

HOUSE BILL 929

C2
SB 520/17 – EHE

0lr3034
CF 0lr3548

By: **Delegates Rogers, Brooks, Carey, Charkoudian, D.E. Davis, Fennell, Miller, and Turner**

Introduced and read first time: February 5, 2020

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2020

CHAPTER _____

1 AN ACT concerning

2 **State Real Estate Commission – Property Managers – Registration**

3 FOR the purpose of requiring certain persons to be registered as a property manager by the
4 State Real Estate Commission before providing property management services in
5 the State; providing a certain exception to the requirement to be registered;
6 requiring the Commission to determine certain qualifications; authorizing the
7 Commission to set by regulation certain fees for certain purposes; requiring certain
8 fees to be set so as to produce certain funds for certain purposes; requiring certain
9 applicants to submit a certain application and pay a certain fee to the Commission;
10 providing that a certain registration expires on a certain date unless renewed for an
11 additional term; prohibiting certain persons from providing, attempting to provide,
12 or offering to provide property management services unless registered with the
13 Commission; subjecting certain persons who violate a certain provision of law to a
14 certain fine; requiring certain property managers to be covered by a certain surety
15 bond and to provide certain proof of coverage to the Commission, subject to a certain
16 exception; defining certain terms; and generally relating to the registration of
17 property managers by the State Real Estate Commission.

18 BY adding to

19 Article – Business Occupations and Professions

20 Section 17–3B–01 through 17–3B–08 to be under the new subtitle “Subtitle 3B.
21 Property Managers”

22 Annotated Code of Maryland

23 (2018 Replacement Volume and 2019 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
2 That the Laws of Maryland read as follows:

3 Article – Business Occupations and Professions

4 SUBTITLE 3B. PROPERTY MANAGERS.

5 17-3B-01.

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) “AFFILIATE” MEANS AN ENTITY THAT DIRECTLY, OR INDIRECTLY
9 THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS OR IS CONTROLLED BY A
10 FINANCIAL INSTITUTION.

11 (C) “FINANCIAL INSTITUTION” HAS THE MEANING STATED IN § 1-101(J) OF
12 THE FINANCIAL INSTITUTIONS ARTICLE.

13 ~~(B)~~ (D) (1) “PROPERTY MANAGEMENT SERVICES” MEANS THE
14 LEASING, MANAGING, ADVERTISING, RENTING, OR HANDLING OF TRUST MONEY OF
15 A PROPERTY.

16 (2) “PROPERTY MANAGEMENT SERVICES” DOES NOT INCLUDE:

17 (I) PARTICIPATING IN A ~~HOMEOWNERS ASSOCIATION~~ COMMON
18 OWNERSHIP COMMUNITY, INCLUDING A HOMEOWNERS ASSOCIATION OR
19 CONDOMINIUM;

20 (II) RENTING A PROPERTY FOR LESS THAN 6 MONTHS;

21 (III) LEASING, MANAGING, ADVERTISING, RENTING, OR
22 HANDLING OF:

23 1. TRUST MONEY OF AN APARTMENT COMPLEX WITH ~~50~~
24 25 OR MORE UNITS;

25 2. TRUST MONEY OF COMMERCIAL, INDUSTRIAL, OR
26 MIXED USE PROPERTIES; OR

27 3. REAL PROPERTY ACQUIRED BY A FINANCIAL
28 INSTITUTION OR AN AFFILIATE THROUGH FORECLOSURE;

1 (IV) SERVICES PROVIDED BY A PERSON EMPLOYED
2 EXCLUSIVELY AS THE PROPERTY MANAGER FOR THE PROPERTY MANAGEMENT OF
3 ONE PERSON; ~~OR~~

4 (V) SERVICES PROVIDED ON AN INCIDENTAL BASIS AND
5 WITHOUT ADDITIONAL COMPENSATION BY EMPLOYEES OF AN OWNER OF A
6 PROPERTY;

7 (VI) SERVICES THAT AN OWNER OF THREE OR FEWER
8 SINGLE-FAMILY RESIDENTIAL PROPERTIES PERSONALLY PROVIDES TO THE
9 PROPERTIES; OR

10 (VII) RECEIVING, ACCEPTING, OR HOLDING TRUST MONEY OF A
11 PROPERTY BY A FINANCIAL INSTITUTION.

12 ~~(E)~~ (E) (1) "PROPERTY MANAGER" MEANS A PERSON WHO IS
13 REGISTERED BY THE COMMISSION TO PROVIDE PROPERTY MANAGEMENT
14 SERVICES.

15 (2) "PROPERTY MANAGER" INCLUDES A PARTNERSHIP OR A
16 CORPORATION.

17 17-3B-02.

18 (A) EXCEPT AS PROVIDED UNDER SUBSECTION (B) OF THIS SECTION, A
19 PERSON MUST BE REGISTERED AS A PROPERTY MANAGER BY THE COMMISSION
20 BEFORE THE PERSON MAY PROVIDE PROPERTY MANAGEMENT SERVICES IN THE
21 STATE.

22 (B) A PERSON WHO IS LICENSED UNDER THIS TITLE IS NOT SUBJECT TO
23 SUBSECTION (A) OF THIS SECTION.

24 17-3B-03.

25 THE COMMISSION SHALL DETERMINE THE QUALIFICATIONS FOR
26 REGISTRATION AS A PROPERTY MANAGER.

27 17-3B-04.

28 (A) THE COMMISSION MAY SET BY REGULATION REASONABLE FEES FOR
29 THE ISSUANCE AND RENEWAL OF REGISTRATIONS UNDER THIS SUBTITLE AND ANY
30 OTHER SERVICES PROVIDED BY THE COMMISSION.

1 **(B) THE FEES CHARGED SHALL BE SET SO AS TO PRODUCE FUNDS TO**
2 **APPROXIMATE THE COST OF REGISTERING PROPERTY MANAGERS UNDER THIS**
3 **SUBTITLE.**

4 **17-3B-05.**

5 **TO APPLY FOR A REGISTRATION, AN APPLICANT SHALL:**

6 **(1) SUBMIT AN APPLICATION TO THE COMMISSION ON THE FORM**
7 **THAT THE COMMISSION REQUIRES; AND**

8 **(2) PAY TO THE COMMISSION THE APPLICATION FEE SET BY THE**
9 **COMMISSION.**

10 **17-3B-06.**

11 **A REGISTRATION EXPIRES ON A DATE SET BY THE COMMISSION, UNLESS THE**
12 **REGISTRATION IS RENEWED FOR AN ADDITIONAL 2-YEAR TERM.**

13 **17-3B-07.**

14 **(A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A PERSON MAY**
15 **NOT PROVIDE, ATTEMPT TO PROVIDE, OR OFFER TO PROVIDE PROPERTY**
16 **MANAGEMENT SERVICES IN THE STATE UNLESS REGISTERED WITH THE**
17 **COMMISSION AS A PROPERTY MANAGER.**

18 **(B) A PERSON WHO VIOLATES SUBSECTION (A) OF THIS SECTION IS SUBJECT**
19 **TO A CIVIL FINE OF NOT MORE THAN \$1,000, TO BE IMPOSED BY THE COMMISSION.**

20 **17-3B-08.**

21 **(A) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A**
22 **PROPERTY MANAGER SHALL BE COVERED BY A SURETY BOND IN THE AMOUNT OF AT**
23 **LEAST:**

24 **(1) \$100,000 IF THE PROPERTY MANAGER RENTS FEWER THAN 20**
25 **PROPERTIES; OR**

26 **(2) \$200,000 IF THE PROPERTY MANAGER RENTS 20 PROPERTIES OR**
27 **MORE.**

28 **(B) (1) A PROPERTY MANAGER SHALL PROVIDE PROOF OF THE SURETY**
29 **BOND REQUIRED UNDER THIS SECTION TO THE COMMISSION.**

1 **(2) THE PROOF REQUIRED UNDER THIS SUBSECTION SHALL BE**
2 **DETERMINED BY THE COMMISSION.**

3 **(C) A PERSON WHO IS LICENSED UNDER THIS TITLE IS NOT SUBJECT TO**
4 **SUBSECTIONS (A) AND (B) OF THIS SECTION.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2020.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.