

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

A BILL ENTITLED

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)

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

26 **Article – Business Occupations and Professions**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



SUBTITLE 3B. PROPERTY MANAGERS.

17-3B-01.

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

(B) (1) "PROPERTY MANAGEMENT SERVICES" MEANS THE LEASING, MANAGING, ADVERTISING, RENTING, OR HANDLING OF TRUST MONEY OF A PROPERTY.

(2) "PROPERTY MANAGEMENT SERVICES" DOES NOT INCLUDE:

(I) PARTICIPATING IN A HOMEOWNERS ASSOCIATION;

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

(III) LEASING, MANAGING, ADVERTISING, RENTING, OR HANDLING OF TRUST MONEY OF AN APARTMENT COMPLEX WITH 50 OR MORE UNITS;

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

(V) SERVICES PROVIDED ON AN INCIDENTAL BASIS AND WITHOUT ADDITIONAL COMPENSATION BY EMPLOYEES OF AN OWNER OF A PROPERTY.

(C) (1) "PROPERTY MANAGER" MEANS A PERSON WHO IS REGISTERED BY THE COMMISSION TO PROVIDE PROPERTY MANAGEMENT SERVICES.

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

17-3B-02.

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

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

1 17-3B-03.

2 THE COMMISSION SHALL DETERMINE THE QUALIFICATIONS FOR
3 REGISTRATION AS A PROPERTY MANAGER.

4 17-3B-04.

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

8 (B) THE FEES CHARGED SHALL BE SET SO AS TO PRODUCE FUNDS TO
9 APPROXIMATE THE COST OF REGISTERING PROPERTY MANAGERS UNDER THIS
10 SUBTITLE.

11 17-3B-05.

12 TO APPLY FOR A REGISTRATION, AN APPLICANT SHALL:

13 (1) SUBMIT AN APPLICATION TO THE COMMISSION ON THE FORM
14 THAT THE COMMISSION REQUIRES; AND

15 (2) PAY TO THE COMMISSION THE APPLICATION FEE SET BY THE
16 COMMISSION.

17 17-3B-06.

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

20 17-3B-07.

21 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, A PERSON MAY
22 NOT PROVIDE, ATTEMPT TO PROVIDE, OR OFFER TO PROVIDE PROPERTY
23 MANAGEMENT SERVICES IN THE STATE UNLESS REGISTERED WITH THE
24 COMMISSION AS A PROPERTY MANAGER.

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

27 17-3B-08.

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

4 **(1) \$100,000 IF THE PROPERTY MANAGER RENTS FEWER THAN 20**
5 **PROPERTIES; OR**

6 **(2) \$200,000 IF THE PROPERTY MANAGER RENTS 20 PROPERTIES OR**
7 **MORE.**

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

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

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

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