

# SENATE BILL 65

N1, C2  
SB 530/17 – JPR

(PRE-FILED)

8lr0523

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By: **Senator Benson**

Requested: August 24, 2017

Introduced and read first time: January 10, 2018

Assigned to: Judicial Proceedings

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## 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 manager, or suspend or revoke  
13 a license under certain circumstances; requiring an individual to be issued a limited  
14 license by the Board before providing management services for a common ownership  
15 community under certain circumstances; specifying the qualifications for a limited  
16 license; providing for the issuance, fees, renewal, and reinstatement of a limited  
17 license; authorizing the Board to deny a limited license to any applicant, reprimand  
18 any holder of a limited license, or suspend or revoke a limited license under certain  
19 circumstances; requiring a common ownership community to register with the Board  
20 under certain circumstances; imposing certain duties on a contracting party  
21 concerning a fidelity bond or theft insurance under certain circumstances; imposing  
22 certain duties on a licensed manager; requiring a contract to provide management  
23 services to include certain provisions under certain circumstances; prohibiting  
24 certain acts and imposing certain penalties for a violation of this Act; making certain  
25 provisions of this Act subject to the Maryland Program Evaluation Act; establishing  
26 the State Board of Common Ownership Community Managers Fund; providing for  
27 the purpose, administration, composition, use, and audit of the Fund; requiring that  
28 certain investment earnings be credited to the Fund; requiring the Secretary of  
29 Labor, Licensing, and Regulation, in consultation with the Board, to calculate certain  
30 costs annually; authorizing the Board to set certain fees, based on certain

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

13 BY renumbering

14 Article – Business Regulation  
15 Section 2–108(a)(9) through (33), respectively  
16 to be Section 2–108(a)(10) 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)(9)  
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)(9) through (33), respectively, of Article – Business Regulation of  
32 the Annotated Code of Maryland be renumbered to be Section(s) 2–108(a)(10) 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) “HOLDER OF A LIMITED LICENSE” MEANS, UNLESS THE CONTEXT**  
20 **REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS ISSUED A LIMITED LICENSE BY THE**  
21 **BOARD UNDER SUBTITLE 4 OF THIS TITLE TO PROVIDE MANAGEMENT SERVICES**  
22 **FOR A COMMON OWNERSHIP COMMUNITY UNDER THE SUPERVISION OF A LICENSED**  
23 **MANAGER.**

24           **(E) “LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A**  
25 **LICENSE ISSUED BY THE BOARD UNDER SUBTITLE 3 OF THIS TITLE THAT ALLOWS**  
26 **AN INDIVIDUAL TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP**  
27 **COMMUNITY.**

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

6 (H) "PROVIDE MANAGEMENT SERVICES" MEANS TO:

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

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

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

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

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

32 22-102.

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

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

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

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

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

25           **(7) A PERSON WHO ACTS AS A RECEIVER OR TRUSTEE IN BANKRUPTCY**  
26 **IN THE PERFORMANCE OF DUTIES OR A PERSON WHO ACTS UNDER A COURT ORDER**  
27 **FROM PROVIDING MANAGEMENT SERVICES FOR A COMMON OWNERSHIP**  
28 **COMMUNITY; OR**

29           **(8) AN EMPLOYEE OF THE COLUMBIA ASSOCIATION IN HOWARD**  
30 **COUNTY FROM PROVIDING MANAGEMENT SERVICES ONLY TO THE COLUMBIA**  
31 **ASSOCIATION OR THE AFFILIATED VILLAGE ASSOCIATIONS IN HOWARD COUNTY.**

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

33           **22-201.**

1           **THERE IS A STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS**  
2 **IN THE DEPARTMENT.**

3 **22-202.**

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

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

6                           **(I) FIVE SHALL BE LICENSED MANAGERS;**

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

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

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

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

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

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

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

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

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

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

27 **22-203.**

28           **FROM AMONG THE MEMBERS OF THE BOARD, THE GOVERNOR SHALL**  
29 **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 MAY  
14 ADOPT:

15 (1) ANY BYLAW THAT IS NECESSARY TO DO THE BUSINESS OF THE  
16 BOARD; AND

17 (2) ANY REGULATION 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 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 LIMITED LICENSE UNDER THIS  
27 TITLE; AND

28 (4) KEEP A RECORD OF PROCEEDINGS.



1           **(C) THE BOARD MAY ESTABLISH BY REGULATION:**

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

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

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

8 **22-206.**

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

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

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

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

19 **22-207.**

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

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

23                           **(I) SET TO PRODUCE FUNDS TO APPROXIMATE THE COST OF**  
24 **MAINTAINING THE BOARD; AND**

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

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

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



1 THE BOARD.

2 (B) AN APPLICANT SHALL BE A HOLDER OF A LIMITED LICENSE.

3 (C) AN APPLICANT SHALL:

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

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

8 (D) AN APPLICANT SHALL:

9 (1) BE ACTIVELY ENGAGED IN PROVIDING MANAGEMENT SERVICES  
10 FOR AT LEAST 12 MONTHS BEFORE APPLYING FOR A LICENSE; OR

11 (2) HOLD AN ACTIVE PROFESSIONAL DESIGNATION AS APPROVED BY  
12 THE BOARD.

13 22-303.

14 AN APPLICANT FOR A LICENSE SHALL:

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

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

18 22-304.

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

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

22 (2) ON RECEIPT OF A LICENSE FEE, THE BOARD WILL ISSUE A  
23 LICENSE TO THE APPLICANT.

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

26 22-305.

27 WHILE IN EFFECT, A LICENSE AUTHORIZES THE LICENSED MANAGER TO

1 PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY.

2 **22-306.**

3 (A) THE TERM OF A LICENSE IS 2 YEARS.

4 (B) AT LEAST 2 MONTHS BEFORE A LICENSE EXPIRES, THE BOARD SHALL  
5 SEND TO THE LICENSED MANAGER, AT THE LAST KNOWN ADDRESS OF THE LICENSED  
6 MANAGER:

7 (1) A RENEWAL APPLICATION FORM; AND

8 (2) A NOTICE THAT STATES:

9 (I) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;

10 (II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE  
11 RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE  
12 LICENSE EXPIRES; AND

13 (III) THE AMOUNT OF THE RENEWAL FEE.

14 (C) THE BOARD SHALL:

15 (1) RENEW THE LICENSE OF AND ISSUE A RENEWAL CERTIFICATE TO  
16 EACH LICENSED MANAGER WHO MEETS THE REQUIREMENTS OF THIS SECTION; AND

17 (2) INCLUDE ON EACH RENEWAL CERTIFICATE THE DATE ON WHICH  
18 THE CURRENT LICENSE EXPIRES.

19 **22-307.**

20 (A) THE BOARD SHALL REINSTATE THE LICENSE OF AN INDIVIDUAL WHO  
21 HAS FAILED TO RENEW THE LICENSE IF THE INDIVIDUAL:

22 (1) APPLIES TO THE BOARD FOR REINSTATEMENT WITHIN 2 YEARS  
23 AFTER THE LICENSE EXPIRES;

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

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

27 (B) (1) IF AN INDIVIDUAL HAS FAILED TO RENEW A LICENSE AND THEN  
28 APPLIES TO THE BOARD FOR REINSTATEMENT MORE THAN 2 YEARS AFTER THE

1 LICENSE HAS EXPIRED, THE BOARD MAY:

2 (I) REQUIRE THE INDIVIDUAL TO REAPPLY FOR A LICENSE IN  
3 THE SAME MANNER AS AN APPLICANT WHO APPLIES FOR AN ORIGINAL LICENSE  
4 UNDER THIS SUBTITLE; OR

5 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,  
6 REINSTATE THE LICENSE.

7 (2) THE BOARD MAY REINSTATE A LICENSE UNDER PARAGRAPH  
8 (1)(II) OF THIS SUBSECTION ONLY IF THE INDIVIDUAL:

9 (I) MEETS THE RENEWAL REQUIREMENTS OF § 22-306 OF THIS  
10 SUBTITLE;

11 (II) IF REQUIRED BY THE BOARD, STATES REASONS WHY  
12 REINSTATEMENT SHOULD BE GRANTED; AND

13 (III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE  
14 BOARD.

15 22-308.

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

19 (B) THE BOARD MAY ISSUE A LICENSE UNDER THIS SECTION ONLY IF THE  
20 APPLICANT:

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

22 (2) PROVIDES ADEQUATE EVIDENCE THAT AT THE TIME OF  
23 APPLICATION FOR LICENSURE UNDER THIS SECTION, THE APPLICANT HAS MET  
24 REQUIREMENTS THAT ARE SUBSTANTIALLY EQUIVALENT TO THE REQUIREMENTS  
25 OF THIS STATE.

26 (C) THE BOARD SHALL ESTABLISH STANDARDS FOR THE ISSUANCE OF A  
27 LICENSE UNDER THIS SECTION.

28 22-309.

29 (A) SUBJECT TO THE HEARING PROVISIONS OF § 22-311 OF THIS SUBTITLE,  
30 THE BOARD MAY DENY A LICENSE TO ANY APPLICANT, REPRIMAND ANY LICENSED

1 MANAGER, OR SUSPEND OR REVOKE A LICENSE IF THE APPLICANT OR LICENSED  
2 MANAGER:

3 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO  
4 OBTAIN A LICENSE FOR THE APPLICANT OR LICENSED MANAGER OR FOR ANOTHER;

5 (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;

6 (3) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE, IS  
7 CONVICTED OF:

8 (I) A FELONY; OR

9 (II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE  
10 FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSED MANAGER TO  
11 PROVIDE MANAGEMENT SERVICES;

12 (4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,  
13 INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,  
14 FRAUDULENT, OR IMPROPER DEALINGS;

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

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

19 (7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP  
20 COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE COMMON  
21 OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF WHICH THE  
22 LICENSED MANAGER HAS ACTUAL KNOWLEDGE;

23 (8) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE, OR  
24 MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;

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

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

28 (11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER  
29 THIS TITLE.

30 (B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE LICENSED

1 MANAGER OR SUSPENDING OR REVOKING A LICENSE UNDER THIS SECTION, THE  
2 BOARD MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 FOR EACH VIOLATION.

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

5 (I) THE SERIOUSNESS OF THE VIOLATION;

6 (II) THE HARM CAUSED BY THE VIOLATION;

7 (III) THE GOOD FAITH OF THE LICENSED MANAGER; AND

8 (IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE LICENSED  
9 MANAGER.

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

12 (C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE  
13 GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LICENSE OR THE  
14 REPRIMAND OF A LICENSED MANAGER WHEN AN APPLICANT OR A LICENSED  
15 MANAGER IS CONVICTED OF A FELONY OR MISDEMEANOR DESCRIBED IN  
16 SUBSECTION (A)(3) OF THIS SECTION:

17 (1) THE NATURE OF THE CRIME;

18 (2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES  
19 AUTHORIZED BY THE LICENSE;

20 (3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE  
21 CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR LICENSED  
22 MANAGER TO PROVIDE MANAGEMENT SERVICES;

23 (4) THE LENGTH OF TIME SINCE THE CONVICTION; AND

24 (5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR LICENSED  
25 MANAGER BEFORE AND AFTER THE CONVICTION.

26 22-310.

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

1 **22-311.**

2 (A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE  
3 GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER §  
4 22-309 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST  
5 WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE  
6 THE BOARD.

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

9 (C) THE BOARD MAY ADMINISTER OATHS IN CONNECTION WITH ANY  
10 PROCEEDING UNDER THIS SECTION.

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

14 (2) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA ISSUED UNDER  
15 THIS SUBSECTION, ON PETITION OF THE BOARD, A CIRCUIT COURT MAY COMPEL  
16 COMPLIANCE WITH THE SUBPOENA.

17 (E) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE ACTION IS  
18 CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE BOARD MAY HEAR AND  
19 DETERMINE THE MATTER.

20 **22-312.**

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

25 **22-313.**

26 THE BOARD MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES OF  
27 THE BOARD:

28 (1) A LICENSE THAT HAS BEEN REVOKED; OR

29 (2) BEFORE FULFILLMENT OF THE CONDITIONS OF THE SUSPENSION,  
30 ANY LICENSE THAT HAS BEEN SUSPENDED.

31 **SUBTITLE 4. HOLDERS OF A LIMITED LICENSE.**



1 **22-401.**

2 (A) AN INDIVIDUAL SHALL BE ISSUED A LIMITED LICENSE BY THE BOARD  
3 BEFORE THE INDIVIDUAL MAY PROVIDE MANAGEMENT SERVICES FOR A COMMON  
4 OWNERSHIP COMMUNITY IN THE STATE.

5 (B) THE HOLDER OF A LIMITED LICENSE ISSUED UNDER THIS SUBTITLE  
6 MAY PROVIDE MANAGEMENT SERVICES ONLY WHILE UNDER THE GENERAL  
7 SUPERVISION OF A LICENSED MANAGER.

8 **22-402.**

9 (A) TO QUALIFY FOR A LIMITED LICENSE, AN APPLICANT SHALL BE AN  
10 INDIVIDUAL WHO MEETS:

11 (1) THE REQUIREMENTS OF THIS SECTION; AND

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

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

15 (C) AN APPLICANT SHALL:

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

17 (2) PASS AN EXAMINATION APPROVED BY THE BOARD.

18 **22-403.**

19 AN APPLICANT FOR A LIMITED LICENSE SHALL:

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

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

23 **22-404.**

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

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

1           **(2) ON RECEIPT OF THE FEE SET BY THE BOARD, THE BOARD WILL**  
2 **ISSUE A LIMITED LICENSE TO THE APPLICANT.**

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

6 **22-405.**

7           **WHILE IN EFFECT, A LIMITED LICENSE AUTHORIZES THE HOLDER OF A**  
8 **LIMITED LICENSE TO PROVIDE MANAGEMENT SERVICES FOR A COMMON**  
9 **OWNERSHIP COMMUNITY UNDER THE GENERAL SUPERVISION OF A LICENSED**  
10 **MANAGER.**

11 **22-406.**

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

13           **(B) AT LEAST 2 MONTHS BEFORE A LIMITED LICENSE EXPIRES, THE BOARD**  
14 **SHALL SEND TO THE HOLDER OF A LIMITED LICENSE, AT THE LAST KNOWN ADDRESS**  
15 **OF THE HOLDER OF A LIMITED LICENSE:**

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

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

18                           **(I) THE DATE ON WHICH THE CURRENT LIMITED LICENSE**  
19 **EXPIRES;**

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

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

24           **(C) THE BOARD SHALL:**

25                   **(1) RENEW AND ISSUE A RENEWAL CERTIFICATE TO EACH HOLDER OF**  
26 **A LIMITED LICENSE WHO MEETS THE REQUIREMENTS OF THIS SECTION; AND**

27                   **(2) INCLUDE ON EACH RENEWAL CERTIFICATE THE DATE ON WHICH**  
28 **THE CURRENT LIMITED LICENSE EXPIRES.**

29 **22-407.**

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

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

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

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

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

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

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

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

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

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

22                   **(III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE**  
23 **BOARD.**

24 **22-408.**

25           **(A) SUBJECT TO THE HEARING PROVISIONS OF § 22-410 OF THIS SUBTITLE,**  
26 **THE BOARD MAY DENY A LIMITED LICENSE TO ANY APPLICANT, REPRIMAND ANY**  
27 **HOLDER OF A LIMITED LICENSE, OR SUSPEND OR REVOKE A LIMITED LICENSE IF**  
28 **THE APPLICANT OR HOLDER OF A LIMITED LICENSE:**

29                   **(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO**  
30 **OBTAIN A LIMITED LICENSE FOR THE APPLICANT OR HOLDER OF A LIMITED LICENSE**

1 OR FOR ANOTHER;

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

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

5 (I) A FELONY; OR

6 (II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE  
7 FITNESS AND QUALIFICATIONS OF THE APPLICANT OR HOLDER OF A LIMITED  
8 LICENSE TO PROVIDE MANAGEMENT SERVICES;

9 (4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,  
10 INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,  
11 FRAUDULENT, OR IMPROPER DEALINGS;

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

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

16 (7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP  
17 COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE COMMON  
18 OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF WHICH THE  
19 HOLDER OF A LIMITED LICENSE HAS ACTUAL KNOWLEDGE;

20 (8) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE, OR  
21 MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;

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

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

25 (11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER  
26 THIS TITLE.

27 (B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE HOLDER OF  
28 A LIMITED LICENSE OR SUSPENDING OR REVOKING A LIMITED LICENSE UNDER THIS  
29 SECTION, THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 FOR EACH  
30 VIOLATION.

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

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

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

5                   **(III) THE GOOD FAITH OF THE HOLDER OF A LIMITED LICENSE;**

6 **AND**

7                   **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE HOLDER OF**  
8 **A LIMITED LICENSE.**

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

11           **(C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE**  
12 **GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LIMITED**  
13 **LICENSE OR THE REPRIMAND OF A HOLDER OF A LIMITED LICENSE WHEN AN**  
14 **APPLICANT OR A HOLDER OF A LIMITED LICENSE IS CONVICTED OF A FELONY OR**  
15 **MISDEMEANOR DESCRIBED IN SUBSECTION (A)(3) OF THIS SECTION:**

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

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

19                   **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**  
20 **CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR HOLDER**  
21 **OF A LIMITED LICENSE TO PROVIDE MANAGEMENT SERVICES;**

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

23                   **(5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR HOLDER**  
24 **OF A LIMITED LICENSE BEFORE AND AFTER THE CONVICTION.**

25 **22-409.**

26           **ON THE INITIATIVE OF THE BOARD OR ON A WRITTEN COMPLAINT MADE BY**  
27 **ANY PERSON TO THE BOARD, THE BOARD MAY COMMENCE PROCEEDINGS UNDER §**  
28 **22-410 OF THIS SUBTITLE.**

29 **22-410.**

1           **(A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE**  
2 **GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER §**  
3 **22-408 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST**  
4 **WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE**  
5 **THE BOARD.**

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

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

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

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

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

19 **22-411.**

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

24 **22-412.**

25           **THE BOARD MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES OF**  
26 **THE BOARD:**

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

28           **(2) BEFORE FULFILLMENT OF THE CONDITIONS OF THE SUSPENSION,**  
29 **ANY LIMITED LICENSE THAT HAS BEEN SUSPENDED.**

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

31 **22-501.**

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

3           (B) IF A COMMON OWNERSHIP COMMUNITY CONTRACTS FOR MANAGEMENT  
4 SERVICES, THE RESPONSIBLE MANAGER SHALL BE RESPONSIBLE FOR THE  
5 REGISTRATION OF THE COMMON OWNERSHIP COMMUNITY.

6 **22-502.**

7           EACH COMMON OWNERSHIP COMMUNITY SHALL PROVIDE THE BOARD THE  
8 FOLLOWING INFORMATION:

9           (1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP  
10 COMMUNITY;

11           (2) THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS  
12 LOCATED;

13           (3) THE NAME AND CONTACT INFORMATION OF EACH OFFICER OR  
14 MEMBER OF THE BOARD OF DIRECTORS OR GOVERNING BODY OF THE COMMON  
15 OWNERSHIP COMMUNITY;

16           (4) THE NAME AND ADDRESS OF THE LICENSED MANAGER, IF ANY,  
17 FOR THE COMMON OWNERSHIP COMMUNITY; AND

18           (5) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

19                           **SUBTITLE 6. MISCELLANEOUS PROVISIONS.**

20 **22-601.**

21           (A) IN THIS SECTION, "CONTRACTING PARTY" MEANS A PERSON WHO  
22 CONTRACTS TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP  
23 COMMUNITY.

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

27           (1) ANY PERSON WHO PROVIDES MANAGEMENT SERVICES FOR A  
28 COMMON OWNERSHIP COMMUNITY UNDER THE TERMS OF A CONTRACT; AND

29           (2) ANY INDIVIDUAL WORKING UNDER THE DIRECTION OF A PERSON

1 DESCRIBED IN ITEM (1) OF THIS SUBSECTION.

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

5 (I) \$2,000,000; OR

6 (II) THE HIGHEST AGGREGATE AMOUNT OF THE OPERATING  
7 AND RESERVE BALANCES OF ALL COMMON OWNERSHIP COMMUNITIES UNDER  
8 CONTRACT WITH THE CONTRACTING PARTY IN THE PRIOR 3 MONTHS.

9 (2) THE TOTAL LIABILITY OF THE INSURANCE TO ALL INSURED  
10 PERSONS UNDER A FIDELITY BOND OR INSURANCE MAY NOT EXCEED THE SUM OF  
11 THE FIDELITY BOND OR INSURANCE.

12 (3) THE SECRETARY, OR THE SECRETARY'S DESIGNEE, SHALL BE  
13 NAMED AS A CERTIFICATE HOLDER FOR ANY FIDELITY BOND OR INSURANCE  
14 REQUIRED UNDER THIS SECTION.

15 (D) IF THE FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED, OR  
16 TERMINATED, THE CONTRACTING PARTY SHALL IMMEDIATELY NOTIFY THE  
17 SECRETARY.

18 (E) IF THE FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED, OR  
19 TERMINATED, OR THE CONTRACTING PARTY FAILS TO NOTIFY THE SECRETARY OF  
20 ANY CHANGES TO THE FIDELITY BOND OR INSURANCE, THE SECRETARY:

21 (1) SHALL SUSPEND ANY LICENSE OR LIMITED LICENSE OF ANY  
22 INDIVIDUAL PROVIDING MANAGEMENT SERVICES COVERED BY THE FIDELITY BOND  
23 OR INSURANCE; AND

24 (2) MAY NOT REINSTATE A LICENSE OR LIMITED LICENSE UNTIL  
25 PROOF OF COMPLIANCE WITH THIS SECTION IS PROVIDED TO THE SECRETARY.

26 22-602.

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

30 (B) A LICENSED MANAGER WHO PROVIDES MANAGEMENT SERVICES FOR  
31 MORE THAN ONE COMMON OWNERSHIP COMMUNITY SHALL MAINTAIN SEPARATE  
32 FINANCIAL INSTITUTION ACCOUNTS FOR EACH COMMON OWNERSHIP COMMUNITY.



1           **(C) THE FUNDS IN EACH FINANCIAL INSTITUTION ACCOUNT OF A COMMON**  
2 **OWNERSHIP COMMUNITY MAY NOT BE COMMINGLED WITH THE FUNDS OF THE**  
3 **LICENSED MANAGER OR ANOTHER COMMON OWNERSHIP COMMUNITY.**

4           **(D) THE MAINTENANCE OF FINANCIAL INSTITUTION ACCOUNTS BY A**  
5 **LICENSED MANAGER SHALL BE CUSTODIAL AND PROVIDED IN THE NAME OF THE**  
6 **COMMON OWNERSHIP COMMUNITY.**

7           **(E) THE RECORDS OF EACH FINANCIAL INSTITUTION ACCOUNT OF A**  
8 **COMMON OWNERSHIP COMMUNITY SHALL BE ACCESSIBLE FOR REVIEW DIRECTLY**  
9 **FROM THE FINANCIAL INSTITUTION BY THE GOVERNING BODY OF THE COMMON**  
10 **OWNERSHIP COMMUNITY.**

11           **(F) A LICENSED MANAGER WHO WILLFULLY VIOLATES ANY PROVISION OF**  
12 **THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A**  
13 **FINE NOT EXCEEDING \$25,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR**  
14 **BOTH.**

15 **22-603.**

16           **IF A COMMON OWNERSHIP COMMUNITY CONTRACTS WITH A PERSON OTHER**  
17 **THAN A LICENSED MANAGER TO PROVIDE MANAGEMENT SERVICES, THE CONTRACT**  
18 **SHALL REQUIRE THAT ONLY A LICENSED MANAGER PROVIDE THE MANAGEMENT**  
19 **SERVICES FOR THE COMMON OWNERSHIP COMMUNITY.**

20                           **SUBTITLE 7. PROHIBITED ACTS; PENALTIES.**

21 **22-701.**

22           **EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MAY NOT**  
23 **PROVIDE, ATTEMPT TO PROVIDE, OR OFFER TO PROVIDE MANAGEMENT SERVICES**  
24 **FOR A COMMON OWNERSHIP COMMUNITY IN THE STATE UNLESS ISSUED A LICENSE**  
25 **OR LIMITED LICENSE BY THE BOARD.**

26 **22-702.**

27           **UNLESS AUTHORIZED UNDER THIS TITLE TO PROVIDE MANAGEMENT**  
28 **SERVICES FOR A COMMON OWNERSHIP COMMUNITY, A PERSON MAY NOT**  
29 **REPRESENT TO THE PUBLIC BY USE OF A TITLE, INCLUDING “LICENSED MANAGER”,**  
30 **“HOLDER OF A LIMITED LICENSE”, OR “COMMON OWNERSHIP COMMUNITY**  
31 **MANAGEMENT”, BY USE OF AN ABBREVIATION, BY DESCRIPTION OF SERVICES,**  
32 **METHODS, OR PROCEDURES, OR OTHERWISE THAT THE PERSON IS AUTHORIZED TO**  
33 **PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY IN THE**

1 STATE.

2 22-703.

3 AN INDIVIDUAL MAY NOT:

4 (1) USE OR ATTEMPT TO USE THE LICENSE OR LIMITED LICENSE OF  
5 ANOTHER INDIVIDUAL; OR

6 (2) IMPERSONATE ANOTHER INDIVIDUAL WHO HOLDS A LICENSE OR  
7 LIMITED LICENSE.

8 22-704.

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

11 22-705.

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

15 (1) AN ASSOCIATE, AGENT, EMPLOYEE, OR ANY OTHER SUBORDINATE  
16 OF A LICENSED MANAGER; OR

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

20 22-706.

21 (A) A PERSON WHO VIOLATES ANY PROVISION OF THIS TITLE IS GUILTY OF  
22 A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING  
23 \$5,000 OR IMPRISONMENT NOT EXCEEDING 3 YEARS OR BOTH.

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

26 (2) IN SETTING THE AMOUNT OF THE PENALTY, THE BOARD SHALL  
27 CONSIDER:

28 (I) THE SERIOUSNESS OF THE VIOLATION;

29 (II) THE HARM CAUSED BY THE VIOLATION;

1 (III) THE GOOD FAITH OF THE VIOLATOR;

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

3 AND

4 (V) ANY OTHER RELEVANT FACTORS.

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

7 SUBTITLE 8. SHORT TITLE; TERMINATION OF TITLE.

8 22-801.

9 THIS TITLE MAY BE CITED AS THE MARYLAND COMMON OWNERSHIP  
10 COMMUNITY MANAGERS ACT.

11 22-802.

12 SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF THE  
13 MARYLAND PROGRAM EVALUATION ACT, THIS TITLE AND ALL REGULATIONS  
14 ADOPTED UNDER THIS TITLE SHALL TERMINATE AND BE OF NO EFFECT AFTER  
15 OCTOBER 1, 2028.

16 Article – Business Regulation

17 2-106.15.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
19 INDICATED.

20 (2) “BOARD” MEANS THE STATE BOARD OF COMMON OWNERSHIP  
21 COMMUNITY MANAGERS.

22 (3) “FUND” MEANS THE STATE BOARD OF COMMON OWNERSHIP  
23 COMMUNITY MANAGERS FUND.

24 (B) THERE IS A STATE BOARD OF COMMON OWNERSHIP COMMUNITY  
25 MANAGERS FUND IN THE DEPARTMENT.

26 (C) THE PURPOSE OF THE FUND IS TO COVER THE ACTUAL DOCUMENTED  
27 DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY  
28 DUTIES OF THE BOARD.

1           **(D) THE SECRETARY OR THE SECRETARY’S DESIGNEE SHALL ADMINISTER**  
2 **THE FUND.**

3           **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
4 **SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

5           **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
6 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

7           **(F) THE FUND CONSISTS OF:**

8                   **(1) FEES COLLECTED BY THE BOARD AND DISTRIBUTED TO THE**  
9 **FUND UNDER § 22–207 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS**  
10 **ARTICLE;**

11                   **(2) INVESTMENT EARNINGS OF THE FUND;**

12                   **(3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND; AND**

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

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

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

20                   **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED**  
21 **TO THE FUND.**

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

24           **(J) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**  
25 **TRANSACTIONS OF THE FUND AS PROVIDED IN § 2–1220 OF THE STATE**  
26 **GOVERNMENT ARTICLE.**

27 **2–106.16.**

28           **(A) IN THIS SECTION, “BOARD” MEANS THE STATE BOARD OF COMMON**  
29 **OWNERSHIP COMMUNITY MANAGERS.**

1 (B) IN CONSULTATION WITH THE BOARD, THE SECRETARY SHALL  
2 CALCULATE ANNUALLY THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE  
3 BOARD.

4 (C) THE BOARD SHALL ESTABLISH FEES BASED ON THE CALCULATIONS  
5 PROVIDED BY THE SECRETARY UNDER THIS SECTION.

6 (D) EACH FEE ESTABLISHED BY THE BOARD MAY NOT BE INCREASED  
7 ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF  
8 THE BOARD.

9 2-108.

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

11 (9) THE STATE BOARD OF COMMON OWNERSHIP COMMUNITY  
12 MANAGERS.

13 Article - Corporations and Associations

14 5-6B-12.1.

15 A COOPERATIVE HOUSING CORPORATION SHALL REGISTER ANNUALLY WITH  
16 THE STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS IN THE  
17 DEPARTMENT OF LABOR, LICENSING, AND REGULATION AS REQUIRED UNDER  
18 TITLE 22, SUBTITLE 5 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS  
19 ARTICLE.

20 Article - Real Property

21 11-130.1.

22 A CONDOMINIUM THAT IS USED FOR RESIDENTIAL PURPOSES SHALL  
23 REGISTER ANNUALLY WITH THE STATE BOARD OF COMMON OWNERSHIP  
24 COMMUNITY MANAGERS IN THE DEPARTMENT OF LABOR, LICENSING, AND  
25 REGULATION AS REQUIRED UNDER TITLE 22, SUBTITLE 5 OF THE BUSINESS  
26 OCCUPATIONS AND PROFESSIONS ARTICLE.

27 11B-115.2.

28 A HOMEOWNERS ASSOCIATION SHALL REGISTER ANNUALLY WITH THE STATE  
29 BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS IN THE DEPARTMENT OF  
30 LABOR, LICENSING, AND REGULATION AS REQUIRED UNDER TITLE 22, SUBTITLE 5  
31 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

1 **Article – State Finance and Procurement**

2 6–226.

3 (a) (2) (i) Notwithstanding any other provision of law, and unless  
 4 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
 5 terms of a gift or settlement agreement, net interest on all State money allocated by the  
 6 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
 7 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
 8 Fund of the State.

9 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
 10 to the following funds:

11 101. the Advance Directive Program Fund; [and]

12 102. the Make Office Vacancies Extinct Matching Fund; AND

13 **103. THE STATE BOARD OF COMMON OWNERSHIP**  
 14 **COMMUNITY MANAGERS FUND.**

15 **Article – State Government**

16 8–403.

17 (a) On or before December 15 of the evaluation year specified, the Department  
 18 shall:

19 (1) conduct a preliminary evaluation of each governmental activity or unit  
 20 to be evaluated under this section; and

21 (2) prepare a report on each preliminary evaluation conducted.

22 (b) Each of the following governmental activities or units and the statutes and  
 23 regulations that relate to the governmental activities or units are subject to preliminary  
 24 evaluation in the evaluation year specified:

25 **(13) COMMON OWNERSHIP COMMUNITY MANAGERS, STATE BOARD**  
 26 **OF (§ 22–201 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE: 2025);**

27 SECTION 4. AND BE IT FURTHER ENACTED, That the terms of the initial  
 28 members of the State Board of Common Ownership Community Managers shall expire as  
 29 follows:

30 (1) three members in 2021;

1 (2) three members in 2022; and

2 (3) three members in 2023.

3 SECTION 5. AND BE IT FURTHER ENACTED, That:

4 (a) Until the State Board of Common Ownership Community Managers adopts  
5 regulations concerning the examination requirements for applicants for a license under this  
6 Act, passing an examination that meets the requirements listed in subsection (b) of this  
7 section shall be deemed adequate for satisfying the requirements of § 22–302(c)(2) of the  
8 Business Occupations and Professions Article, as enacted under Section 3 of this Act.

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

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

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

14 SECTION 6. AND BE IT FURTHER ENACTED, That the State Board of Common  
15 Ownership Community Managers shall grant a waiver of the training and examination  
16 requirements for a license issued under § 22–304 of the Business Occupations and  
17 Professions Article, as enacted under Section 3 of this Act, to any applicant who presents  
18 to the Board no later than October 1, 2020, satisfactory evidence that the applicant  
19 provided management services in the State for the 2 years immediately before the date of  
20 application.

21 SECTION 7. AND BE IT FURTHER ENACTED, That, on or before December 1,  
22 2018, the Department of Labor, Licensing, and Regulation shall report to the General  
23 Assembly, in accordance with § 2–1246 of the State Government Article, on the imposition  
24 of a registration fee on common ownership communities, including the necessity for and  
25 amount of a registration fee on common ownership communities in relation to the license  
26 and limited license fees required under this Act and the size of a common ownership  
27 community to which a registration fee would apply.

28 SECTION 8. AND BE IT FURTHER ENACTED, That the Department of Budget  
29 and Management, by budget amendment, may advance sufficient funds to the State Board  
30 of Common Ownership Community Managers to allow the Board to commence operations  
31 on October 1, 2018, so that the functions of issuing licenses and limited licenses and  
32 registering common ownership communities can be in place prior to October 1, 2019. The  
33 Board shall reimburse any funds that have been advanced after the license and limited  
34 license fees have been received and deposited in the State Board of Common Ownership  
35 Community Managers Fund.

36 SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect  
37 October 1, 2018.