORE**
22 **THE INDIVIDUAL MAY PROVIDE MANAGEMENT SERVICES AS A LICENSED**
23 **COMMUNITY MANAGER FOR A COMMON OWNERSHIP COMMUNITY IN THE STATE.**

24 **(B) A LICENSED COMMUNITY MANAGER MAY PROVIDE MANAGEMENT**
25 **SERVICES FOR A COMMON OWNERSHIP COMMUNITY ONLY UNDER THE TERMS OF A**
26 **CONTRACT ENTERED INTO BY THE COMMON OWNERSHIP COMMUNITY.**

27 **22-302.**

28 **(A) TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL BE AN INDIVIDUAL**
29 **WHO MEETS:**

1 (1) THE REQUIREMENTS OF THIS SECTION; AND

2 (2) ANY OTHER QUALIFICATION AS REQUIRED BY REGULATION OF
3 THE BOARD.

4 (B) AN APPLICANT SHALL BE A LICENSED ASSOCIATE COMMUNITY
5 MANAGER.

6 (C) AN APPLICANT SHALL:

7 (1) COMPLETE A TRAINING PROGRAM APPROVED BY THE BOARD; AND

8 (2) PASS AN EXAMINATION APPROVED BY THE BOARD THAT
9 INCLUDES TESTING OF KNOWLEDGE OF STATE LAWS AND REGULATIONS
10 CONCERNING COMMON OWNERSHIP COMMUNITIES.

11 (D) AN APPLICANT SHALL:

12 (1) BE ACTIVELY ENGAGED IN PROVIDING MANAGEMENT SERVICES
13 FOR AT LEAST 5 YEARS AS A LICENSED ASSOCIATE COMMUNITY MANAGER BEFORE
14 APPLYING FOR A LICENSE; OR

15 (2) HOLD AN ACTIVE PROFESSIONAL DESIGNATION AS APPROVED BY
16 THE BOARD.

17 **22-303.**

18 AN APPLICANT FOR A LICENSE SHALL:

19 (1) SUBMIT TO THE BOARD AN APPLICATION ON THE FORM THAT THE
20 BOARD PROVIDES; AND

21 (2) PAY TO THE BOARD AN APPLICATION FEE SET BY THE BOARD.

22 **22-304.**

23 (A) IF AN APPLICANT QUALIFIES FOR A LICENSE UNDER THIS SUBTITLE,
24 THE BOARD SHALL SEND THE APPLICANT A NOTICE THAT STATES:

25 (1) THE APPLICANT HAS QUALIFIED FOR A LICENSE; AND

26 (2) ON RECEIPT OF THE LICENSE FEE SET BY THE BOARD, THE BOARD
27 WILL ISSUE A LICENSE TO THE APPLICANT.

1 **(B) ON PAYMENT OF THE LICENSE FEE, THE BOARD SHALL ISSUE A LICENSE**
2 **TO EACH APPLICANT WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE.**

3 **22-305.**

4 **WHILE IN EFFECT, A LICENSE AUTHORIZES THE LICENSED COMMUNITY**
5 **MANAGER TO PROVIDE MANAGEMENT SERVICES TO A COMMON OWNERSHIP**
6 **COMMUNITY.**

7 **22-306.**

8 **(A) THE TERM OF A LICENSE IS 2 YEARS.**

9 **(B) AT LEAST 2 MONTHS BEFORE A LICENSE EXPIRES, THE BOARD SHALL**
10 **SEND TO THE LICENSED COMMUNITY MANAGER, AT THE LAST KNOWN ADDRESS OF**
11 **THE LICENSED COMMUNITY MANAGER:**

12 **(1) A RENEWAL APPLICATION FORM; AND**

13 **(2) A NOTICE THAT STATES:**

14 **(I) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;**

15 **(II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE**
16 **RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE**
17 **LICENSE EXPIRES; AND**

18 **(III) THE AMOUNT OF THE RENEWAL FEE.**

19 **(C) (1) THE BOARD SHALL RENEW THE LICENSE OF AND ISSUE A**
20 **RENEWAL CERTIFICATE TO EACH LICENSED COMMUNITY MANAGER WHO MEETS THE**
21 **REQUIREMENTS OF THIS SECTION.**

22 **(2) THE BOARD SHALL INCLUDE ON EACH RENEWAL CERTIFICATE**
23 **THE DATE ON WHICH THE CURRENT LICENSE EXPIRES.**

24 **22-307.**

25 **(A) THE BOARD SHALL REINSTATE THE LICENSE OF AN INDIVIDUAL WHO**
26 **HAS FAILED TO RENEW THE LICENSE IF THE INDIVIDUAL:**

27 **(1) APPLIES TO THE BOARD FOR REINSTATEMENT WITHIN 2 YEARS**
28 **AFTER THE LICENSE EXPIRES;**

1 **(2) MEETS THE RENEWAL REQUIREMENTS OF § 22-306 OF THIS**
2 **SUBTITLE; AND**

3 **(3) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD.**

4 **(B) (1) IF AN INDIVIDUAL HAS FAILED TO RENEW A LICENSE AND THEN**
5 **APPLIES TO THE BOARD FOR REINSTATEMENT MORE THAN 2 YEARS AFTER THE**
6 **LICENSE HAS EXPIRED, THE BOARD:**

7 **(I) MAY REQUIRE THE INDIVIDUAL TO REAPPLY FOR A LICENSE**
8 **IN THE SAME MANNER AS AN APPLICANT APPLIES FOR A LICENSE UNDER THIS**
9 **SUBTITLE; OR**

10 **(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, MAY**
11 **REINSTATE THE LICENSE.**

12 **(2) THE BOARD MAY REINSTATE A LICENSE UNDER PARAGRAPH (1)**
13 **OF THIS SUBSECTION ONLY IF THE INDIVIDUAL:**

14 **(I) MEETS THE RENEWAL REQUIREMENTS OF § 22-306 OF THIS**
15 **SUBTITLE;**

16 **(II) IF REQUIRED BY THE BOARD, STATES REASONS WHY**
17 **REINSTATEMENT SHOULD BE GRANTED; AND**

18 **(III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE**
19 **BOARD.**

20 **22-308.**

21 **(A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE BOARD MAY ISSUE**
22 **BY RECIPROCITY A LICENSE TO AN INDIVIDUAL WHO HAS THE EQUIVALENT LICENSE**
23 **IN ANOTHER STATE OR TERRITORY OF THE UNITED STATES.**

24 **(B) THE BOARD MAY ISSUE A LICENSE UNDER THIS SECTION ONLY IF THE**
25 **APPLICANT:**

26 **(1) PAYS TO THE BOARD A LICENSE FEE SET BY THE BOARD; AND**

27 **(2) PROVIDES ADEQUATE EVIDENCE THAT AT THE TIME OF**
28 **APPLICATION FOR LICENSURE UNDER THIS SECTION THE APPLICANT HAS MET**
29 **REQUIREMENTS THAT ARE SUBSTANTIALLY EQUIVALENT TO THE REQUIREMENTS**
30 **OF THIS STATE.**

1 **(C) THE BOARD SHALL ESTABLISH STANDARDS FOR THE ISSUANCE OF A**
2 **LICENSE UNDER THIS SECTION.**

3 **22-309.**

4 **(A) SUBJECT TO THE HEARING PROVISIONS OF § 22-311 OF THIS SUBTITLE,**
5 **THE BOARD MAY DENY A LICENSE TO ANY APPLICANT, REPRIMAND ANY LICENSED**
6 **COMMUNITY MANAGER, OR SUSPEND OR REVOKE A LICENSE IF THE APPLICANT OR**
7 **LICENSED COMMUNITY MANAGER:**

8 **(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO**
9 **OBTAIN A LICENSE FOR THE APPLICANT OR LICENSED COMMUNITY MANAGER OR**
10 **FOR ANOTHER;**

11 **(2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;**

12 **(3) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE, IS**
13 **CONVICTED OF:**

14 **(I) A FELONY; OR**

15 **(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE**
16 **FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSED COMMUNITY**
17 **MANAGER TO PROVIDE MANAGEMENT SERVICES;**

18 **(4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,**
19 **INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,**
20 **FRAUDULENT, OR IMPROPER DEALINGS;**

21 **(5) FAILS TO HANDLE THE FUNDS OF A COMMON OWNERSHIP**
22 **COMMUNITY IN ACCORDANCE WITH THE PROVISIONS OF THIS TITLE;**

23 **(6) FAILS TO ACCOUNT IN A TIMELY MANNER FOR ALL MONEY AND**
24 **PROPERTY RECEIVED ON BEHALF OF A COMMON OWNERSHIP COMMUNITY;**

25 **(7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP**
26 **COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE COMMON**
27 **OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF WHICH THE**
28 **LICENSED COMMUNITY MANAGER HAS ACTUAL KNOWLEDGE;**

29 **(8) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE THAT IS**
30 **PROVEN TO HAVE BEEN DETRIMENTAL TO A COMMON OWNERSHIP COMMUNITY, OR**
31 **MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;**

1 **(9) HAS BEEN SANCTIONED IN ANOTHER STATE IN A MATTER**
2 **RELATING TO PROVIDING MANAGEMENT SERVICES;**

3 **(10) VIOLATES ANY OTHER PROVISION OF THIS TITLE; OR**

4 **(11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER**
5 **THIS TITLE.**

6 **(B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE LICENSED**
7 **COMMUNITY MANAGER OR SUSPENDING OR REVOKING A LICENSE UNDER THIS**
8 **SUBSECTION, THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 FOR**
9 **EACH VIOLATION.**

10 **(2) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER**
11 **THIS SUBSECTION, THE BOARD SHALL CONSIDER:**

12 **(I) THE SERIOUSNESS OF THE VIOLATION;**

13 **(II) THE HARM CAUSED BY THE VIOLATION;**

14 **(III) THE GOOD FAITH OF THE LICENSED COMMUNITY MANAGER;**

15 **AND**

16 **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE LICENSED**
17 **COMMUNITY MANAGER.**

18 **(3) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS**
19 **SUBSECTION INTO THE GENERAL FUND OF THE STATE.**

20 **(C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE**
21 **GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LICENSE OR THE**
22 **REPRIMAND OF A LICENSED COMMUNITY MANAGER WHEN AN APPLICANT OR A**
23 **LICENSED COMMUNITY MANAGER IS CONVICTED OF A FELONY OR MISDEMEANOR**
24 **DESCRIBED IN SUBSECTION (A)(3) OF THIS SECTION:**

25 **(1) THE NATURE OF THE CRIME;**

26 **(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES**
27 **AUTHORIZED BY THE LICENSE;**

28 **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**
29 **CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR LICENSED**
30 **COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES;**

1 **(4) THE LENGTH OF TIME SINCE THE CONVICTION; AND**

2 **(5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR LICENSED**
3 **COMMUNITY MANAGER BEFORE AND AFTER THE CONVICTION.**

4 **22-310.**

5 **ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE BOARD**
6 **BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER § 22-311 OF**
7 **THIS SUBTITLE.**

8 **22-311.**

9 **(A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE**
10 **GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER §**
11 **22-309 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST**
12 **WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE**
13 **THE BOARD.**

14 **(B) THE BOARD SHALL GIVE NOTICE AND HOLD THE HEARING IN**
15 **ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.**

16 **(C) THE BOARD MAY ADMINISTER OATHS IN CONNECTION WITH ANY**
17 **PROCEEDING UNDER THIS SECTION.**

18 **(D) (1) THE BOARD MAY ISSUE A SUBPOENA FOR THE ATTENDANCE OF A**
19 **WITNESS TO TESTIFY OR THE PRODUCTION OF EVIDENCE IN CONNECTION WITH ANY**
20 **PROCEEDING UNDER THIS SECTION.**

21 **(2) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER**
22 **THIS SUBSECTION, ON PETITION OF THE BOARD, A CIRCUIT COURT MAY COMPEL**
23 **COMPLIANCE WITH THE SUBPOENA.**

24 **(E) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE ACTION IS**
25 **CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE BOARD MAY HEAR AND**
26 **DETERMINE THE MATTER.**

27 **22-312.**

28 **ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A**
29 **CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT ARTICLE,**
30 **IS ENTITLED TO JUDICIAL REVIEW AS PROVIDED IN §§ 10-222 AND 10-223 OF THE**
31 **STATE GOVERNMENT ARTICLE.**

1 **22-313.**

2 **THE BOARD MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES OF**
3 **THE BOARD:**

4 (1) **A LICENSE THAT HAS BEEN REVOKED; OR**

5 (2) **BEFORE FULFILLMENT OF THE CONDITIONS OF THE SUSPENSION,**
6 **ANY LICENSE THAT HAS BEEN SUSPENDED.**

7 **SUBTITLE 4. LICENSED ASSOCIATE COMMUNITY MANAGERS.**

8 **22-401.**

9 (A) **AN INDIVIDUAL SHALL BE ISSUED A LIMITED LICENSE BY THE BOARD**
10 **BEFORE THE INDIVIDUAL MAY PROVIDE MANAGEMENT SERVICES AS A LICENSED**
11 **ASSOCIATE COMMUNITY MANAGER FOR A COMMON OWNERSHIP COMMUNITY IN THE**
12 **STATE.**

13 (B) **A LICENSED ASSOCIATE COMMUNITY MANAGER MAY PROVIDE**
14 **MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY ONLY WHILE**
15 **UNDER THE GENERAL SUPERVISION OF A LICENSED COMMUNITY MANAGER.**

16 **22-402.**

17 (A) **TO QUALIFY FOR A LIMITED LICENSE, AN APPLICANT SHALL BE AN**
18 **INDIVIDUAL WHO MEETS:**

19 (1) **THE REQUIREMENTS OF THIS SECTION; AND**

20 (2) **ANY OTHER QUALIFICATION REQUIRED BY REGULATION OF THE**
21 **BOARD.**

22 (B) **AN APPLICANT SHALL BE AT LEAST 18 YEARS OLD.**

23 (C) **AN APPLICANT SHALL:**

24 (1) **COMPLETE A TRAINING PROGRAM APPROVED BY THE BOARD; AND**

25 (2) **PASS AN EXAMINATION APPROVED BY THE BOARD.**

26 **22-403.**

27 **AN APPLICANT FOR A LIMITED LICENSE SHALL:**

1 (1) SUBMIT TO THE BOARD AN APPLICATION ON THE FORM THAT THE
2 BOARD PROVIDES; AND

3 (2) PAY TO THE BOARD AN APPLICATION FEE SET BY THE BOARD.

4 **22-404.**

5 (A) IF AN APPLICANT QUALIFIES FOR A LIMITED LICENSE UNDER THIS
6 SUBTITLE, THE BOARD SHALL SEND THE APPLICANT A NOTICE THAT STATES THAT:

7 (1) THE APPLICANT HAS QUALIFIED FOR A LIMITED LICENSE; AND

8 (2) ON RECEIPT OF THE LIMITED LICENSE FEE SET BY THE BOARD,
9 THE BOARD WILL ISSUE A LIMITED LICENSE IN THE NAME OF THE APPLICANT.

10 (B) ON PAYMENT OF THE LIMITED LICENSE FEE, THE BOARD SHALL ISSUE
11 A LIMITED LICENSE IN THE NAME OF EACH APPLICANT WHO MEETS THE
12 REQUIREMENTS OF THIS SUBTITLE.

13 (C) THE BOARD SHALL DELIVER A LIMITED LICENSE ISSUED BY THE BOARD
14 TO THE LICENSED COMMUNITY MANAGER WHO WILL BE SUPERVISING THE
15 LICENSED ASSOCIATE COMMUNITY MANAGER, AT THE ADDRESS OF THE LICENSED
16 COMMUNITY MANAGER THAT IS INDICATED IN THE APPLICATION FOR A LIMITED
17 LICENSE.

18 **22-405.**

19 WHILE IN EFFECT, A LIMITED LICENSE AUTHORIZES THE LICENSED
20 ASSOCIATE COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES FOR A
21 COMMON OWNERSHIP COMMUNITY ONLY WHILE UNDER THE GENERAL SUPERVISION
22 OF A LICENSED COMMUNITY MANAGER.

23 **22-406.**

24 (A) THE TERM OF A LIMITED LICENSE IS 2 YEARS.

25 (B) AT LEAST 2 MONTHS BEFORE A LIMITED LICENSE EXPIRES, THE BOARD
26 SHALL SEND TO THE LICENSED ASSOCIATE COMMUNITY MANAGER, AT THE LAST
27 KNOWN ADDRESS OF THE LICENSED ASSOCIATE COMMUNITY MANAGER:

28 (1) A RENEWAL APPLICATION FORM; AND

29 (2) A NOTICE THAT STATES:

1 **(I) THE DATE ON WHICH THE CURRENT LIMITED LICENSE**
2 **EXPIRES;**

3 **(II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE**
4 **RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE**
5 **LIMITED LICENSE EXPIRES; AND**

6 **(III) THE AMOUNT OF THE RENEWAL FEE.**

7 **(C) (1) THE BOARD SHALL RENEW AND ISSUE A RENEWAL CERTIFICATE**
8 **TO EACH LICENSED ASSOCIATE COMMUNITY MANAGER WHO MEETS THE**
9 **REQUIREMENTS OF THIS SECTION.**

10 **(2) THE BOARD SHALL INCLUDE ON EACH RENEWAL CERTIFICATE**
11 **THE DATE ON WHICH THE CURRENT LIMITED LICENSE EXPIRES.**

12 **22-407.**

13 **(A) THE BOARD SHALL REINSTATE THE LIMITED LICENSE OF AN**
14 **INDIVIDUAL WHO HAS FAILED TO RENEW THE LIMITED LICENSE IF THE INDIVIDUAL:**

15 **(1) APPLIES TO THE BOARD FOR REINSTATEMENT WITHIN 2 YEARS**
16 **AFTER THE LIMITED LICENSE EXPIRES;**

17 **(2) MEETS THE RENEWAL REQUIREMENTS OF § 22-406 OF THIS**
18 **SUBTITLE; AND**

19 **(3) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD.**

20 **(B) (1) IF AN INDIVIDUAL HAS FAILED TO RENEW A LIMITED LICENSE AND**
21 **THEN APPLIES TO THE BOARD FOR REINSTATEMENT MORE THAN 2 YEARS AFTER**
22 **THE LIMITED LICENSE HAS EXPIRED, THE BOARD:**

23 **(I) MAY REQUIRE THE INDIVIDUAL TO REAPPLY FOR A LIMITED**
24 **LICENSE IN THE SAME MANNER AS AN APPLICANT APPLIES FOR AN ORIGINAL**
25 **LIMITED LICENSE UNDER THIS SUBTITLE; OR**

26 **(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, MAY**
27 **REINSTATE THE LIMITED LICENSE.**

28 **(2) THE BOARD MAY REINSTATE A LIMITED LICENSE UNDER**
29 **PARAGRAPH (1) OF THIS SUBSECTION ONLY IF THE INDIVIDUAL:**

1 **(I) MEETS THE RENEWAL REQUIREMENTS OF § 22-406 OF THIS**
2 **SUBTITLE;**

3 **(II) IF REQUIRED BY THE BOARD, STATES REASONS WHY**
4 **REINSTATEMENT SHOULD BE GRANTED; AND**

5 **(III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE**
6 **BOARD.**

7 **22-408.**

8 **(A) SUBJECT TO THE HEARING PROVISIONS OF § 22-410 OF THIS SUBTITLE,**
9 **THE BOARD MAY DENY A LIMITED LICENSE TO ANY APPLICANT, REPRIMAND ANY**
10 **LICENSED ASSOCIATE COMMUNITY MANAGER, OR SUSPEND OR REVOKE A LIMITED**
11 **LICENSE IF THE APPLICANT OR LICENSED ASSOCIATE COMMUNITY MANAGER:**

12 **(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO**
13 **OBTAIN A LIMITED LICENSE FOR THE APPLICANT OR LICENSED ASSOCIATE**
14 **COMMUNITY MANAGER OR FOR ANOTHER;**

15 **(2) FRAUDULENTLY OR DECEPTIVELY USES A LIMITED LICENSE;**

16 **(3) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE, IS**
17 **CONVICTED OF:**

18 **(I) A FELONY; OR**

19 **(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE**
20 **FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSED ASSOCIATE**
21 **COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES;**

22 **(4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,**
23 **INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,**
24 **FRAUDULENT, OR IMPROPER DEALINGS;**

25 **(5) FAILS TO HANDLE THE FUNDS OF A COMMON OWNERSHIP**
26 **COMMUNITY IN ACCORDANCE WITH THE PROVISIONS OF THIS TITLE;**

27 **(6) FAILS TO ACCOUNT IN A TIMELY MANNER FOR ALL MONEY AND**
28 **PROPERTY RECEIVED ON BEHALF OF A COMMON OWNERSHIP COMMUNITY;**

29 **(7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP**
30 **COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE COMMON**

1 OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF WHICH THE
2 LICENSED ASSOCIATE COMMUNITY MANAGER HAS ACTUAL KNOWLEDGE;

3 (8) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE THAT IS
4 PROVEN TO HAVE BEEN DETRIMENTAL TO A COMMON OWNERSHIP COMMUNITY, OR
5 MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;

6 (9) HAS BEEN SANCTIONED IN ANOTHER STATE IN A MATTER
7 RELATING TO PROVIDING MANAGEMENT SERVICES;

8 (10) VIOLATES ANY OTHER PROVISION OF THIS TITLE; OR

9 (11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER
10 THIS TITLE.

11 (B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE LICENSED
12 ASSOCIATE COMMUNITY MANAGER OR SUSPENDING OR REVOKING A LIMITED
13 LICENSE UNDER THIS SUBSECTION, THE BOARD MAY IMPOSE A PENALTY NOT
14 EXCEEDING \$5,000 FOR EACH VIOLATION.

15 (2) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER
16 THIS SUBSECTION, THE BOARD SHALL CONSIDER:

17 (I) THE SERIOUSNESS OF THE VIOLATION;

18 (II) THE HARM CAUSED BY THE VIOLATION;

19 (III) THE GOOD FAITH OF THE LICENSED ASSOCIATE COMMUNITY
20 MANAGER; AND

21 (IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE LICENSED
22 ASSOCIATE COMMUNITY MANAGER.

23 (3) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS
24 SUBSECTION INTO THE GENERAL FUND OF THE STATE.

25 (C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE
26 GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LIMITED
27 LICENSE OR THE REPRIMAND OF A LICENSED ASSOCIATE COMMUNITY MANAGER
28 WHEN AN APPLICANT OR A LICENSED ASSOCIATE COMMUNITY MANAGER IS
29 CONVICTED OF A FELONY OR MISDEMEANOR DESCRIBED IN SUBSECTION (A)(3) OF
30 THIS SECTION:

31 (1) THE NATURE OF THE CRIME;

1 **(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES**
2 **AUTHORIZED BY THE LIMITED LICENSE;**

3 **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**
4 **CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR LICENSED**
5 **ASSOCIATE COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES;**

6 **(4) THE LENGTH OF TIME SINCE THE CONVICTION; AND**

7 **(5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR LICENSED**
8 **ASSOCIATE COMMUNITY MANAGER BEFORE AND AFTER THE CONVICTION.**

9 **22-409.**

10 **ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE BOARD**
11 **BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER § 22-410 OF**
12 **THIS SUBTITLE.**

13 **22-410.**

14 **(A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE**
15 **GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER §**
16 **22-408 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST**
17 **WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE**
18 **THE BOARD.**

19 **(B) THE BOARD SHALL GIVE NOTICE AND HOLD THE HEARING IN**
20 **ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.**

21 **(C) THE BOARD MAY ADMINISTER OATHS IN CONNECTION WITH ANY**
22 **PROCEEDING UNDER THIS SECTION.**

23 **(D) (1) THE BOARD MAY ISSUE A SUBPOENA FOR THE ATTENDANCE OF A**
24 **WITNESS TO TESTIFY OR THE PRODUCTION OF EVIDENCE IN CONNECTION WITH ANY**
25 **PROCEEDING UNDER THIS SECTION.**

26 **(2) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER**
27 **THIS SUBSECTION, ON PETITION OF THE BOARD, A CIRCUIT COURT MAY COMPEL**
28 **COMPLIANCE WITH THE SUBPOENA.**

29 **(E) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE ACTION IS**
30 **CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE BOARD MAY HEAR AND**
31 **DETERMINE THE MATTER.**

1 **22-411.**

2 ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A
3 CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT ARTICLE,
4 IS ENTITLED TO JUDICIAL REVIEW AS PROVIDED IN §§ 10-222 AND 10-223 OF THE
5 STATE GOVERNMENT ARTICLE.

6 **22-412.**

7 THE BOARD MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES OF
8 THE BOARD:

9 (1) A LIMITED LICENSE THAT HAS BEEN REVOKED; OR

10 (2) BEFORE FULFILLMENT OF THE CONDITIONS OF THE SUSPENSION,
11 ANY LIMITED LICENSE THAT HAS BEEN SUSPENDED.

12 **SUBTITLE 5. REGISTRATION OF COMMON OWNERSHIP COMMUNITIES.**

13 **22-501.**

14 (A) ON OR BEFORE JANUARY 1 EACH YEAR, A COMMON OWNERSHIP
15 COMMUNITY SHALL REGISTER WITH THE BOARD.

16 (B) IF A COMMON OWNERSHIP COMMUNITY CONTRACTS FOR MANAGEMENT
17 SERVICES, THE RESPONSIBLE MANAGER SHALL BE RESPONSIBLE FOR THE
18 REGISTRATION OF THE COMMON OWNERSHIP COMMUNITY.

19 **22-502.**

20 EACH COMMON OWNERSHIP COMMUNITY SHALL PROVIDE THE BOARD THE
21 FOLLOWING INFORMATION:

22 (1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP
23 COMMUNITY;

24 (2) THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS
25 LOCATED;

26 (3) THE NAME AND CONTACT INFORMATION OF EACH OFFICER AND
27 MEMBER OF THE BOARD OF DIRECTORS OR GOVERNING BODY OF THE COMMON
28 OWNERSHIP COMMUNITY;

1 **(4) THE NAME AND ADDRESS OF THE LICENSED COMMUNITY**
2 **MANAGER, IF ANY, FOR THE COMMON OWNERSHIP COMMUNITY; AND**

3 **(5) ANY OTHER INFORMATION REQUIRED BY THE BOARD.**

4 **SUBTITLE 6. MISCELLANEOUS PROVISIONS.**

5 **22-601.**

6 **(A) IN THIS SECTION, "CONTRACTING PARTY" MEANS A LICENSED**
7 **COMMUNITY MANAGER OR A PERSON UNDER THE DIRECTION OF A LICENSED**
8 **COMMUNITY MANAGER WHO CONTRACTS TO PROVIDE MANAGEMENT SERVICES FOR**
9 **A COMMON OWNERSHIP COMMUNITY.**

10 **(B) A CONTRACTING PARTY SHALL FILE WITH THE SECRETARY PROOF AS**
11 **REQUIRED BY THE BOARD OF A FIDELITY BOND OR THEFT INSURANCE, OR OTHER**
12 **COMPARABLE WRITTEN INSURANCE AS REQUIRED BY THE BOARD, THAT COVERS:**

13 **(1) ANY PERSON THAT PROVIDES MANAGEMENT SERVICES FOR A**
14 **COMMON OWNERSHIP COMMUNITY UNDER THE TERMS OF A CONTRACT; AND**

15 **(2) ANY INDIVIDUAL WORKING UNDER THE DIRECTION OF A PERSON**
16 **DESCRIBED IN ITEM (1) OF THIS SUBSECTION.**

17 **(C) (1) A FIDELITY BOND OR INSURANCE FOR WHICH PROOF IS FILED**
18 **UNDER THIS SECTION SHALL PROVIDE COVERAGE IN AN AMOUNT EQUAL TO THE**
19 **LESSER OF:**

20 **(I) \$2,000,000; OR**

21 **(II) THE HIGHEST AGGREGATE AMOUNT OF THE OPERATING**
22 **AND RESERVE BALANCES OF ALL COMMON OWNERSHIP COMMUNITIES UNDER**
23 **CONTRACT WITH THE CONTRACTING PARTY IN THE PRIOR 3 MONTHS.**

24 **(2) THE TOTAL LIABILITY OF THE INSURANCE TO ALL INSURED**
25 **PERSONS UNDER A FIDELITY BOND OR INSURANCE MAY NOT EXCEED THE SUM OF**
26 **THE FIDELITY BOND OR INSURANCE.**

27 **(3) THE SECRETARY, OR THE SECRETARY'S DESIGNEE, SHALL BE**
28 **NAMED AS A CERTIFICATE HOLDER FOR ANY FIDELITY BOND OR INSURANCE**
29 **REQUIRED UNDER THIS SECTION.**

1 (D) IF THE FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED, OR
2 TERMINATED, THE CONTRACTING PARTY IMMEDIATELY SHALL NOTIFY THE
3 SECRETARY.

4 (E) IF THE FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED, OR
5 TERMINATED, OR THE CONTRACTING PARTY FAILS TO NOTIFY THE SECRETARY OF
6 ANY CHANGE TO THE FIDELITY BOND OR INSURANCE, THE SECRETARY:

7 (1) SHALL SUSPEND ANY LICENSE OF ANY INDIVIDUAL PROVIDING
8 MANAGEMENT SERVICES COVERED BY THE FIDELITY BOND OR INSURANCE; AND

9 (2) MAY NOT REINSTATE A LICENSE UNTIL PROOF OF COMPLIANCE
10 WITH THIS SECTION IS PROVIDED TO THE SECRETARY.

11 **22-602.**

12 (A) A LICENSED COMMUNITY MANAGER SHALL DEPOSIT ALL MONEY
13 RECEIVED IN CONNECTION WITH THE PROVISION OF MANAGEMENT SERVICES IN
14 ONE OR MORE OF THE FINANCIAL INSTITUTION ACCOUNTS OF A COMMON
15 OWNERSHIP COMMUNITY.

16 (B) A LICENSED COMMUNITY MANAGER WHO PROVIDES MANAGEMENT
17 SERVICES FOR MORE THAN ONE COMMON OWNERSHIP COMMUNITY SHALL
18 MAINTAIN SEPARATE FINANCIAL INSTITUTION ACCOUNTS FOR EACH COMMON
19 OWNERSHIP COMMUNITY.

20 (C) THE FUNDS IN EACH FINANCIAL INSTITUTION ACCOUNT OF A COMMON
21 OWNERSHIP COMMUNITY MAY NOT BE COMMINGLED WITH THE FUNDS OF THE
22 LICENSED COMMUNITY MANAGER OR ANOTHER COMMON OWNERSHIP COMMUNITY.

23 (D) THE MAINTENANCE OF FINANCIAL INSTITUTION ACCOUNTS BY A
24 LICENSED COMMUNITY MANAGER SHALL BE CUSTODIAL AND PROVIDED IN THE
25 NAME OF THE COMMON OWNERSHIP COMMUNITY.

26 (E) THE RECORDS OF EACH FINANCIAL INSTITUTION ACCOUNT OF A
27 COMMON OWNERSHIP COMMUNITY SHALL BE ACCESSIBLE FOR REVIEW DIRECTLY
28 FROM THE FINANCIAL INSTITUTION TO THE GOVERNING BODY OF THE COMMON
29 OWNERSHIP COMMUNITY.

30 (F) A LICENSED COMMUNITY MANAGER WHO WILLFULLY VIOLATES ANY
31 PROVISION OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS
32 SUBJECT TO A FINE NOT EXCEEDING \$25,000 OR IMPRISONMENT NOT EXCEEDING 5
33 YEARS OR BOTH.

1 **22-603.**

2 IF A COMMON OWNERSHIP COMMUNITY CONTRACTS WITH A PERSON OTHER
3 THAN A LICENSED COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES,
4 THE CONTRACT SHALL REQUIRE THAT ONLY A LICENSED COMMUNITY MANAGER
5 PROVIDE THE MANAGEMENT SERVICES FOR THE COMMON OWNERSHIP COMMUNITY.

6 SUBTITLE 7. PROHIBITED ACTS; PENALTIES.

7 **22-701.**

8 EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL MAY NOT
9 PROVIDE, ATTEMPT TO PROVIDE, OR OFFER TO PROVIDE MANAGEMENT SERVICES
10 FOR A COMMON OWNERSHIP COMMUNITY IN THE STATE UNLESS ISSUED A LICENSE
11 OR A LIMITED LICENSE BY THE BOARD.

12 **22-702.**

13 UNLESS AUTHORIZED UNDER THIS TITLE TO PROVIDE MANAGEMENT
14 SERVICES TO A COMMON OWNERSHIP COMMUNITY, A PERSON MAY NOT REPRESENT
15 TO THE PUBLIC BY USE OF A TITLE, INCLUDING "LICENSED COMMUNITY MANAGER",
16 "LICENSED ASSOCIATE COMMUNITY MANAGER", OR "COMMON OWNERSHIP
17 COMMUNITY MANAGEMENT", BY USE OF AN ABBREVIATION, BY DESCRIPTION OF
18 SERVICES, METHODS, OR PROCEDURES, OR OTHERWISE THAT THE PERSON IS
19 AUTHORIZED TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP
20 COMMUNITY IN THE STATE.

21 **22-703.**

22 AN INDIVIDUAL MAY NOT:

23 (1) USE OR ATTEMPT TO USE THE LICENSE OR LIMITED LICENSE OF
24 ANOTHER INDIVIDUAL; OR

25 (2) IMPERSONATE ANOTHER INDIVIDUAL WHO HOLDS A LICENSE OR
26 LIMITED LICENSE.

27 **22-704.**

28 AN INDIVIDUAL MAY NOT GIVE FALSE INFORMATION TO THE BOARD IN AN
29 ATTEMPT TO OBTAIN A LICENSE OR LIMITED LICENSE.

30 **22-705.**

1 AN INDIVIDUAL WHOSE LICENSE OR LIMITED LICENSE HAS BEEN SUSPENDED
2 OR REVOKED UNDER THIS TITLE MAY NOT PROVIDE MANAGEMENT SERVICES FOR A
3 COMMON OWNERSHIP COMMUNITY IN ANY MANNER AS:

4 (1) AN ASSOCIATE, AGENT, EMPLOYEE, OR ANY OTHER SUBORDINATE
5 OF A LICENSED COMMUNITY MANAGER; OR

6 (2) A PRINCIPAL, AN ASSOCIATE, AN AGENT, AN EMPLOYEE, OR ANY
7 OTHER SUBORDINATE OF A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY
8 COMPANY THAT PROVIDES MANAGEMENT SERVICES.

9 **22-706.**

10 (A) A PERSON THAT VIOLATES ANY PROVISION OF THIS TITLE IS GUILTY OF
11 A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING
12 \$5,000 OR IMPRISONMENT NOT EXCEEDING 3 YEARS OR BOTH.

13 (B) (1) THE BOARD MAY IMPOSE ON A PERSON THAT VIOLATES ANY
14 PROVISION OF THIS TITLE A PENALTY NOT EXCEEDING \$5,000 FOR EACH VIOLATION.

15 (2) IN SETTING THE AMOUNT OF THE PENALTY, THE BOARD SHALL
16 CONSIDER:

17 (I) THE SERIOUSNESS OF THE VIOLATION;

18 (II) THE HARM CAUSED BY THE VIOLATION;

19 (III) THE GOOD FAITH OF THE VIOLATOR;

20 (IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE VIOLATOR;

21 AND

22 (V) ANY OTHER RELEVANT FACTORS.

23 (C) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS
24 SECTION INTO THE GENERAL FUND OF THE STATE.

25 **SUBTITLE 8. SHORT TITLE; TERMINATION OF TITLE.**

26 **22-801.**

27 THIS TITLE MAY BE CITED AS THE MARYLAND COMMON OWNERSHIP
28 COMMUNITY MANAGERS ACT.

29 **22-802.**

1 **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
2 **THE BENEFIT OF THE FUND.**

3 **(G) THE FUND MAY BE USED ONLY TO COVER THE ACTUAL DOCUMENTED**
4 **DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY**
5 **DUTIES OF THE BOARD.**

6 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
7 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

8 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
9 **THE FUND.**

10 **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
11 **WITH THE STATE BUDGET.**

12 **(J) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**
13 **TRANSACTIONS OF THE FUND, AS PROVIDED IN § 2-1220 OF THE STATE**
14 **GOVERNMENT ARTICLE.**

15 **2-106.16.**

16 **(A) IN THIS SECTION, "BOARD" MEANS THE STATE BOARD OF COMMON**
17 **OWNERSHIP COMMUNITY MANAGERS.**

18 **(B) IN CONSULTATION WITH THE BOARD, THE SECRETARY SHALL**
19 **CALCULATE ANNUALLY THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE**
20 **BOARD.**

21 **(C) THE BOARD SHALL ESTABLISH FEES BASED ON THE CALCULATIONS**
22 **PROVIDED BY THE SECRETARY UNDER THIS SECTION.**

23 **(D) EACH FEE ESTABLISHED BY THE BOARD MAY NOT BE INCREASED**
24 **ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF**
25 **THE BOARD.**

26 **2-108.**

27 (a) The following units are in the Department:

28 **(10) THE STATE BOARD OF COMMON OWNERSHIP COMMUNITY**
29 **MANAGERS.**

- 1 5. assessments collections;
- 2 6. financial management;
- 3 7. risk management;
- 4 8. facilities management; and
- 5 9. personnel management; and

6 (ii) examinations that may be in a classroom or online; and

7 (2) for a license:

8 (i) courses that include topics such as:

- 9 1. high-rise maintenance and management;
- 10 2. advanced insurance and risk management;
- 11 3. management of large-scale communities;
- 12 4. legal considerations in community management; and
- 13 5. contemporary issues in community management; and

14 (ii) examinations that include a case study of an existing common
15 ownership community.

16 SECTION 6. AND BE IT FURTHER ENACTED, That:

17 (a) Until the time that the State Board of Common Ownership Community
18 Managers adopts regulations concerning the training and examination requirements for an
19 applicant for a license or limited license under this Act, passing an examination that meets
20 the requirements listed in subsection (b) of this section shall be deemed adequate for
21 satisfying the requirements of § 22-302(c) or § 22-402(c) of the Business Occupations and
22 Professions Article, as enacted by Section 3 of this Act.

23 (b) The examination specified under subsection (a) of this section shall be:

24 (1) a nationally prepared and administered standardized examination for
25 the community association management profession; and

26 (2) developed according to the basic principles of professional testing
27 standards that utilize psychometric measurement.

1 SECTION 7. AND BE IT FURTHER ENACTED, That the State Board of Common
2 Ownership Community Managers shall grant a waiver of the training and examination
3 requirements for a license issued under § 22–304 or a limited license issued under §
4 22–404 of the Business Occupations and Professions Article, as enacted by Section 3 of this
5 Act, to any applicant who presents to the Board not later than October 1, 2020, satisfactory
6 evidence that the applicant provided management services in the State for the 2 years
7 immediately before the date of application.

8 SECTION 8. AND BE IT FURTHER ENACTED, That, on or before December 1,
9 2018, the Department of Labor, Licensing, and Regulation shall report to the General
10 Assembly, in accordance with § 2–1246 of the State Government Article, on the imposition
11 of a registration fee on common ownership communities, including the necessity for and
12 amount of a registration fee on common ownership communities in relation to the license
13 fees and limited license fees required under this Act and the size of a common ownership
14 community to which a registration fee would apply.

15 SECTION 9. AND BE IT FURTHER ENACTED, That the Department of Budget
16 and Management, by budget amendment, may advance sufficient funds to the State Board
17 of Common Ownership Community Managers to allow the Board to commence operations
18 on October 1, 2018, so that the functions of issuing licenses and limited licenses and
19 registering common ownership communities can be in place prior to October 1, 2019. The
20 Board shall reimburse any funds that have been advanced after the license fees and limited
21 license fees have been received and deposited in the State Board of Common Ownership
22 Community Managers Fund.

23 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2018.