

SENATE BILL 873

C2

9lr2039

By: **Senator Exum**

Introduced and read first time: February 6, 2009

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Community Association Managers Act**

3 FOR the purpose of creating the State Board of Community Association Managers in
4 the Department of Labor, Licensing, and Regulation; providing for the
5 composition of the Board and the appointment, terms, and expenses of the
6 Board members; providing for the election of certain officers, size of a Board
7 quorum, and for meetings of the Board; authorizing the Board to sue in the
8 name of the State, with the permission of the Attorney General, to enjoin
9 certain conduct; establishing certain powers and duties of the Board; requiring
10 the Board to maintain certain records; requiring the Board to pay certain fees to
11 the Comptroller; requiring the Comptroller to distribute certain fees to the
12 State Board of Community Association Managers Fund; requiring certain
13 individuals to be licensed by the Board before an individual may practice
14 community association management in the State through a partnership, limited
15 liability company, or corporation that holds a certain permit; establishing
16 certain education and examination requirements for community association
17 managers; requiring certain partnerships, limited liability companies, and
18 corporations to hold a permit before certain partnerships, limited liability
19 companies, and corporations may operate a business through which community
20 association management is practiced; establishing certain qualifications for
21 partnerships, limited liability companies, and corporations to obtain a certain
22 permit; establishing certain requirements for qualifying, renewing, reinstating,
23 and surrendering a certain license or a certain permit; authorizing the Board to
24 deny a license or permit to an applicant, refuse to renew a license or permit,
25 reprimand a licensee or permit holder, suspend or revoke a license or permit, or
26 impose certain penalties under certain circumstances; establishing certain
27 hearing and appeal procedures for licensees and permit holders; prohibiting
28 certain acts; establishing certain criminal and civil penalties; establishing the
29 State Board of Community Association Managers Fund; requiring that the
30 Fund be used for certain purposes; providing for an audit of the Fund; requiring
31 the Secretary of Labor, Licensing, and Regulation, or a designee of the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Secretary, to administer the Fund; requiring the Secretary, in consultation with
2 the Board, to calculate annually certain costs; authorizing the Board to set
3 certain fees, based on certain calculations, beginning on a certain date;
4 requiring the Board to publish a certain fee schedule; prohibiting certain fees
5 from increasing by more than a certain amount each year; specifying the terms
6 and qualifications of the initial members of the Board; providing for status of
7 individuals providing community association management services on or before
8 a certain date; defining certain terms; and generally relating to the State Board
9 of Community Association Managers and the regulation of community
10 association management.

11 BY renumbering

12 Article – Business Regulation
13 Section 2–108(a)(10) through (34), respectively
14 to be Section 2–108(a)(11) through (35), respectively
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2008 Supplement)

17 BY renumbering

18 Article – State Government
19 Section 8–403(b)(13) through (68), respectively
20 to be Section 8–403(b)(14) through (69), respectively
21 Annotated Code of Maryland
22 (2004 Replacement Volume and 2008 Supplement)

23 BY adding to

24 Article – Business Occupations and Professions
25 Section 4.5–101 through 4.5–602 to be under the new title “Title 4.5.
26 Community Association Managers”
27 Annotated Code of Maryland
28 (2004 Replacement Volume and 2008 Supplement)

29 BY adding to

30 Article – Business Regulation
31 Section 2–106.7, 2–106.8, and 2–108(a)(10)
32 Annotated Code of Maryland
33 (2004 Replacement Volume and 2008 Supplement)

34 BY repealing and reenacting, without amendments,

35 Article – State Government
36 Section 8–403(a)
37 Annotated Code of Maryland
38 (2004 Replacement Volume and 2008 Supplement)

39 BY adding to

40 Article – State Government
41 Section 8–403(b)(13)
42 Annotated Code of Maryland

1 (2004 Replacement Volume and 2008 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
3 MARYLAND, That Section(s) 2–108(a)(10) through (34), respectively, of Article –
4 Business Regulation of the Annotated Code of Maryland be renumbered to be
5 Section(s) 2–108(a)(11) through (35), respectively.

6 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8–403(b)(13)
7 through (68), respectively, of Article – State Government of the Annotated Code of
8 Maryland be renumbered to be Section(s) 8–403(b)(14) through (69), respectively.

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

11 **Article – Business Occupations and Professions**

12 **TITLE 4.5. COMMUNITY ASSOCIATION MANAGERS.**

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

14 **4.5–101.**

15 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
16 INDICATED.

17 (B) “BOARD” MEANS THE STATE BOARD OF COMMUNITY ASSOCIATION
18 MANAGERS.

19 (C) “LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A
20 LICENSE ISSUED BY THE BOARD TO PRACTICE COMMUNITY ASSOCIATION
21 MANAGEMENT.

22 (D) “LICENSED COMMUNITY ASSOCIATION MANAGER” MEANS, UNLESS
23 THE CONTEXT REQUIRES OTHERWISE, AN INDIVIDUAL LICENSED BY THE BOARD
24 TO PRACTICE COMMUNITY ASSOCIATION MANAGEMENT.

25 (E) “PERMIT” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A
26 PERMIT ISSUED BY THE BOARD TO ALLOW A PARTNERSHIP, LIMITED LIABILITY
27 COMPANY, OR CORPORATION TO OPERATE A BUSINESS THROUGH WHICH AN
28 INDIVIDUAL MAY PRACTICE COMMUNITY ASSOCIATION MANAGEMENT.

29 (F) “PRACTICE COMMUNITY ASSOCIATION MANAGEMENT” MEANS TO
30 MANAGE THE COMMON PROPERTY AND SERVICES OF CONDOMINIUMS,
31 COOPERATIVES, AND PLANNED COMMUNITIES WITH THE AUTHORITY OF A
32 COMMUNITY ASSOCIATION IN ITS BUSINESS, LEGAL, FINANCIAL, OR OTHER

1 **TRANSACTIONS WITH ASSOCIATION MEMBERS AND NONMEMBERS FOR A FEE,**
2 **COMMISSION, OR OTHER VALUABLE CONSIDERATION, INCLUDING:**

3 (1) **COLLECTING MONTHLY ASSESSMENTS;**

4 (2) **PREPARING BUDGETS, FINANCIAL STATEMENTS, OR OTHER**
5 **FINANCIAL REPORTS;**

6 (3) **NEGOTIATING CONTRACTS OR OTHERWISE COORDINATING OR**
7 **ARRANGING FOR SERVICES OR THE PURCHASE OF PROPERTY AND GOODS FOR**
8 **OR ON BEHALF OF A COMMUNITY ASSOCIATION;**

9 (4) **EXECUTING THE RESOLUTIONS AND DECISIONS OF A**
10 **COMMUNITY ASSOCIATION AND ASSISTING THE GOVERNING BODY OF A**
11 **COMMUNITY ASSOCIATION AND HOMEOWNERS IN COMPLYING WITH LAWS,**
12 **CONTRACTS, COVENANTS, RULES, AND BYLAWS;**

13 (5) **MANAGING THE OPERATION AND MAINTENANCE OF**
14 **COMMUNITY-OWNED PROPERTIES INCLUDING COMMUNITY CENTERS, POOLS,**
15 **GOLF COURSES, AND PARKING AREAS; AND**

16 (6) **ARRANGING, CONDUCTING, OR COORDINATING MEETINGS OF**
17 **AN ASSOCIATION OR THE GOVERNING BODY OF AN ASSOCIATION.**

18 **4.5-102.**

19 **THIS TITLE DOES NOT PROHIBIT AN INDIVIDUAL FROM SERVING AS AN**
20 **EMPLOYEE OF OR ASSISTANT TO A LICENSEE OR PERMIT HOLDER IF THE**
21 **PERSON DOES NOT ENGAGE IN ANY ACTIVITY EXPRESSLY INCLUDED IN THE**
22 **DEFINITION OF PRACTICE COMMUNITY ASSOCIATION MANAGEMENT.**

23 **SUBTITLE 2. STATE BOARD OF COMMUNITY ASSOCIATION MANAGERS.**

24 **4.5-201.**

25 **THERE IS A STATE BOARD OF COMMUNITY ASSOCIATION MANAGERS IN**
26 **THE DEPARTMENT.**

27 **4.5-202.**

28 (A) (1) **THE BOARD CONSISTS OF SEVEN MEMBERS.**

29 (2) **OF THE SEVEN MEMBERS OF THE BOARD:**

1 (I) FOUR SHALL BE LICENSED COMMUNITY ASSOCIATION
2 MANAGERS;

3 (II) ONE SHALL BE A MEMBER OF A CONDOMINIUM
4 ASSOCIATION;

5 (III) ONE SHALL BE A MEMBER OF A HOMEOWNER'S
6 ASSOCIATION; AND

7 (IV) ONE SHALL BE A CONSUMER MEMBER.

8 (3) THE GOVERNOR SHALL APPOINT THE MEMBERS WITH THE
9 ADVICE OF THE SECRETARY.

10 (B) EACH MEMBER OF THE BOARD SHALL BE:

11 (1) A CITIZEN OF THE UNITED STATES; AND

12 (2) A RESIDENT OF THE STATE.

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

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

17 (2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY
18 THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2009.

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

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

24 (5) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE
25 TERMS, BUT FOLLOWING THE SECOND TERM MAY SERVE AGAIN AFTER AN
26 INTERVAL OF AT LEAST 3 YEARS.

27 (E) (1) THE GOVERNOR MAY REMOVE A MEMBER FOR
28 INCOMPETENCE OR MISCONDUCT.

1 **(2) THE GOVERNOR SHALL REMOVE A MEMBER WHO CEASES TO**
2 **MEET THE REQUIREMENTS UNDER WHICH THE MEMBER WAS APPOINTED, AS**
3 **PROVIDED UNDER SUBSECTIONS (A) AND (B) OF THIS SECTION.**

4 **4.5-203.**

5 **(A) FROM AMONG ITS MEMBERS, THE BOARD SHALL ELECT A CHAIR**
6 **AND OTHER OFFICERS AS NECESSARY.**

7 **(B) THE MANNER OF ELECTION OF OFFICERS AND THEIR TERMS OF**
8 **OFFICE SHALL BE AS THE BOARD DETERMINES.**

9 **4.5-204.**

10 **(A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A**
11 **QUORUM.**

12 **(B) THE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS**
13 **MEETINGS.**

14 **(C) EACH MEMBER OF THE BOARD IS ENTITLED TO:**

15 **(1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET;**
16 **AND**

17 **(2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD**
18 **STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

19 **(D) THE BOARD MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE**
20 **BUDGET.**

21 **4.5-205.**

22 **IN ADDITION TO ANY OTHER REMEDY AUTHORIZED UNDER THIS TITLE,**
23 **THE BOARD, WITH THE APPROVAL OF THE ATTORNEY GENERAL, MAY SUE IN**
24 **THE NAME OF THE STATE TO ENJOIN ANY ACT THAT IS PROHIBITED UNDER**
25 **SUBTITLE 5 OF THIS TITLE.**

26 **4.5-206.**

27 **(A) IN ADDITION TO ANY POWERS SET FORTH ELSEWHERE, THE BOARD**
28 **MAY ADOPT:**

29 **(1) ANY BYLAW THAT IS NECESSARY TO DO THE BUSINESS OF THE**
30 **BOARD; AND**

1 **(2) ANY REGULATION TO CARRY OUT THIS TITLE.**

2 **(B) IN ADDITION TO ANY DUTIES SET FORTH ELSEWHERE, THE BOARD**
3 **SHALL:**

4 **(1) ADOPT RULES OF PROFESSIONAL CONDUCT AS APPROPRIATE**
5 **TO ESTABLISH A HIGH STANDARD OF INTEGRITY AND DIGNITY FOR PRACTICING**
6 **COMMUNITY ASSOCIATION MANAGEMENT; AND**

7 **(2) KEEP A RECORD OF ITS PROCEEDINGS.**

8 **4.5-207.**

9 **(A) THE BOARD SHALL MAINTAIN A LIST OF THE NAMES AND MAILING**
10 **ADDRESSES OF ALL LICENSEES AND PERMIT HOLDERS.**

11 **(B) THE BOARD MAY RELEASE ITS LIST TO THE PUBLIC.**

12 **(C) THE LICENSEE OR PERMIT HOLDER SHALL DESIGNATE ITS MAILING**
13 **ADDRESS AT THE TIME OF ISSUANCE OF THE ORIGINAL LICENSE OR PERMIT AND**
14 **ON THE RENEWAL OF THE LICENSE OR PERMIT.**

15 **4.5-208.**

16 **(A) (1) BEGINNING ON JULY 1, 2010, THE BOARD MAY SET BY**
17 **REGULATION REASONABLE FEES FOR ITS SERVICES.**

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

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

21 **(II) BASED ON THE CALCULATIONS PERFORMED BY THE**
22 **SECRETARY OF LABOR, LICENSING, AND REGULATION UNDER § 2-106.8 OF THE**
23 **BUSINESS REGULATION ARTICLE.**

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

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

1 (2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE
 2 STATE BOARD OF COMMUNITY ASSOCIATION MANAGERS FUND ESTABLISHED
 3 UNDER § 2-106.7 OF THE BUSINESS REGULATION ARTICLE.

4 4.5-209.

5 THE BOARD EXERCISES ITS POWERS, DUTIES, AND FUNCTIONS SUBJECT
 6 TO THE AUTHORITY OF THE SECRETARY.

7 SUBTITLE 3. LICENSES.

8 4.5-301.

9 AN INDIVIDUAL SHALL BE LICENSED BY THE BOARD BEFORE THE
 10 INDIVIDUAL MAY PRACTICE COMMUNITY ASSOCIATION MANAGEMENT IN THE
 11 STATE THROUGH A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
 12 CORPORATION THAT HOLDS A PERMIT ISSUED BY THE BOARD UNDER THIS
 13 TITLE.

14 4.5-302.

15 (A) TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL BE AN
 16 INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION.

17 (B) THE APPLICANT SHALL:

18 (1) BE OF GOOD CHARACTER AND REPUTATION; AND

19 (2) BE AT LEAST 18 YEARS OLD.

20 (C) THE APPLICANT SHALL:

21 (1) HAVE SATISFIED EDUCATION REQUIREMENTS TO QUALIFY
 22 FOR THE CERTIFIED MANAGER OF COMMUNITY ASSOCIATIONS EXAMINATION,
 23 CERTIFICATION OFFERED BY THE NATIONAL BOARD OF CERTIFICATION OF
 24 COMMUNITY ASSOCIATION MANAGERS, OR ITS EQUIVALENT; AND

25 (2) HAVE PASSED THE CERTIFIED MANAGER OF COMMUNITY
 26 ASSOCIATIONS EXAMINATION OFFERED BY THE NATIONAL BOARD OF
 27 CERTIFICATION OF COMMUNITY ASSOCIATION MANAGERS, OR ITS
 28 EQUIVALENT.

29 4.5-303.

1 **AN APPLICANT FOR A LICENSE SHALL:**

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

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

5 **4.5-304.**

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

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

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

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

14 **4.5-305.**

15 **(A) (1) A LICENSE EXPIRES ON THE DATE SET BY THE BOARD UNLESS**
16 **IT IS RENEWED FOR AN ADDITIONAL TERM AS PROVIDED IN THIS SECTION.**

17 (2) **A LICENSE MAY NOT BE RENEWED FOR A TERM LONGER THAN**
18 **2 YEARS.**

19 **(B) AT LEAST 1 MONTH BEFORE A LICENSE EXPIRES, THE BOARD SHALL**
20 **MAIL TO THE LICENSEE, AT THE LAST KNOWN ADDRESS OF THE LICENSEE:**

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

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

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

24 (II) **THE DATE BY WHICH THE BOARD MUST RECEIVE THE**
25 **RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE**
26 **THE LICENSE EXPIRES; AND**

27 (III) **THE AMOUNT OF THE LICENSE FEE.**

1 (C) BEFORE A LICENSE EXPIRES, THE LICENSEE PERIODICALLY MAY
2 RENEW IT FOR AN ADDITIONAL 2-YEAR TERM, IF THE LICENSEE:

3 (1) OTHERWISE IS ENTITLED TO BE LICENSED;

4 (2) PAYS TO THE BOARD A LICENSE FEE SET BY THE BOARD; AND

5 (3) SUBMITS TO THE BOARD:

6 (I) A RENEWAL APPLICATION ON THE FORM THAT THE
7 BOARD PROVIDES; AND

8 (II) SATISFACTORY EVIDENCE OF COMPLIANCE WITH THE
9 CONTINUING EDUCATION REQUIREMENTS SET UNDER THIS SECTION FOR
10 LICENSE RENEWAL.

11 (D) THE BOARD SHALL ADOPT REGULATIONS TO ESTABLISH
12 CONTINUING EDUCATION REQUIREMENTS AS A CONDITION FOR THE RENEWAL
13 OF LICENSES UNDER THIS SECTION.

14 (E) THE BOARD SHALL RENEW THE LICENSE OF EACH LICENSEE WHO
15 MEETS THE REQUIREMENTS OF THIS SECTION.

16 (F) THE SECRETARY MAY DETERMINE THAT LICENSES ISSUED UNDER
17 THIS SUBTITLE SHALL EXPIRE ON A STAGGERED BASIS.

18 **4.5-306.**

19 IN ACCORDANCE WITH ITS REGULATIONS, THE BOARD MAY REINSTATE
20 THE LICENSE OF AN INDIVIDUAL WHO HAS FAILED TO RENEW THE LICENSE FOR
21 ANY REASON IF THE INDIVIDUAL:

22 (1) OTHERWISE IS ENTITLED TO BE LICENSED;

23 (2) COMPLIES WITH EACH CONTINUING EDUCATION
24 REQUIREMENT THAT THE BOARD SETS FOR THIS PURPOSE; AND

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

27 **4.5-307.**

28 (A) (1) SUBJECT TO THE HEARING PROVISIONS OF § 4.5-309 OF THIS
29 SUBTITLE, THE BOARD, ON THE AFFIRMATIVE VOTE OF A MAJORITY OF ITS

1 MEMBERS, MAY DENY A LICENSE TO ANY APPLICANT, REPRIMAND ANY
2 LICENSEE, OR SUSPEND OR REVOKE A LICENSE IF THE APPLICANT OR
3 LICENSEE:

4 (I) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR
5 ATTEMPTS TO OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR
6 ANOTHER;

7 (II) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;

8 (III) UNDER THE LAWS OF THE UNITED STATES OR OF ANY
9 STATE, IS CONVICTED OF:

10 1. A FELONY; OR

11 2. A MISDEMEANOR THAT IS DIRECTLY RELATED TO
12 THE FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSEE TO
13 PRACTICE COMMUNITY ASSOCIATION MANAGEMENT;

14 (IV) IS GUILTY OF FRAUD OR OTHER DISHONESTY IN THE
15 PRACTICE OF COMMUNITY ASSOCIATION MANAGEMENT;

16 (V) IS GUILTY OF GROSS NEGLIGENCE IN THE PRACTICE OF
17 COMMUNITY ASSOCIATION MANAGEMENT;

18 (VI) VIOLATES ANY PROVISION OF SUBTITLE 5 OF THIS
19 TITLE;

20 (VII) HAS HAD THE RIGHT TO PRACTICE AS A LICENSED OR
21 CERTIFIED COMMUNITY ASSOCIATION MANAGER IN ANOTHER STATE DENIED,
22 REVOKED, OR SUSPENDED;

23 (VIII) HAS BEEN SANCTIONED IN ANOTHER STATE IN A
24 MATTER RELATING TO THE PRACTICE OF COMMUNITY ASSOCIATION
25 MANAGEMENT;

26 (IX) HAS HAD THE RENEWAL OF THE RIGHT TO PRACTICE AS
27 A LICENSED OR CERTIFIED COMMUNITY ASSOCIATION MANAGER IN ANOTHER
28 STATE DENIED FOR ANY CAUSE OTHER THAN FAILURE TO PAY A RENEWAL FEE;

29 (X) HAS HAD THE RIGHT TO PRACTICE AS A LICENSED OR
30 CERTIFIED COMMUNITY ASSOCIATION MANAGER BEFORE ANY UNIT OF THE
31 STATE OR FEDERAL GOVERNMENT REVOKED OR SUSPENDED;

1 **(XI) HAS BEEN SANCTIONED BY ANY UNIT OF STATE OR**
2 **FEDERAL GOVERNMENT FOR AN ACT OR OMISSION THAT DIRECTLY RELATES TO**
3 **THE FITNESS OF THE APPLICANT OR LICENSEE TO PRACTICE COMMUNITY**
4 **ASSOCIATION MANAGEMENT; OR**

5 **(XII) VIOLATES A RULE OF PROFESSIONAL CONDUCT**
6 **ADOPTED BY THE BOARD.**

7 **(2) (I) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE**
8 **LICENSEE OR SUSPENDING OR REVOKING A LICENSE UNDER THIS SUBSECTION,**
9 **THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 FOR EACH**
10 **VIOLATION.**

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

- 13 **1. THE SERIOUSNESS OF THE VIOLATION;**
- 14 **2. THE HARM CAUSED BY THE VIOLATION;**
- 15 **3. THE GOOD FAITH OF THE LICENSEE; AND**
- 16 **4. ANY HISTORY OF PREVIOUS VIOLATIONS BY THE**
17 **LICENSEE.**

18 **(B) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE**
19 **GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LICENSE OR**
20 **THE REPRIMAND OF A LICENSEE WHEN AN APPLICANT OR LICENSEE IS**
21 **CONVICTED OF A FELONY OR MISDEMEANOR DESCRIBED IN SUBSECTION**
22 **(A)(1)(III) OF THIS SECTION:**

- 23 **(1) THE NATURE OF THE CRIME;**
- 24 **(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES**
25 **AUTHORIZED BY THE LICENSE;**
- 26 **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**
27 **CONVICTION TO THE FITNESS AND QUALIFICATIONS OF THE APPLICANT OR**
28 **LICENSEE TO PRACTICE COMMUNITY ASSOCIATION MANAGEMENT;**
- 29 **(4) THE LENGTH OF TIME SINCE THE CONVICTION; AND**
- 30 **(5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR**
31 **LICENSEE BEFORE AND AFTER THE CONVICTION.**

1 (C) ON SUSPENSION OR REVOCATION OF A LICENSE, THE HOLDER
2 SHALL SURRENDER TO THE BOARD THE LICENSE CERTIFICATE OF THE
3 HOLDER.

4 (D) AT THE END OF A SUSPENSION PERIOD, THE BOARD SHALL RETURN
5 TO THE LICENSEE THE LICENSE CERTIFICATE SURRENDERED UNDER THIS
6 SECTION.

7 **4.5-308.**

8 ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE
9 BOARD BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER §
10 **4.5-307** OF THIS SUBTITLE.

11 **4.5-309.**

12 (A) EXCEPT AS OTHERWISE PROVIDED IN § **10-226** OF THE STATE
13 GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER
14 § **4.5-307** OF THIS SUBTITLE OR § **4.5-410** OF THIS TITLE, IT SHALL GIVE THE
15 PERSON AGAINST WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR
16 A HEARING BEFORE THE BOARD.

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

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

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

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

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

31 **4.5-310.**

1 **ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A**
2 **CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT**
3 **ARTICLE, MAY TAKE AN APPEAL AS ALLOWED IN §§ 10-222 AND 10-223 OF THE**
4 **STATE GOVERNMENT ARTICLE.**

5 **4.5-311.**

6 **(A) (1) FOR THE LIMITED PURPOSE SET FORTH IN PARAGRAPH (2) OF**
7 **THIS SUBSECTION, A LICENSE SHALL REMAIN IN EFFECT AND MAY NOT EXPIRE**
8 **BY OPERATION OF LAW WHILE THE LICENSEE IS UNDER INVESTIGATION BY THE**
9 **BOARD OR AWAITING A HEARING OR DISPOSITION ON CHARGES SUBJECT TO**
10 **DISCIPLINARY ACTION UNDER THIS SUBTITLE.**

11 **(2) ANY EXTENSION OF A LICENSE TERM CAUSED UNDER THIS**
12 **SUBSECTION IS EFFECTIVE ONLY FOR THE PURPOSE OF RETAINING THE**
13 **JURISDICTION OF THE BOARD OVER THE LICENSEE DURING THE COURSE OF**
14 **DISCIPLINARY PROCEEDINGS AND DOES NOT PREVENT THE LICENSE FROM**
15 **EXPIRING FOR ANY OTHER PURPOSE.**

16 **(B) UNLESS THE BOARD AGREES TO ACCEPT THE SURRENDER, A**
17 **LICENSEE MAY NOT SURRENDER A LICENSE WHILE THE LICENSEE IS UNDER**
18 **INVESTIGATION OR AWAITING A HEARING OR DISPOSITION ON CHARGES**
19 **SUBJECT TO DISCIPLINARY ACTION UNDER THIS SUBTITLE.**

20 **4.5-312.**

21 **(A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE BOARD MAY**
22 **REINSTATE:**

23 **(1) ANY LICENSE THAT HAS BEEN REVOKED; OR**

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

26 **(B) A LICENSE MAY BE REINSTATED UNDER THIS SECTION ONLY IF:**

27 **(1) THE INDIVIDUAL WHOSE LICENSE HAS BEEN REVOKED OR**
28 **SUSPENDED SUBMITS A WRITTEN REQUEST TO THE BOARD;**

29 **(2) THE BOARD HOLDS A HEARING ON THE REQUEST;**

30 **(3) THE BOARD, BY AN AFFIRMATIVE VOTE OF A MAJORITY OF ITS**
31 **MEMBERS, VOTES TO REINSTATE THE LICENSE; AND**

1 (4) THE INDIVIDUAL PAYS TO THE BOARD A REINSTATEMENT FEE
2 SET BY THE BOARD.

3 **SUBTITLE 4. PERMITS.**

4 **4.5-401.**

5 (A) SUBJECT TO THE PROVISIONS OF THIS SUBTITLE, A LICENSED
6 COMMUNITY ASSOCIATION MANAGER MAY PRACTICE COMMUNITY ASSOCIATION
7 MANAGEMENT FOR OTHERS THROUGH A PARTNERSHIP, LIMITED LIABILITY
8 COMPANY, OR CORPORATION THAT HOLDS A PERMIT UNDER THIS SUBTITLE.

9 (B) A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION
10 SHALL HOLD A PERMIT ISSUED BY THE BOARD BEFORE THE PARTNERSHIP,
11 LIMITED LIABILITY COMPANY, OR CORPORATION MAY OPERATE A BUSINESS
12 THROUGH WHICH COMMUNITY ASSOCIATION MANAGEMENT IS PRACTICED.

13 **4.5-402.**

14 (A) TO QUALIFY FOR A PERMIT, A PARTNERSHIP SHALL MEET THE
15 REQUIREMENTS OF THIS SECTION.

16 (B) THE PARTNERSHIP SHALL:

17 (1) HAVE A PERMANENT OFFICE IN THE STATE FROM WHICH AN
18 INDIVIDUAL IS LICENSED TO PRACTICE COMMUNITY ASSOCIATION
19 MANAGEMENT; OR

20 (2) SUBMIT PROOF, SATISFACTORY TO THE BOARD, OF THE
21 INTENT OF THE PARTNERSHIP TO ESTABLISH IMMEDIATELY A PERMANENT
22 OFFICE.

23 (C) EACH PERMANENT OFFICE REQUIRED UNDER SUBSECTION (B) OF
24 THIS SECTION SHALL BE MANAGED BY A PARTNER OF THE PARTNERSHIP WHO
25 RESIDES IN THE STATE.

26 (D) AN INDIVIDUAL WHO IS NOT LICENSED TO PRACTICE COMMUNITY
27 ASSOCIATION MANAGEMENT IN THIS STATE OR ANOTHER STATE MAY HAVE AN
28 OWNERSHIP INTEREST IN THE PARTNERSHIP IF:

29 (1) A SIMPLE MAJORITY OF THE OWNERSHIP OF THE
30 PARTNERSHIP, IN TERMS OF FINANCIAL INTERESTS AND VOTING RIGHTS, IS
31 HELD BY INDIVIDUALS LICENSED TO PRACTICE COMMUNITY ASSOCIATION
32 MANAGEMENT IN THIS OR ANOTHER STATE;

1 **(2) THE INDIVIDUAL IS AN ACTIVE PARTICIPANT IN THE**
2 **PARTNERSHIP OR ITS AFFILIATED ENTITIES;**

3 **(3) THE PARTNERSHIP SUBMITS, TO THE BOARD, THE NAME OF A**
4 **LICENSEE OF THIS STATE WHO IS RESPONSIBLE FOR THE REGISTRATION OF**
5 **THE PARTNERSHIP; AND**

6 **(4) THE PARTNERSHIP COMPLIES WITH ANY OTHER**
7 **REQUIREMENTS THAT THE BOARD IMPOSES.**

8 **(D) AT LEAST ONE GENERAL PARTNER AND ANY OTHER PARTNER WHO**
9 **PRACTICES OR INTENDS TO PRACTICE COMMUNITY ASSOCIATION MANAGEMENT**
10 **IN THE STATE SHALL BE LICENSED BY THE BOARD TO PRACTICE COMMUNITY**
11 **ASSOCIATION MANAGEMENT IN THE STATE.**

12 **4.5-403.**

13 **(A) TO QUALIFY FOR A PERMIT, A LIMITED LIABILITY COMPANY SHALL**
14 **MEET THE REQUIREMENTS OF THIS SECTION.**

15 **(B) THE LIMITED LIABILITY COMPANY SHALL:**

16 **(1) HAVE A PERMANENT OFFICE IN THE STATE FROM WHICH AN**
17 **INDIVIDUAL IS LICENSED TO PRACTICE COMMUNITY ASSOCIATION**
18 **MANAGEMENT; OR**

19 **(2) SUBMIT PROOF, SATISFACTORY TO THE BOARD, OF THE**
20 **INTENT OF THE LIMITED LIABILITY COMPANY TO ESTABLISH IMMEDIATELY A**
21 **PERMANENT OFFICE.**

22 **(C) EACH PERMANENT OFFICE REQUIRED UNDER SUBSECTION (B) OF**
23 **THIS SECTION SHALL BE MANAGED BY A MEMBER OF THE LIMITED LIABILITY**
24 **COMPANY WHO RESIDES IN THE STATE.**

25 **(D) AN INDIVIDUAL WHO IS NOT LICENSED TO PRACTICE COMMUNITY**
26 **ASSOCIATION MANAGEMENT IN THIS STATE OR ANOTHER STATE MAY HAVE AN**
27 **OWNERSHIP INTEREST IN THE LIMITED LIABILITY COMPANY IF:**

28 **(1) A SIMPLE MAJORITY OF THE OWNERSHIP OF THE LIMITED**
29 **LIABILITY COMPANY, IN TERMS OF FINANCIAL INTERESTS AND VOTING RIGHTS,**
30 **IS HELD BY INDIVIDUALS LICENSED TO PRACTICE COMMUNITY ASSOCIATION**
31 **MANAGEMENT IN THIS OR ANOTHER STATE;**

1 (2) THE INDIVIDUAL IS AN ACTIVE PARTICIPANT IN THE LIMITED
2 LIABILITY COMPANY OR AFFILIATED ENTITIES;

3 (3) THE LIMITED LIABILITY COMPANY SUBMITS TO THE BOARD
4 THE NAME OF A LICENSEE OF THIS STATE WHO IS RESPONSIBLE FOR THE
5 REGISTRATION OF THE LIMITED LIABILITY COMPANY; AND

6 (4) THE LIMITED LIABILITY COMPANY COMPLIES WITH ANY
7 OTHER REQUIREMENTS THAT THE BOARD IMPOSES.

8 **4.5-404.**

9 (A) TO QUALIFY FOR A PERMIT, A CORPORATION SHALL MEET THE
10 REQUIREMENTS OF THIS SECTION.

11 (B) THE CORPORATION SHALL MEET THE APPLICABLE REQUIREMENTS
12 OF THE MARYLAND PROFESSIONAL SERVICE CORPORATION ACT OR OF THE
13 COMPARABLE LAW IN ANOTHER STATE.

14 (C) THE CORPORATION SHALL:

15 (1) HAVE A PERMANENT OFFICE IN THE STATE FROM WHICH AN
16 INDIVIDUAL IS LICENSED TO PRACTICE COMMUNITY ASSOCIATION
17 MANAGEMENT; OR

18 (2) SUBMIT PROOF, SATISFACTORY TO THE BOARD, OF THE
19 INTENT OF THE CORPORATION TO ESTABLISH IMMEDIATELY A PERMANENT
20 OFFICE.

21 (D) EACH PERMANENT OFFICE REQUIRED UNDER SUBSECTION (C) OF
22 THIS SECTION SHALL BE MANAGED BY A STOCKHOLDER OF THE CORPORATION
23 WHO RESIDES IN THE STATE.

24 (E) AN INDIVIDUAL WHO IS NOT LICENSED TO PRACTICE COMMUNITY
25 ASSOCIATION MANAGEMENT IN THIS STATE OR ANOTHER STATE MAY HAVE AN
26 OWNERSHIP INTEREST IN THE CORPORATION IF:

27 (1) A SIMPLE MAJORITY OF THE OWNERSHIP OF THE
28 CORPORATION, IN TERMS OF FINANCIAL INTERESTS AND VOTING RIGHTS, IS
29 HELD BY INDIVIDUALS LICENSED TO PRACTICE COMMUNITY ASSOCIATION
30 MANAGEMENT IN THIS OR ANOTHER STATE;

31 (2) THE INDIVIDUAL IS AN ACTIVE PARTICIPANT IN THE
32 CORPORATION OR AFFILIATED ENTITIES;

1 **(3) THE CORPORATION SUBMITS TO THE BOARD THE NAME OF A**
2 **LICENSEE OF THIS STATE WHO IS RESPONSIBLE FOR THE REGISTRATION OF**
3 **THE CORPORATION; AND**

4 **(4) THE CORPORATION COMPLIES WITH ANY OTHER**
5 **REQUIREMENTS THAT THE BOARD IMPOSES.**

6 **4.5-405.**

7 **(A) AN APPLICANT FOR A PERMIT SHALL:**

8 **(1) SUBMIT TO THE BOARD AN APPLICATION ON THE FORM THAT**
9 **THE BOARD PROVIDES; AND**

10 **(2) PAY TO THE BOARD A NONREFUNDABLE APPLICATION FEE**
11 **SET BY THE BOARD.**

12 **(B) IN ADDITION TO ANY OTHER INFORMATION REQUIRED ON AN**
13 **APPLICATION FORM, THE FORM SHALL REQUIRE:**

14 **(1) FOR A PARTNERSHIP APPLICANT, A LIST OF EACH PARTNER**
15 **WHO PRACTICES OR WHO INTENDS TO PRACTICE COMMUNITY ASSOCIATION**
16 **MANAGEMENT IN THE STATE;**

17 **(2) FOR A LIMITED LIABILITY COMPANY, A LIST OF EACH MEMBER**
18 **WHO PRACTICES OR WHO INTENDS TO PRACTICE COMMUNITY ASSOCIATION**
19 **MANAGEMENT IN THE STATE; AND**

20 **(3) FOR A CORPORATE APPLICANT, A LIST OF ALL OF THE**
21 **SHAREHOLDERS OF THE CORPORATION.**

22 **4.5-406.**

23 **THE BOARD SHALL ISSUE A PERMIT TO EACH APPLICANT THAT MEETS**
24 **THE REQUIREMENTS OF THIS SUBTITLE AND PAYS TO THE BOARD A PERMIT FEE**
25 **SET BY THE BOARD.**

26 **4.5-407.**

27 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION AND WHILE A**
28 **PERMIT IS IN EFFECT, IT AUTHORIZES THE HOLDER TO:**

1 (1) OPERATE A BUSINESS THROUGH WHICH A LICENSED
2 COMMUNITY ASSOCIATION MANAGER PRACTICES COMMUNITY ASSOCIATION
3 MANAGEMENT; AND

4 (2) REPRESENT TO THE PUBLIC THAT THE BUSINESS PROVIDES
5 THE SERVICES OF A LICENSED COMMUNITY ASSOCIATION MANAGER.

6 (B) A PERMIT AUTHORIZES THE HOLDER TO PROVIDE A SERVICE THAT
7 CONSTITUTES PRACTICING COMMUNITY ASSOCIATION MANAGEMENT ONLY IF
8 THE SERVICE IS PERFORMED BY AN INDIVIDUAL WHO IS LICENSED OR
9 OTHERWISE AUTHORIZED UNDER THIS TITLE TO PRACTICE COMMUNITY
10 ASSOCIATION MANAGEMENT.

11 **4.5-408.**

12 (A) (1) A PERMIT EXPIRES ON THE DATE SET BY THE BOARD UNLESS
13 IT IS RENEWED FOR AN ADDITIONAL TERM AS PROVIDED IN THIS SECTION.

14 (2) A PERMIT MAY NOT BE RENEWED FOR A TERM LONGER THAN
15 4 YEARS.

16 (B) AT LEAST 1 MONTH BEFORE A PERMIT EXPIRES, THE BOARD SHALL
17 MAIL TO THE PERMIT HOLDER, AT THE LAST KNOWN ADDRESS OF THE PERMIT
18 HOLDER:

19 (1) A RENEWAL APPLICATION FORM; AND

20 (2) A NOTICE THAT STATES:

21 (I) THE DATE ON WHICH THE CURRENT PERMIT EXPIRES;

22 (II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE
23 RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE
24 THE PERMIT EXPIRES; AND

25 (III) THE AMOUNT OF THE PERMIT FEE.

26 (C) BEFORE A PERMIT EXPIRES, THE PERMIT HOLDER PERIODICALLY
27 MAY RENEW IT FOR AN ADDITIONAL 4-YEAR TERM, IF THE HOLDER:

28 (1) MEETS THE QUALIFICATIONS FOR A PERMIT UNDER § 4.5-402,
29 § 4.5-403, OR § 4.5-404 OF THIS SUBTITLE;

30 (2) OTHERWISE IS ENTITLED TO A PERMIT;

1 (3) **PAYS TO THE BOARD THE PERMIT FEE SET BY THE BOARD;**
2 **AND**

3 (4) **SUBMITS TO THE BOARD A RENEWAL APPLICATION ON THE**
4 **FORM THAT THE BOARD PROVIDES.**

5 (D) **THE RENEWAL APPLICATION FORM SHALL REQUIRE THE SAME**
6 **INFORMATION REQUIRED ON THE ORIGINAL APPLICATION FORM UNDER §**
7 **4.5-405(B) OF THIS SUBTITLE.**

8 (E) **THE BOARD SHALL RENEW THE PERMIT OF EACH PERMIT HOLDER**
9 **WHO MEETS THE REQUIREMENTS OF THIS SECTION.**

10 (F) **A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION**
11 **HAS A GRACE PERIOD OF 30 DAYS AFTER THE PERMIT OF THE PARTNERSHIP,**
12 **LIMITED LIABILITY COMPANY, OR CORPORATION EXPIRES IN WHICH TO RENEW**
13 **IT RETROACTIVELY, IF THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR**
14 **CORPORATION:**

15 (1) **OTHERWISE IS ENTITLED TO HAVE THE PERMIT RENEWED;**
16 **AND**

17 (2) **PAYS TO THE BOARD THE PERMIT FEE SET BY THE BOARD.**

18 **4.5-409.**

19 **WITHIN 1 MONTH AFTER THE EFFECTIVE DATE OF ANY OF THE**
20 **FOLLOWING EVENTS, A PERMIT HOLDER SHALL SUBMIT TO THE BOARD**
21 **WRITTEN NOTICE OF:**

22 (1) **A CHANGE IN THE NAME OF THE PARTNERSHIP, LIMITED**
23 **LIABILITY COMPANY, OR CORPORATION;**

24 (2) **A CHANGE IN THE NAME OF THE MEMBER APPOINTED TO**
25 **REGISTER THE PERMIT HOLDER, OR A SHAREHOLDER OF A CORPORATION, A**
26 **MEMBER OF A LIMITED LIABILITY COMPANY, OR A PARTNER OF A PARTNERSHIP**
27 **WHO IS PRACTICING COMMUNITY ASSOCIATION MANAGEMENT;**

28 (3) **THE ADMISSION OR WITHDRAWAL OF AN OFFICER OR**
29 **DIRECTOR OF A CORPORATION, A MEMBER OF A LIMITED LIABILITY COMPANY,**
30 **OR A PARTNER OF A PARTNERSHIP WHO IS LICENSED TO PRACTICE COMMUNITY**
31 **ASSOCIATION MANAGEMENT IN THE STATE; OR**

1 (4) THE DEATH OF AN OFFICER OR DIRECTOR OF A
2 CORPORATION, A MEMBER OF A LIMITED LIABILITY COMPANY, OR A PARTNER
3 OF A PARTNERSHIP WHO WAS LICENSED TO PRACTICE COMMUNITY
4 ASSOCIATION MANAGEMENT IN THE STATE AND REGISTERED WITH THE BOARD.

5 **4.5-410.**

6 (A) SUBJECT TO THE HEARING PROVISIONS OF § 4.5-309 OF THIS
7 TITLE, THE BOARD MAY DENY A PERMIT TO ANY APPLICANT, REPRIMAND ANY
8 PERMIT HOLDER, OR SUSPEND OR REVOKE A PERMIT:

9 (1) FOR ANY APPLICABLE GROUND UNDER § 4.5-307 OF THIS
10 TITLE;

11 (2) IF THE APPLICANT OR HOLDER FRAUDULENTLY OR
12 DECEPTIVELY OBTAINS OR ATTEMPTS TO OBTAIN A PERMIT FOR THE
13 APPLICANT OR HOLDER OR FOR ANOTHER;

14 (3) IF THE APPLICANT OR HOLDER FRAUDULENTLY OR
15 DECEPTIVELY USES A PERMIT;

16 (4) IF THE APPLICANT OR PERMIT HOLDER FAILS TO MEET OR
17 CONTINUE TO MEET THE QUALIFICATIONS OR REQUIREMENTS SET FORTH
18 UNDER § 4.5-402, § 4.5-403, OR § 4.5-404 OF THIS SUBTITLE; OR

19 (5) IF THE APPLICANT OR PERMIT HOLDER HAS A PARTNER,
20 MEMBER, OR CORPORATE OFFICER WHOSE LICENSE HAS BEEN SUSPENDED OR
21 REVOKED BY THE BOARD.

22 (B) ON SUSPENSION OR REVOCATION OF A PERMIT, THE HOLDER SHALL
23 SURRENDER TO THE BOARD THE PERMIT CERTIFICATE OF THE HOLDER.

24 (C) AT THE END OF A SUSPENSION PERIOD, THE BOARD SHALL RETURN
25 TO THE PERMIT HOLDER THE PERMIT CERTIFICATE SURRENDERED UNDER THIS
26 SECTION.

27 **4.5-411.**

28 ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE
29 BOARD BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER §
30 **4.5-410** OF THIS SUBTITLE.

31 **4.5-412.**

1 (A) (1) FOR THE LIMITED PURPOSE SET FORTH IN PARAGRAPH (2) OF
2 THIS SUBSECTION, A PERMIT SHALL REMAIN IN EFFECT AND MAY NOT EXPIRE
3 BY OPERATION OF LAW WHILE THE PERMIT HOLDER IS UNDER INVESTIGATION
4 BY THE BOARD OR AWAITING A HEARING OR DISPOSITION ON CHARGES
5 SUBJECT TO DISCIPLINARY ACTION UNDER THIS SUBTITLE.

6 (2) ANY EXTENSION OF A PERMIT TERM CAUSED UNDER THIS
7 SUBSECTION IS EFFECTIVE ONLY FOR THE PURPOSE OF RETAINING THE
8 JURISDICTION OF THE BOARD OVER THE PERMIT HOLDER DURING THE COURSE
9 OF DISCIPLINARY PROCEEDINGS AND DOES NOT PREVENT THE PERMIT FROM
10 EXPIRING FOR ANY OTHER PURPOSE.

11 (B) UNLESS THE BOARD AGREES TO ACCEPT THE SURRENDER, A
12 PERMIT HOLDER MAY NOT SURRENDER A PERMIT WHILE THE HOLDER IS UNDER
13 INVESTIGATION OR AWAITING A HEARING OR DISPOSITION ON CHARGES
14 SUBJECT TO DISCIPLINARY ACTION UNDER THIS SUBTITLE.

15 **4.5-413.**

16 (A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE BOARD MAY
17 REINSTATE:

18 (1) ANY PERMIT THAT HAS BEEN REVOKED; OR

19 (2) BEFORE FULFILLMENT OF THE CONDITIONS OF THE
20 SUSPENSION, ANY PERMIT THAT HAS BEEN SUSPENDED.

21 (B) A PERMIT MAY BE REINSTATED UNDER THIS SECTION ONLY IF:

22 (1) THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
23 CORPORATION WHOSE PERMIT HAS BEEN REVOKED OR SUSPENDED SUBMITS A
24 WRITTEN REQUEST TO THE BOARD;

25 (2) THE BOARD HOLDS A HEARING ON THE REQUEST;

26 (3) THE BOARD, BY AN AFFIRMATIVE VOTE OF A MAJORITY OF ITS
27 MEMBERS, VOTES TO REINSTATE THE PERMIT; AND

28 (4) THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
29 CORPORATION PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD.

30 **4.5-414.**

1 **AFTER THE BOARD ISSUES A PERMIT, THE PERMIT HOLDER SHALL**
2 **CONTINUE TO COMPLY WITH THE RESPECTIVE REQUIREMENTS OF § 4.5-402, §**
3 **4.5-403, OR § 4.5-404 OF THIS SUBTITLE.**

4 **SUBTITLE 5. PROHIBITED ACTS; PENALTIES.**

5 **4.5-501.**

6 **EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MAY NOT**
7 **PRACTICE, ATTEMPT TO PRACTICE, OR OFFER TO PRACTICE COMMUNITY**
8 **ASSOCIATION MANAGEMENT IN THE STATE UNLESS LICENSED BY THE BOARD.**

9 **4.5-502.**

10 **EXCEPT FOR A LICENSED COMMUNITY ASSOCIATION MANAGER OF THIS**
11 **TITLE WHO OPERATES A BUSINESS AS A SOLE PRACTITIONER, A PERSON MAY**
12 **NOT OPERATE A BUSINESS THROUGH WHICH COMMUNITY ASSOCIATION**
13 **MANAGEMENT IS PRACTICED, UNLESS:**

14 **(1) THE BUSINESS IS A PARTNERSHIP, LIMITED LIABILITY**
15 **COMPANY, OR CORPORATION; AND**

16 **(2) THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR**
17 **CORPORATION HOLDS A PERMIT ISSUED BY THE BOARD.**

18 **4.5-503.**

19 **UNLESS AUTHORIZED UNDER THIS TITLE TO PRACTICE COMMUNITY**
20 **ASSOCIATION MANAGEMENT, A PERSON MAY NOT REPRESENT TO THE PUBLIC,**
21 **BY USE OF A TITLE, INCLUDING “LICENSED COMMUNITY ASSOCIATION**
22 **MANAGER”, “COMMUNITY ASSOCIATION MANAGER”, OR “COMMUNITY**
23 **ASSOCIATION MANAGEMENT”, BY USE OF AN ABBREVIATION, BY DESCRIPTION**
24 **OF SERVICES, METHODS, OR PROCEDURES, OR OTHERWISE, THAT THE PERSON**
25 **IS AUTHORIZED TO PRACTICE COMMUNITY ASSOCIATION MANAGEMENT IN THE**
26 **STATE.**

27 **4.5-504.**

28 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION AND UNLESS A**
29 **PERSON HOLDS A PERMIT ISSUED BY THE BOARD, OR IS OTHERWISE**
30 **AUTHORIZED UNDER THIS TITLE TO PRACTICE COMMUNITY ASSOCIATION**
31 **MANAGEMENT, THE PERSON MAY NOT REPRESENT TO THE PUBLIC, BY USE OF A**
32 **TITLE, INCLUDING “LICENSED COMMUNITY ASSOCIATION MANAGERS” OR**
33 **“COMMUNITY ASSOCIATION MANAGERS”, BY USE OF AN ABBREVIATION, BY**

1 DESCRIPTION OF SERVICES, METHODS, OR PROCEDURES, OR OTHERWISE, THAT
2 THE PERSON HOLDS A PERMIT OR OTHERWISE IS AUTHORIZED TO OPERATE A
3 BUSINESS THROUGH WHICH COMMUNITY ASSOCIATION MANAGEMENT IS
4 PRACTICED IN THE STATE.

5 (B) SUBSECTION (A) OF THIS SECTION DOES NOT APPLY TO A LICENSED
6 COMMUNITY ASSOCIATION MANAGER WHO OPERATES THE BUSINESS AS A SOLE
7 PRACTITIONER.

8 **4.5-505.**

9 (A) A PERSON WHO VIOLATES ANY PROVISION OF THIS SUBTITLE IS
10 GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
11 EXCEEDING \$500 OR IMPRISONMENT NOT EXCEEDING 6 MONTHS OR BOTH.

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

15 (2) IN SETTING THE AMOUNT OF THE PENALTY, THE BOARD
16 SHALL 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
21 VIOLATOR; AND

22 (V) ANY OTHER RELEVANT FACTORS.

23 **SUBTITLE 6. SHORT TITLE; TERMINATION OF TITLE.**

24 **4.5-601.**

25 THIS TITLE MAY BE CITED AS THE "MARYLAND COMMUNITY
26 ASSOCIATION MANAGERS ACT".

27 **4.5-602.**

28 SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF
29 THE MARYLAND PROGRAM EVALUATION ACT, THIS TITLE AND ALL

1 REGULATIONS ADOPTED UNDER THIS TITLE SHALL TERMINATE AND BE OF NO
2 EFFECT AFTER JULY 1, 2015.

3 **Article – Business Regulation**

4 **2-106.7.**

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
6 MEANINGS INDICATED.

7 (2) “BOARD” MEANS THE STATE BOARD OF COMMUNITY
8 ASSOCIATION MANAGERS.

9 (3) “FUND” MEANS THE STATE BOARD OF COMMUNITY
10 ASSOCIATION MANAGERS FUND.

11 (B) THERE IS A STATE BOARD OF COMMUNITY ASSOCIATION
12 MANAGERS FUND IN THE DEPARTMENT.

13 (C) THE PURPOSE OF THE FUND IS TO COVER THE ACTUAL
14 DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY
15 AND REGULATORY DUTIES OF THE BOARD.

16 (D) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL
17 ADMINISTER THE FUND.

18 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
19 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

20 (2) THE STATE TREASURER SHALL HOLD THE FUND
21 SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

22 (F) THE FUND CONSISTS OF:

23 (1) REVENUE DISTRIBUTED TO THE FUND UNDER § 4.5-208 OF
24 THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;

25 (2) INVESTMENT EARNINGS OF THE FUND;

26 (3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
27 AND

28 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
29 THE BENEFIT OF THE FUND.

1 8-403.

2 (a) On or before December 15 of the 2nd year before the evaluation date of a
3 governmental activity or unit, the Legislative Policy Committee, based on a
4 preliminary evaluation, may waive as unnecessary the evaluation required under this
5 section.

6 (b) Except as otherwise provided in subsection (a) of this section, on or before
7 the evaluation date for the following governmental activities or units, an evaluation
8 shall be made of the following governmental activities or units and the statutes and
9 regulations that relate to the governmental activities or units:

10 (13) **COMMUNITY ASSOCIATION MANAGERS, STATE BOARD OF (§**
11 **4.5-201 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE,**
12 **JULY 1, 2015);**

13 SECTION 4. AND BE IT FURTHER ENACTED, That:

14 (a) Notwithstanding any other provision of law, the Governor shall appoint
15 four community association managers certified by the National Board of Certification
16 for Community Association Managers as the initial members of the State Board of
17 Community Association Managers.

18 (b) The terms of the initial members of the State Board of Community
19 Association Managers shall expires as follows:

20 (1) two members in 2011;

21 (2) two members in 2012; and

22 (3) three members in 2013.

23 (c) On or after July 1, 2013, the Governor shall appoint the membership of
24 the State Board of Community Association Managers in accordance with the
25 provisions of § 4.5-202 of the Business Occupations and Professions Article.

26 SECTION 5. AND BE IT FURTHER ENACTED, That an individual who
27 provided community association management services full time for 2 years on or
28 before October 1, 2009, may qualify for a license issued by the State Board of
29 Community Association Managers without meeting the education and examination
30 requirements of Title 4.5, Subtitle 3 of the Business Occupations and Professions
31 Article if the individual presents adequate evidence of the individual's work history to
32 the Board on or before October 1, 2010.

33 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 2009.