

HOUSE BILL 592

C2

11r1359

By: **Delegates Davis and Vaughn**

Introduced and read first time: February 9, 2011

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Common Interest Community Managers – Licensing and Regulation**

3 FOR the purpose of creating the State Board of Common Interest Community
4 Managers in the Department of Labor, Licensing, and Regulation; providing for
5 the 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 approval of the Attorney General, to enjoin certain
9 conduct; establishing certain powers and duties of the Board; requiring the
10 Board to maintain a list of certain names and addresses; requiring the Board to
11 set certain fees by regulation, to publish a certain fee schedule, and to pay
12 certain fees to the Comptroller; requiring the Comptroller to distribute certain
13 fees to the State Board of Common Interest Community Managers Fund;
14 requiring an individual to be licensed by the Board before the individual may
15 provide certain management services to common interest communities in the
16 State; authorizing a common interest community manager to provide
17 management services to a common interest community through certain forms of
18 business organization; establishing certain education and examination
19 requirements for a license; requiring common interest community managers to
20 obtain and maintain a certain fidelity bond or a certain insurance policy;
21 providing for the application, term, renewal, and reinstatement of licenses;
22 authorizing the Board to deny a license to an applicant, reprimand a licensee,
23 suspend or revoke a license, or impose certain penalties under certain
24 circumstances; establishing certain hearing procedures and rights to judicial
25 review; establishing the State Board of Common Interest Community Managers
26 Fund; providing for the purpose, administration, composition, use, and audit of
27 the Fund; requiring the Secretary, in consultation with the Board, to calculate
28 certain costs annually; authorizing the Board to set certain fees based on
29 certain calculations; prohibiting certain fees from increasing by more than a
30 certain amount each year; making the Board subject to the Maryland Program
31 Evaluation Act; providing for the termination of certain provisions of this Act;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 specifying the terms of the initial members of the Board; providing for the
2 application of this Act; defining certain terms; and generally relating to the
3 State Board of Common Interest Community Managers and the regulation of
4 common interest community management.

5 BY renumbering

6 Article – Business Regulation

7 Section 2–108(a)(10) through (34), respectively

8 to be Section 2–108(a)(11) through (35), respectively

9 Annotated Code of Maryland

10 (2010 Replacement Volume and 2010 Supplement)

11 BY renumbering

12 Article – State Government

13 Section 8–403(b)(14) through (68), respectively

14 to be Section 8–403(b)(15) through (69), respectively

15 Annotated Code of Maryland

16 (2009 Replacement Volume and 2010 Supplement)

17 BY adding to

18 Article – Business Occupations and Professions

19 Section 22–101 through 22–402 to be under the new title “Title 22. Common
20 Interest Community Managers”

21 Annotated Code of Maryland

22 (2010 Replacement Volume)

23 BY adding to

24 Article – Business Regulation

25 Section 2–106.7, 2–106.8, and 2–108(a)(10)

26 Annotated Code of Maryland

27 (2010 Replacement Volume and 2010 Supplement)

28 BY repealing and reenacting, without amendments,

29 Article – State Government

30 Section 8–403(a)

31 Annotated Code of Maryland

32 (2009 Replacement Volume and 2010 Supplement)

33 BY adding to

34 Article – State Government

35 Section 8–403(b)(13)

36 Annotated Code of Maryland

37 (2009 Replacement Volume and 2010 Supplement)

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8–403(b)(14)
2 through (68), respectively, of Article – State Government of the Annotated Code of
3 Maryland be renumbered to be Section(s) 8–403(b)(15) through (69), respectively.

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

6 **Article – Business Occupations and Professions**

7 **TITLE 22. COMMON INTEREST COMMUNITY MANAGERS.**

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

9 **22–101.**

10 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (B) “ASSOCIATION” INCLUDES CONDOMINIUM, COOPERATIVE, OR
13 PROPERTY OWNERS’ ASSOCIATIONS.

14 (C) “BOARD” MEANS THE STATE BOARD OF COMMON INTEREST
15 COMMUNITY MANAGERS.

16 (D) (1) “COMMON INTEREST COMMUNITY” MEANS REAL ESTATE
17 LOCATED IN THE STATE THAT:

18 (I) CONTAINS LOTS, AT LEAST SOME OF WHICH ARE
19 RESIDENTIAL OR OCCUPIED FOR RECREATIONAL PURPOSES, AND COMMON
20 AREAS; AND

21 (II) IS SUBJECT TO A DECLARATION UNDER WHICH A
22 PERSON, BY VIRTUE OF OWNERSHIP OF A LOT, IS A MEMBER OF AN ASSOCIATION
23 AND IS OBLIGATED TO PAY ASSESSMENTS PROVIDED FOR IN THE DECLARATION.

24 (2) “COMMON INTEREST COMMUNITY” DOES NOT INCLUDE A
25 TIME–SHARE PROJECT.

26 (E) “COMMON INTEREST COMMUNITY MANAGER” MEANS A PERSON
27 WHO FOR CONSIDERATION PROVIDES MANAGEMENT SERVICES TO A COMMON
28 INTEREST COMMUNITY.

1 **(F) “LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A**
2 **LICENSE ISSUED BY THE BOARD TO PROVIDE MANAGEMENT SERVICES TO A**
3 **COMMON INTEREST COMMUNITY.**

4 **(G) “LICENSED COMMON INTEREST COMMUNITY MANAGER” MEANS AN**
5 **INDIVIDUAL LICENSED BY THE BOARD TO PROVIDE MANAGEMENT SERVICES TO**
6 **A COMMON INTEREST COMMUNITY.**

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

8 **(1) TO ACT WITH THE AUTHORITY OF AN ASSOCIATION IN ITS**
9 **BUSINESS, LEGAL, FINANCIAL, OR OTHER TRANSACTIONS WITH ASSOCIATION**
10 **MEMBERS AND NONMEMBERS;**

11 **(2) TO EXECUTE THE RESOLUTIONS AND DECISIONS OF AN**
12 **ASSOCIATION OR, WITH THE AUTHORITY OF THE ASSOCIATION, TO ENFORCE**
13 **THE RIGHTS OF THE ASSOCIATION SECURED BY STATUTE, CONTRACT,**
14 **COVENANT, RULE, OR BYLAW;**

15 **(3) TO COLLECT, DISBURSE, OR OTHERWISE EXERCISE DOMINION**
16 **OR CONTROL OVER MONEY OR OTHER PROPERTY BELONGING TO AN**
17 **ASSOCIATION;**

18 **(4) TO PREPARE BUDGETS, FINANCIAL STATEMENTS, OR OTHER**
19 **FINANCIAL REPORTS FOR AN ASSOCIATION;**

20 **(5) TO ARRANGE, CONDUCT, OR COORDINATE MEETINGS OF AN**
21 **ASSOCIATION OR THE GOVERNING BODY OF AN ASSOCIATION;**

22 **(6) TO NEGOTIATE CONTRACTS OR OTHERWISE COORDINATE OR**
23 **ARRANGE FOR SERVICES OR THE PURCHASE OF PROPERTY AND GOODS FOR OR**
24 **ON BEHALF OF AN ASSOCIATION; OR**

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

28 **22-102.**

29 **THIS TITLE DOES NOT PROHIBIT:**

30 **(1) AN EMPLOYEE OF A LICENSED COMMON INTEREST**
31 **COMMUNITY MANAGER FROM PROVIDING MANAGEMENT SERVICES WITHIN THE**

1 SCOPE OF THE EMPLOYEE'S EMPLOYMENT BY THE LICENSED COMMON
2 INTEREST COMMUNITY MANAGER;

3 (2) A RESIDENT OF A COMMON INTEREST COMMUNITY WHO ACTS
4 WITHOUT COMPENSATION FROM PROVIDING MANAGEMENT SERVICES FOR THAT
5 COMMON INTEREST COMMUNITY;

6 (3) A MEMBER OF THE GOVERNING BOARD OF AN ASSOCIATION
7 WHO ACTS WITHOUT COMPENSATION FROM PROVIDING MANAGEMENT
8 SERVICES FOR THAT ASSOCIATION'S COMMON INTEREST COMMUNITY;

9 (4) A PERSON WHO ACTS AS A RECEIVER OR TRUSTEE IN
10 BANKRUPTCY IN THE PERFORMANCE OF DUTIES OR A PERSON WHO ACTS
11 UNDER A COURT ORDER FROM PROVIDING MANAGEMENT SERVICES FOR A
12 COMMON INTEREST COMMUNITY;

13 (5) AN ATTORNEY AT LAW FROM REPRESENTING AN ASSOCIATION
14 OR A COMMON INTEREST COMMUNITY MANAGER IN ANY BUSINESS THAT
15 CONSTITUTES THE PRACTICE OF LAW;

16 (6) A CERTIFIED PUBLIC ACCOUNTANT FROM PROVIDING
17 BOOKKEEPING OR ACCOUNTING SERVICES TO AN ASSOCIATION OR A COMMON
18 INTEREST COMMUNITY MANAGER;

19 (7) A REAL ESTATE BROKER OR SALESPERSON FROM SELLING,
20 LEASING, RENTING, OR MANAGING LOTS WITHIN A COMMON INTEREST
21 COMMUNITY; OR

22 (8) AN ASSOCIATION, EXCHANGE AGENT, EXCHANGE COMPANY,
23 MANAGING AGENT, OR MANAGING ENTITY OF A TIME-SHARE PROJECT FROM
24 PROVIDING MANAGEMENT SERVICES FOR A TIME-SHARE PROJECT.

25 **SUBTITLE 2. STATE BOARD OF COMMON INTEREST COMMUNITY MANAGERS.**

26 **22-201.**

27 **THERE IS A STATE BOARD OF COMMON INTEREST COMMUNITY**
28 **MANAGERS IN THE DEPARTMENT.**

29 **22-202.**

30 (A) (1) **THE BOARD CONSISTS OF 11 MEMBERS.**

31 (2) **OF THE 11 MEMBERS OF THE BOARD:**

1 **(I) 5 SHALL BE LICENSED COMMON INTEREST COMMUNITY**
2 **MANAGERS;**

3 **(II) 1 SHALL BE A MARYLAND LAWYER WHOSE PRACTICE**
4 **INCLUDES THE REPRESENTATION OF ASSOCIATIONS;**

5 **(III) 1 SHALL BE A CERTIFIED PUBLIC ACCOUNTANT WHOSE**
6 **PRACTICE INCLUDES PROVIDING ATTEST SERVICES TO ASSOCIATIONS;**

7 **(IV) 1 SHALL BE A DEVELOPER OF STATE COMMON**
8 **INTEREST COMMUNITIES;**

9 **(V) 2 SHALL BE MEMBERS OF THE GOVERNING BOARD OF**
10 **AN ASSOCIATION; AND**

11 **(VI) 1 SHALL BE A MEMBER OF AN ASSOCIATION WHO IS A**
12 **CONSUMER MEMBER.**

13 **(3) THE GOVERNOR SHALL APPOINT THE MEMBERS WITH THE**
14 **ADVICE OF THE SECRETARY.**

15 **(B) EACH MEMBER OF THE BOARD SHALL BE:**

16 **(1) A CITIZEN OF THE UNITED STATES; AND**

17 **(2) A RESIDENT OF THE STATE.**

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

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

22 **(2) THE TERMS OF MEMBERS ARE STAGGERED AS REQUIRED BY**
23 **THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2011.**

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

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

1 (5) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE
2 TERMS.

3 **22-203.**

4 (A) FROM AMONG ITS MEMBERS, THE BOARD SHALL ELECT A CHAIR
5 AND VICE CHAIR.

6 (B) THE TERMS OF THE CHAIR AND VICE CHAIR ARE 1 YEAR.

7 **22-204.**

8 (A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A
9 QUORUM.

10 (B) THE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS
11 MEETINGS.

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

13 (1) COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET;
14 AND

15 (2) REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD
16 STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

17 (D) THE BOARD MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE
18 BUDGET.

19 **22-205.**

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

24 **22-206.**

25 (A) IN ADDITION TO ANY POWERS SET FORTH ELSEWHERE, THE BOARD
26 MAY ADOPT:

27 (1) BYLAWS AS NECESSARY TO DO THE BUSINESS OF THE BOARD;
28 AND

1 **(2) REGULATIONS 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 FOR COMMON**
5 **INTEREST COMMUNITY MANAGERS; AND**

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

7 **22-207.**

8 **(A) THE BOARD SHALL MAINTAIN A LIST OF THE NAMES AND MAILING**
9 **ADDRESSES OF ALL LICENSE HOLDERS.**

10 **(B) THE BOARD MAY RELEASE THE LIST OF LICENSE HOLDERS TO THE**
11 **PUBLIC.**

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

15 **22-208.**

16 **(A) (1) THE BOARD MAY SET BY REGULATION REASONABLE FEES FOR**
17 **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 DESIGNATION AS A PROFESSIONAL COMMUNITY ASSOCIATION MANAGER OR
2 ASSOCIATION MANAGEMENT SPECIALIST WITH AT LEAST 5 YEARS OF
3 EXPERIENCE IN PROVIDING MANAGEMENT SERVICES.

4 (2) THE BOARD MAY VOTE TO GRANT RECIPROCITY TO
5 CERTIFICATIONS FROM OTHER JURISDICTIONS THAT HAVE ADOPTED SIMILAR
6 LICENSING REGIMES.

7 **22-303.**

8 AN APPLICANT FOR A LICENSE SHALL:

9 (1) SUBMIT TO THE BOARD AN APPLICATION ON THE FORM THAT
10 THE BOARD PROVIDES;

11 (2) SUBMIT TO THE BOARD PROOF OF THE FIDELITY BOND OR
12 INSURANCE POLICY REQUIRED BY § 22-304 OF THIS SUBTITLE; AND

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

14 **22-304.**

15 (A) A COMMON INTEREST COMMUNITY MANAGER SHALL OBTAIN AND
16 MAINTAIN A BLANKET FIDELITY BOND OR EMPLOYEE DISHONESTY INSURANCE
17 POLICY THAT INSURES THE COMMON INTEREST COMMUNITY MANAGER AGAINST
18 LOSSES RESULTING FROM THEFT OR DISHONESTY COMMITTED BY THE
19 OFFICERS, DIRECTORS, AND INDIVIDUALS EMPLOYED BY THE COMMON
20 INTEREST COMMUNITY MANAGER.

21 (B) (1) THE BOND OR INSURANCE POLICY SHALL PROVIDE
22 COVERAGE IN AN AMOUNT EQUAL TO THE LESSER OF \$2,000,000 OR THE
23 HIGHEST AGGREGATE AMOUNT OF THE OPERATING AND RESERVE BALANCES OF
24 ALL ASSOCIATIONS UNDER THE CONTROL OF THE COMMON INTEREST
25 COMMUNITY MANAGER DURING THE PRIOR FISCAL YEAR.

26 (2) THE MINIMUM COVERAGE AMOUNT SHALL BE \$10,000.

27 (3) THE BOND OR INSURANCE POLICY SHALL NAME THE COMMON
28 INTEREST COMMUNITY MANAGER AS AN INDIVIDUAL NAMED INSURED.

29 **22-305.**

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

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

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

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

7 **22-306.**

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

10 **(2) A LICENSE MAY NOT BE RENEWED FOR A TERM LONGER THAN**
11 **2 YEARS.**

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

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

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

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

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

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

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

23 **(1) OTHERWISE IS ENTITLED TO BE LICENSED;**

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

25 **(3) SUBMITS TO THE BOARD:**

26 **(I) A RENEWAL APPLICATION ON THE FORM THAT THE**
27 **BOARD PROVIDES;**

1 **(II) PROOF OF THE FIDELITY BOND OR INSURANCE POLICY**
2 **REQUIRED BY § 22-304 OF THIS SUBTITLE; AND**

3 **(III) PROOF OF MEETING ANY CONTINUING EDUCATION**
4 **REQUIREMENT SET BY THE BOARD.**

5 **(D) THE BOARD SHALL RENEW THE LICENSE OF EACH LICENSEE WHO**
6 **MEETS THE REQUIREMENTS OF THIS SECTION.**

7 **(E) THE SECRETARY MAY DETERMINE THAT LICENSES ISSUED UNDER**
8 **THIS SUBTITLE SHALL EXPIRE ON A STAGGERED BASIS.**

9 **22-307.**

10 **IN ACCORDANCE WITH ITS REGULATIONS, THE BOARD MAY REINSTATE**
11 **THE LICENSE OF AN INDIVIDUAL WHO HAS FAILED TO RENEW THE LICENSE FOR**
12 **ANY REASON IF THE INDIVIDUAL:**

13 **(1) OTHERWISE IS ENTITLED TO BE LICENSED; AND**

14 **(2) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE**
15 **BOARD.**

16 **22-308.**

17 **(A) (1) SUBJECT TO THE HEARING PROVISIONS UNDER § 22-310 OF**
18 **THIS SUBTITLE, THE BOARD MAY DENY A LICENSE TO ANY APPLICANT,**
19 **REPRIMAND ANY LICENSEE, OR SUSPEND OR REVOKE A LICENSE IF THE**
20 **APPLICANT OR LICENSEE:**

21 **(I) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR**
22 **ATTEMPTS TO OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR**
23 **ANOTHER;**

24 **(II) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;**

25 **(III) UNDER THE LAWS OF THE UNITED STATES OR OF ANY**
26 **STATE, IS CONVICTED OF:**

27 **1. A FELONY; OR**

1 **2. A MISDEMEANOR THAT IS DIRECTLY RELATED TO**
2 **THE FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSEE TO**
3 **PROVIDE MANAGEMENT SERVICES;**

4 **(IV) IS GUILTY OF FRAUD OR OTHER DISHONESTY IN**
5 **PROVIDING MANAGEMENT SERVICES;**

6 **(V) IS GUILTY OF GROSS NEGLIGENCE IN PROVIDING**
7 **MANAGEMENT SERVICES;**

8 **(VI) VIOLATES ANY PROVISION OF THIS TITLE;**

9 **(VII) HAS HAD THE RIGHT TO PRACTICE AS A COMMON**
10 **INTEREST COMMUNITY MANAGER IN ANOTHER STATE DENIED, REVOKED, OR**
11 **SUSPENDED;**

12 **(VIII) HAS BEEN SANCTIONED IN ANOTHER STATE IN A**
13 **MATTER RELATING TO PROVIDING MANAGEMENT SERVICES;**

14 **(IX) HAS HAD THE RENEWAL OF THE RIGHT TO PRACTICE AS**
15 **A COMMON INTEREST COMMUNITY MANAGER IN ANOTHER STATE DENIED FOR**
16 **ANY CAUSE OTHER THAN FAILURE TO PAY A RENEWAL FEE;**

17 **(X) HAS HAD THE RIGHT TO PRACTICE AS A COMMON**
18 **INTEREST COMMUNITY MANAGER BEFORE ANY UNIT OF THE STATE OR**
19 **FEDERAL GOVERNMENT REVOKED OR SUSPENDED;**

20 **(XI) HAS BEEN SANCTIONED BY ANY UNIT OF STATE OR**
21 **FEDERAL GOVERNMENT FOR AN ACT OR OMISSION THAT DIRECTLY RELATES TO**
22 **THE FITNESS OF THE APPLICANT OR LICENSEE TO PROVIDE MANAGEMENT**
23 **SERVICES; OR**

24 **(XII) VIOLATES A RULE OF PROFESSIONAL CONDUCT**
25 **ADOPTED BY THE BOARD.**

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

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

32 **1. THE SERIOUSNESS OF THE VIOLATION;**

- 1 2. **THE HARM CAUSED BY THE VIOLATION;**
2 3. **THE GOOD FAITH OF THE LICENSEE; AND**
3 4. **ANY HISTORY OF PREVIOUS VIOLATIONS BY THE**
4 **LICENSEE.**

5 **(B) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE**
6 **GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LICENSE OR**
7 **THE REPRIMAND OF A LICENSEE WHEN AN APPLICANT OR LICENSEE IS**
8 **CONVICTED OF A FELONY OR MISDEMEANOR DESCRIBED IN SUBSECTION**
9 **(A)(1)(III) OF THIS SECTION:**

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

11 **(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES**
12 **AUTHORIZED BY THE LICENSE;**

13 **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**
14 **CONVICTION TO THE FITNESS AND QUALIFICATIONS OF THE APPLICANT OR**
15 **LICENSEE TO PROVIDE MANAGEMENT SERVICES;**

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

17 **(5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR**
18 **LICENSEE BEFORE AND AFTER THE CONVICTION.**

19 **22-309.**

20 **ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE**
21 **BOARD BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER §**
22 **22-308 OF THIS SUBTITLE.**

23 **22-310.**

24 **(A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE**
25 **GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER**
26 **§ 22-308 OF THIS SUBTITLE, IT SHALL GIVE THE PERSON AGAINST WHOM THE**
27 **ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE THE**
28 **BOARD.**

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

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

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

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

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

15 **22-311.**

16 **ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A**
17 **CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT**
18 **ARTICLE, IS ENTITLED TO JUDICIAL REVIEW AS PROVIDED IN §§ 10-222 AND**
19 **10-223 OF THE STATE GOVERNMENT ARTICLE.**

20 **SUBTITLE 4. SHORT TITLE; TERMINATION OF TITLE.**

21 **22-401.**

22 **THIS TITLE MAY BE CITED AS THE “MARYLAND COMMON INTEREST**
23 **COMMUNITY MANAGERS ACT”.**

24 **22-402.**

25 **SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF**
26 **THE MARYLAND PROGRAM EVALUATION ACT, THIS TITLE AND ALL**
27 **REGULATIONS ADOPTED UNDER THIS TITLE SHALL TERMINATE AND BE OF NO**
28 **EFFECT AFTER JULY 1, 2017.**

29 **Article – Business Regulation**

30 **2-106.7.**

1 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
2 **MEANINGS INDICATED.**

3 **(2) “BOARD” MEANS THE STATE BOARD OF COMMON INTEREST**
4 **COMMUNITY MANAGERS.**

5 **(3) “FUND” MEANS THE STATE BOARD OF COMMON INTEREST**
6 **COMMUNITY MANAGERS FUND.**

7 **(B) THERE IS A STATE BOARD OF COMMON INTEREST COMMUNITY**
8 **MANAGERS FUND IN THE DEPARTMENT.**

9 **(C) THE PURPOSE OF THE FUND IS TO COVER THE ACTUAL**
10 **DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY**
11 **AND REGULATORY DUTIES OF THE BOARD.**

12 **(D) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL**
13 **ADMINISTER THE FUND.**

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

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

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

19 **(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 22-208 OF**
20 **THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;**

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

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

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

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

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

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

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

5 **(J) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**
6 **TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE**
7 **GOVERNMENT ARTICLE.**

8 **2-106.8.**

9 **(A) IN THIS SECTION, “BOARD” MEANS THE STATE BOARD OF COMMON**
10 **INTEREST COMMUNITY MANAGERS.**

11 **(B) IN CONSULTATION WITH THE BOARD, THE SECRETARY SHALL**
12 **CALCULATE ANNUALLY THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO**
13 **THE BOARD.**

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

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

19 **2-108.**

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

21 **(10) THE STATE BOARD OF COMMON INTEREST COMMUNITY**
22 **MANAGERS.**

23 **Article – State Government**

24 **8-403.**

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

29 (b) Except as otherwise provided in subsection (a) of this section, on or before
30 the evaluation date for the following governmental activities or units, an evaluation

1 shall be made of the following governmental activities or units and the statutes and
2 regulations that relate to the governmental activities or units:

3 **(14) COMMON INTEREST COMMUNITY MANAGERS, STATE BOARD**
4 **OF (§ 22–201 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE,**
5 **JULY 1, 2017);**

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

7 (a) The terms of the initial members of the State Board of Common Interest
8 Community Managers shall expire as follows:

9 (1) four members in 2013;

10 (2) four members in 2014; and

11 (3) three members in 2015.

12 (b) On or after July 1, 2015, the Governor shall appoint the membership of
13 the State Board of Common Interest Community Managers in accordance with the
14 provisions of § 22–202 of the Business Occupations and Professions Article.

15 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2011.