

SENATE BILL 794

C2, N1

3lr0564
CF HB 576

By: **Senators Kelley and Forehand**

Introduced and read first time: February 1, 2013

Assigned to: Judicial Proceedings

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
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 powers, duties, and functions of the Board;
7 requiring an individual to be licensed by the Board before providing
8 management services for a common ownership community under certain
9 circumstances; specifying the qualifications for a license; providing for the
10 issuance, fees, renewal, and reinstatement of a license; authorizing the Board to
11 deny an applicant or reprimand a licensee under certain circumstances;
12 requiring an individual to be issued a certificate by the Board before providing
13 management services for a common ownership community under certain
14 circumstances; specifying the qualifications for a certificate; providing for the
15 issuance, fees, renewal, and reinstatement of a certificate; requiring a common
16 ownership community to register with and pay a certain registration fee to the
17 Board under certain circumstances; imposing certain duties on a licensee;
18 requiring a contract to provide management services to include certain
19 provisions under certain circumstances; prohibiting certain acts and imposing
20 certain penalties for a violation of this Act; making certain provisions of this Act
21 subject to the Maryland Program Evaluation Act; establishing the State Board
22 of Common Ownership Community Managers Fund; providing for the purpose,
23 administration, composition, use, and audit of the Fund; requiring the
24 Secretary, in consultation with the Board, to calculate certain costs annually;
25 authorizing the Board to set certain fees, based on certain calculations;
26 prohibiting a fee established by the Board from being increased by more than a
27 certain percentage annually; specifying the terms of the initial members of the
28 Board; providing that a certain examination shall satisfy certain examination
29 requirements for a license under certain circumstances; requiring the Board to
30 grant a waiver of certain training and examination requirements for licensing
31 under certain circumstances; authorizing the Department of Budget and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Management to advance certain funds to the Board and requiring the Board to
2 reimburse certain funds under certain circumstances; defining certain terms;
3 and generally relating to the regulation of common ownership community
4 managers.

5 BY renumbering

6 Article – Business Regulation

7 Section 2–108(a)(10) through (33), respectively

8 to be Section 2–108(a)(11) through (34), respectively

9 Annotated Code of Maryland

10 (2010 Replacement Volume and 2012 Supplement)

11 BY renumbering

12 Article – State Government

13 Section 8–403(b)(13) through (69), respectively

14 to be Section 8–403(b)(14) through (70), respectively

15 Annotated Code of Maryland

16 (2009 Replacement Volume and 2012 Supplement)

17 BY adding to

18 Article – Business Occupations and Professions

19 Section 22–101 through 22–802 to be under the new title “Title 22. Common
20 Ownership Community Managers”

21 Annotated Code of Maryland

22 (2010 Replacement Volume and 2012 Supplement)

23 BY adding to

24 Article – Business Regulation

25 Section 2–106.9, 2–106.10, and 2–108(a)(10)

26 Annotated Code of Maryland

27 (2010 Replacement Volume and 2012 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 2012 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 2012 Supplement)

38 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
39 MARYLAND, That Section(s) 2–108(a)(10) through (33), respectively, of Article –

1 Business Regulation of the Annotated Code of Maryland be renumbered to be
2 Section(s) 2–108(a)(11) through (34), respectively.

3 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8–403(b)(13)
4 through (69), respectively, of Article – State Government of the Annotated Code of
5 Maryland be renumbered to be Section(s) 8–403(b)(14) through (70), respectively.

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

8 **Article – Business Occupations and Professions**

9 **TITLE 22. COMMON OWNERSHIP COMMUNITY MANAGERS.**

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

11 **22–101.**

12 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
13 INDICATED.

14 (B) “BOARD” MEANS THE STATE BOARD OF COMMON OWNERSHIP
15 COMMUNITY MANAGERS.

16 (C) “CERTIFICATE” MEANS, UNLESS THE CONTEXT REQUIRES
17 OTHERWISE, A CERTIFICATE ISSUED BY THE BOARD THAT ALLOWS AN
18 INDIVIDUAL TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP
19 COMMUNITY.

20 (D) “CERTIFIED COMMON OWNERSHIP COMMUNITY MANAGER” MEANS,
21 UNLESS THE CONTEXT REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS
22 CERTIFIED BY THE BOARD TO PROVIDE MANAGEMENT SERVICES FOR A
23 COMMON OWNERSHIP COMMUNITY.

24 (E) (1) “COMMON OWNERSHIP COMMUNITY” MEANS:

25 (I) A CONDOMINIUM AS DEFINED IN § 11–101 OF THE REAL
26 PROPERTY ARTICLE;

27 (II) A COOPERATIVE HOUSING CORPORATION AS DEFINED
28 IN § 5–6B–01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; AND

29 (III) A HOMEOWNERS ASSOCIATION AS DEFINED IN §
30 11B–101 OF THE REAL PROPERTY ARTICLE.

1 **(2) “COMMON OWNERSHIP COMMUNITY” INCLUDES A**
2 **RESIDENTIAL AND COMMERCIAL MIXED DEVELOPMENT.**

3 **(3) “COMMON OWNERSHIP COMMUNITY” DOES NOT INCLUDE A**
4 **TIME-SHARE PROJECT AS DEFINED IN § 11A-101 OF THE REAL PROPERTY**
5 **ARTICLE.**

6 **(F) “LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A**
7 **LICENSE ISSUED BY THE BOARD THAT ALLOWS AN INDIVIDUAL TO PROVIDE**
8 **MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY.**

9 **(G) “LICENSED COMMON OWNERSHIP COMMUNITY MANAGER” MEANS,**
10 **UNLESS THE CONTEXT REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS**
11 **LICENSED BY THE BOARD TO PROVIDE MANAGEMENT SERVICES FOR A COMMON**
12 **OWNERSHIP COMMUNITY.**

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

14 **(1) TO ACT WITH THE AUTHORITY OF THE COMMON OWNERSHIP**
15 **COMMUNITY IN ITS BUSINESS, LEGAL, FINANCIAL, OR OTHER TRANSACTIONS**
16 **WITH MEMBERS AND NONMEMBERS OF THE COMMON OWNERSHIP COMMUNITY;**

17 **(2) TO EXECUTE THE RESOLUTIONS AND DECISIONS OF A**
18 **COMMON OWNERSHIP COMMUNITY OR, WITH THE AUTHORITY OF THE COMMON**
19 **OWNERSHIP COMMUNITY, TO ENFORCE THE RIGHTS OF THE COMMON**
20 **OWNERSHIP COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE,**
21 **OR BYLAW;**

22 **(3) TO NEGOTIATE CONTRACTS OR OTHERWISE COORDINATE OR**
23 **ARRANGE FOR SERVICES OR THE PURCHASE OF PROPERTY AND GOODS FOR OR**
24 **ON BEHALF OF A COMMON OWNERSHIP COMMUNITY;**

25 **(4) TO COLLECT, DISBURSE, OR OTHERWISE EXERCISE DOMINION**
26 **OR CONTROL OVER MONEY OR OTHER PROPERTY BELONGING TO A COMMON**
27 **OWNERSHIP COMMUNITY;**

28 **(5) TO PREPARE BUDGETS, FINANCIAL STATEMENTS, OR OTHER**
29 **FINANCIAL REPORTS FOR A COMMON OWNERSHIP COMMUNITY;**

30 **(6) TO ARRANGE, CONDUCT, OR COORDINATE MEETINGS OF A**
31 **COMMON OWNERSHIP COMMUNITY OR THE GOVERNING BODY OF A COMMON**
32 **OWNERSHIP COMMUNITY; OR**

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

4 **(I) “RESPONSIBLE MANAGER” MEANS A LICENSED COMMON**
5 **OWNERSHIP COMMUNITY MANAGER WHO HAS PRIMARY RESPONSIBILITY FOR**
6 **PROVIDING MANAGEMENT SERVICES TO A COMMON OWNERSHIP COMMUNITY**
7 **UNDER THE TERMS OF A CONTRACT ENTERED INTO BETWEEN THE LICENSED**
8 **COMMON OWNERSHIP COMMUNITY MANAGER AND THE COMMON OWNERSHIP**
9 **COMMUNITY.**

10 **22-102.**

11 **THIS TITLE DOES NOT PROHIBIT:**

12 **(1) AN INDIVIDUAL WHO IS A REGULAR, SALARIED EMPLOYEE OF**
13 **A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER FROM PERFORMING**
14 **ADMINISTRATIVE, INTERNAL, BOOKKEEPING, OR MINISTERIAL FUNCTIONS IN**
15 **SUPPORT OF THE LICENSED COMMON OWNERSHIP COMMUNITY MANAGER;**

16 **(2) AN INDIVIDUAL WHO IS ADMINISTRATIVE SUPPORT STAFF OR**
17 **AN ASSISTANT OF A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER**
18 **FROM INCIDENTALLY PROVIDING MANAGEMENT SERVICES IF THE INDIVIDUAL**
19 **IS DIRECTLY SUPERVISED BY A LICENSED COMMON OWNERSHIP COMMUNITY**
20 **MANAGER;**

21 **(3) A RESIDENT OF A COMMON OWNERSHIP COMMUNITY WHO**
22 **ACTS WITHOUT COMPENSATION FROM PROVIDING MANAGEMENT SERVICES FOR**
23 **THAT COMMON OWNERSHIP COMMUNITY;**

24 **(4) A MEMBER OF THE GOVERNING BODY OF A COMMON**
25 **OWNERSHIP COMMUNITY WHO ACTS WITHOUT COMPENSATION FROM**
26 **PROVIDING MANAGEMENT SERVICES FOR THAT COMMON OWNERSHIP**
27 **COMMUNITY;**

28 **(5) AN ATTORNEY AT LAW FROM REPRESENTING A COMMON**
29 **OWNERSHIP COMMUNITY, A LICENSED COMMON OWNERSHIP COMMUNITY**
30 **MANAGER, OR A CERTIFIED COMMON OWNERSHIP COMMUNITY MANAGER IN**
31 **ANY BUSINESS THAT CONSTITUTES THE PRACTICE OF LAW;**

32 **(6) AN INDIVIDUAL LICENSED UNDER THE BUSINESS**
33 **OCCUPATIONS AND PROFESSIONS ARTICLE FROM PROVIDING TO A COMMON**

1 OWNERSHIP COMMUNITY THE SERVICES FOR WHICH THE INDIVIDUAL IS
2 LICENSED TO PROVIDE;

3 (7) A PERSON WHO ACTS AS A RECEIVER OR TRUSTEE IN
4 BANKRUPTCY IN THE PERFORMANCE OF DUTIES OR A PERSON WHO ACTS
5 UNDER A COURT ORDER FROM PROVIDING MANAGEMENT SERVICES FOR A
6 COMMON OWNERSHIP COMMUNITY; OR

7 (8) THE COLUMBIA ASSOCIATION, THE VILLAGE OF
8 ASSOCIATIONS IN HOWARD COUNTY, OR ANY EMPLOYEE OF THE COLUMBIA
9 ASSOCIATION OR THE VILLAGE ASSOCIATIONS IN HOWARD COUNTY TO
10 PROVIDE SERVICES OTHER THAN MANAGEMENT SERVICES.

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

12 **22-201.**

13 **THERE IS A STATE BOARD OF COMMON OWNERSHIP COMMUNITY**
14 **MANAGERS IN THE DEPARTMENT.**

15 **22-202.**

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

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

18 (I) **SIX SHALL BE LICENSED COMMON OWNERSHIP**
19 **COMMUNITY MANAGERS;**

20 (II) **ONE SHALL BE A LAWYER, AS DEFINED IN § 10-101 OF**
21 **THIS ARTICLE, WHOSE PRIMARY PRACTICE INCLUDES THE REPRESENTATION OF**
22 **ASSOCIATIONS; AND**

23 (III) **TWO SHALL BE RESIDENT OWNERS IN A COMMON**
24 **OWNERSHIP COMMUNITY.**

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

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

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

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

5 (2) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED
6 BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2013.

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

9 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN
10 SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS
11 APPOINTED AND QUALIFIES.

12 (5) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE
13 TERMS.

14 **22-203.**

15 FROM AMONG ITS MEMBERS, THE GOVERNOR SHALL APPOINT A CHAIR
16 AND VICE CHAIR.

17 **22-204.**

18 (A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A
19 QUORUM.

20 (B) THE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS
21 MEETINGS.

22 (C) A MEMBER OF THE BOARD:

23 (1) MAY NOT RECEIVE COMPENSATION; BUT

24 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
25 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE
26 BUDGET.

27 (D) THE BOARD MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE
28 BUDGET.

29 **22-205.**

1 **(A) IN ADDITION TO ANY POWERS SET FORTH ELSEWHERE, THE BOARD**
2 **MAY:**

3 **(1) ADOPT BYLAWS AS NECESSARY TO DO THE BUSINESS OF THE**
4 **BOARD; AND**

5 **(2) ADOPT ANY REGULATIONS TO CARRY OUT THIS TITLE.**

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

8 **(1) ADOPT RULES OF PROFESSIONAL CONDUCT AS APPROPRIATE**
9 **FOR LICENSED COMMON OWNERSHIP COMMUNITY MANAGERS AND CERTIFIED**
10 **COMMON OWNERSHIP COMMUNITY MANAGERS;**

11 **(2) ESTABLISH CRITERIA AND A PROCESS FOR CERTIFICATION OF**
12 **A VARIETY OF EDUCATIONAL OFFERINGS AND TRAINING PROGRAMS FOR**
13 **LICENSING AND CERTIFICATION UNDER THIS TITLE; AND**

14 **(3) KEEP A RECORD OF ITS PROCEEDINGS.**

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

16 **(1) THE PROCESS OF RESOLVING DISCIPLINARY MATTERS**
17 **PENDING BEFORE THE BOARD THROUGH NONJUDICIAL DISPUTE RESOLUTION**
18 **PROCESSES;**

19 **(2) CONTINUING EDUCATION REQUIREMENTS FOR LICENSEES**
20 **AND CERTIFICATE HOLDERS;**

21 **(3) EDUCATION AND TRAINING OPPORTUNITIES FOR GOVERNING**
22 **BODIES OF ASSOCIATIONS; AND**

23 **(4) ANY OTHER PROCEDURES OR STANDARDS CONSISTENT WITH**
24 **THE MISSION OF THE BOARD.**

25 **22-206.**

26 **(A) THE BOARD SHALL MAINTAIN A PUBLIC LIST OF THE NAMES AND**
27 **MAILING ADDRESSES OF ALL LICENSEES AND CERTIFICATE HOLDERS.**

1 **(B) EACH LICENSEE AND CERTIFICATE HOLDER SHALL DESIGNATE A**
2 **MAILING ADDRESS AT THE TIME OF ISSUANCE OF THE ORIGINAL LICENSE OR**
3 **CERTIFICATE AND ON THE RENEWAL OF THE LICENSE OR CERTIFICATE.**

4 **(C) EACH LICENSEE AND CERTIFICATE HOLDER SHALL NOTIFY THE**
5 **BOARD OF A CHANGE OF ADDRESS WITHIN 30 DAYS AFTER THE CHANGE.**

6 **22-207.**

7 **(A) (1) THE BOARD MAY SET BY REGULATION REASONABLE FEES FOR**
8 **ITS SERVICES.**

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

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

12 **(II) BASED ON THE CALCULATIONS PERFORMED BY THE**
13 **SECRETARY UNDER § 2-106.10 OF THE BUSINESS REGULATION ARTICLE.**

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

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

18 **(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**
19 **STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS FUND**
20 **ESTABLISHED UNDER § 2-106.9 OF THE BUSINESS REGULATION ARTICLE.**

21 **22-208.**

22 **THE BOARD EXERCISES ITS POWERS, DUTIES, AND FUNCTIONS SUBJECT**
23 **TO THE AUTHORITY OF THE SECRETARY.**

24 **22-209.**

25 **IN ADDITION TO ANY OTHER REMEDY AUTHORIZED UNDER THIS TITLE,**
26 **THE BOARD, WITH THE APPROVAL OF THE ATTORNEY GENERAL, MAY SUE IN**
27 **THE NAME OF THE STATE:**

28 **(1) TO ENJOIN ANY ACT THAT IS PROHIBITED UNDER SUBTITLE 7**
29 **OF THIS TITLE;**

1 **(2) ON BEHALF OF A COMMON OWNERSHIP COMMUNITY FOR**
2 **DAMAGES RESULTING FROM A VIOLATION OF THIS TITLE; OR**

3 **(3) TO ASSIST A COMMON OWNERSHIP COMMUNITY IN**
4 **EXERCISING ANY RIGHTS OF THE COMMON OWNERSHIP COMMUNITY UNDER**
5 **THIS TITLE.**

6 **SUBTITLE 3. LICENSING OF COMMON OWNERSHIP COMMUNITY MANAGERS.**

7 **22-301.**

8 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN INDIVIDUAL**
9 **SHALL BE LICENSED BY THE BOARD BEFORE THE INDIVIDUAL MAY PROVIDE**
10 **MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY IN THE**
11 **STATE.**

12 **(B) A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER MAY**
13 **PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY**
14 **ONLY UNDER A CONTRACT ENTERED INTO BETWEEN THE LICENSED COMMON**
15 **OWNERSHIP COMMUNITY MANAGER AND THE COMMON OWNERSHIP**
16 **COMMUNITY.**

17 **22-302.**

18 **(A) TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL BE AN**
19 **INDIVIDUAL WHO MEETS:**

20 **(1) THE REQUIREMENTS OF THIS SECTION; AND**

21 **(2) ANY OTHER QUALIFICATION AS REQUIRED BY REGULATION OF**
22 **THE BOARD.**

23 **(B) AN APPLICANT SHALL BE A CERTIFIED COMMON OWNERSHIP**
24 **COMMUNITY MANAGER.**

25 **(C) AN APPLICANT SHALL:**

26 **(1) COMPLETE A TRAINING PROGRAM APPROVED BY THE BOARD;**
27 **AND**

28 **(2) PASS AN EXAMINATION APPROVED BY THE BOARD THAT**
29 **INCLUDES TESTING OF KNOWLEDGE OF STATE LAWS AND REGULATIONS**
30 **CONCERNING COMMON OWNERSHIP COMMUNITIES.**

1 **(D) AN APPLICANT SHALL:**

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

4 **(2) HOLD AN ACTIVE PROFESSIONAL DESIGNATION AS APPROVED**
5 **BY THE BOARD.**

6 **22-303.**

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

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

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

11 **22-304.**

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

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

15 **(2) ON RECEIPT OF A LICENSE FEE, THE BOARD WILL ISSUE A**
16 **LICENSE TO THE APPLICANT.**

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

20 **(C) THE FEE FOR A LICENSE ISSUED UNDER THIS SUBTITLE IS \$200**
21 **EVERY 2 YEARS.**

22 **22-305.**

23 **WHILE IN EFFECT, A LICENSE AUTHORIZES THE LICENSEE TO PROVIDE**
24 **MANAGEMENT SERVICES TO A COMMON OWNERSHIP COMMUNITY.**

25 **22-306.**

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

1 **(B) AT LEAST 2 MONTHS BEFORE A LICENSE EXPIRES, THE BOARD**
2 **SHALL SEND TO THE LICENSEE, AT THE LAST KNOWN ADDRESS OF THE**
3 **LICENSEE:**

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

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

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

7 **(II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE**
8 **RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE**
9 **THE LICENSE EXPIRES; AND**

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

11 **(C) (1) THE BOARD SHALL RENEW THE LICENSE OF AND ISSUE A**
12 **RENEWAL CERTIFICATE TO EACH LICENSEE WHO MEETS THE REQUIREMENTS**
13 **OF THIS SECTION.**

14 **(2) THE BOARD SHALL INCLUDE ON EACH RENEWAL**
15 **CERTIFICATE THE DATE ON WHICH THE CURRENT LICENSE EXPIRES.**

16 **22-307.**

17 **(A) THE BOARD SHALL REINSTATE THE LICENSE OF AN INDIVIDUAL**
18 **WHO HAS FAILED TO RENEW THE LICENSE IF THE INDIVIDUAL:**

19 **(1) APPLIES TO THE BOARD FOR REINSTATEMENT WITHIN 2**
20 **YEARS AFTER THE LICENSE EXPIRES;**

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

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

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

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

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

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

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

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

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

14 **22-308.**

15 **(A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE BOARD MAY**
16 **ISSUE BY RECIPROCITY A LICENSE TO PROVIDE MANAGEMENT SERVICES FOR A**
17 **COMMON OWNERSHIP COMMUNITY IN THIS STATE TO AN INDIVIDUAL WHO IS**
18 **CURRENTLY A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER IN**
19 **ANOTHER STATE OR TERRITORY OF THE UNITED STATES.**

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

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

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

27 **22-309.**

28 **(A) SUBJECT TO THE HEARING PROVISIONS OF § 22-311 OF THIS**
29 **SUBTITLE, THE BOARD MAY DENY A LICENSE TO ANY APPLICANT, REPRIMAND**
30 **ANY LICENSEE, OR SUSPEND OR REVOKE A LICENSE IF THE APPLICANT OR**
31 **LICENSEE:**

1 **(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO**
2 **OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR ANOTHER;**

3 **(2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;**

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

6 **(I) A FELONY; OR**

7 **(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE**
8 **FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSEE TO PROVIDE**
9 **MANAGEMENT SERVICES;**

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

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

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

17 **(7) FAILS TO DISCLOSE TO A COMMON OWNERSHIP COMMUNITY**
18 **MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE COMMON**
19 **OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF WHICH THE**
20 **LICENSEE HAS ACTUAL KNOWLEDGE;**

21 **(8) SUBJECT TO THE PROVISIONS OF SUBTITLE 5 OF THIS TITLE,**
22 **FAILS TO REGISTER ONE OR MORE COMMON OWNERSHIP COMMUNITIES FOR**
23 **WHICH A LICENSEE PROVIDES MANAGEMENT SERVICES AND TO PAY**
24 **APPROPRIATE FEES ON BEHALF OF THOSE COMMON OWNERSHIP COMMUNITIES;**

25 **(9) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE, OR**
26 **MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;**

27 **(10) HAS BEEN SANCTIONED IN ANOTHER STATE IN A MATTER**
28 **RELATING TO PROVIDING MANAGEMENT SERVICES;**

29 **(11) VIOLATES ANY OTHER PROVISION OF THIS TITLE; OR**

1 **(12) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER**
2 **THIS TITLE.**

3 **(B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE**
4 **LICENSEE OR SUSPENDING OR REVOKING A LICENSE UNDER THIS SUBSECTION,**
5 **THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 FOR EACH**
6 **VIOLATION.**

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

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

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

11 **(III) THE GOOD FAITH OF THE LICENSEE; AND**

12 **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE**
13 **LICENSEE.**

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

16 **(C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE**
17 **GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LICENSE OR**
18 **THE REPRIMAND OF A LICENSEE WHEN AN APPLICANT OR LICENSEE IS**
19 **CONVICTED OF A FELONY OR MISDEMEANOR DESCRIBED IN SUBSECTION (A)(3)**
20 **OF THIS SECTION:**

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

22 **(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES**
23 **AUTHORIZED BY THE LICENSE;**

24 **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**
25 **CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR**
26 **LICENSEE TO PROVIDE MANAGEMENT SERVICES;**

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

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

1 **22-310.**

2 **ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE**
3 **BOARD BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER §**
4 **22-311 OF THIS SUBTITLE.**

5 **22-311.**

6 **(A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE**
7 **GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER**
8 **§ 22-309 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST**
9 **WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING**
10 **BEFORE THE BOARD.**

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

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

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

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

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

25 **22-312.**

26 **ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A**
27 **CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT**
28 **ARTICLE, IS ENTITLED TO JUDICIAL REVIEW AS PROVIDED IN §§ 10-222 AND**
29 **10-223 OF THE STATE GOVERNMENT ARTICLE.**

30 **22-313.**

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

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

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

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

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

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

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

12 **(4) THE INDIVIDUAL PAYS TO THE BOARD A REINSTATEMENT FEE**
13 **SET BY THE BOARD.**

14 **SUBTITLE 4. CERTIFICATION OF COMMON OWNERSHIP COMMUNITY**
15 **MANAGERS.**

16 **22-401.**

17 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN INDIVIDUAL**
18 **SHALL BE ISSUED A CERTIFICATE BY THE BOARD BEFORE THE INDIVIDUAL MAY**
19 **PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY IN**
20 **THE STATE.**

21 **(B) THE HOLDER OF A CERTIFICATE ISSUED UNDER THIS SUBTITLE MAY**
22 **PROVIDE MANAGEMENT SERVICES ONLY WHILE UNDER THE GENERAL**
23 **SUPERVISION OF A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER.**

24 **22-402.**

25 **(A) TO QUALIFY FOR A CERTIFICATE, AN APPLICANT SHALL BE AN**
26 **INDIVIDUAL WHO MEETS:**

27 **(1) THE REQUIREMENTS OF THIS SECTION; AND**

1 **(2) ANY OTHER QUALIFICATION AS REQUIRED BY REGULATION OF**
2 **THE BOARD.**

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

4 **(C) AN APPLICANT SHALL:**

5 **(1) COMPLETE A TRAINING PROGRAM APPROVED BY THE BOARD;**
6 **AND**

7 **(2) PASS AN EXAMINATION APPROVED BY THE BOARD.**

8 **22-403.**

9 **AN APPLICANT FOR A CERTIFICATE SHALL:**

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

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

13 **22-404.**

14 **(A) IF AN APPLICANT QUALIFIES FOR A CERTIFICATE UNDER THIS**
15 **SUBTITLE, THE BOARD SHALL SEND THE APPLICANT A NOTICE THAT STATES:**

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

17 **(2) ON RECEIPT OF THE FEE SET BY THE BOARD, THE BOARD**
18 **SHALL ISSUE A CERTIFICATE TO THE APPLICANT.**

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

22 **(C) THE FEE FOR A CERTIFICATE ISSUED UNDER THIS SUBTITLE IS \$100**
23 **EVERY 2 YEARS.**

24 **22-405.**

25 **WHILE IN EFFECT, A CERTIFICATE AUTHORIZES THE CERTIFICATE**
26 **HOLDER TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP**
27 **COMMUNITY UNDER THE GENERAL SUPERVISION OF A LICENSED COMMON**
28 **OWNERSHIP COMMUNITY MANAGER.**

1 **22-406.**

2 (A) **THE TERM OF A CERTIFICATE IS 2 YEARS.**

3 (B) **AT LEAST 2 MONTHS BEFORE A CERTIFICATE EXPIRES, THE BOARD**
4 **SHALL SEND TO THE CERTIFICATE HOLDER, AT THE LAST KNOWN ADDRESS OF**
5 **THE CERTIFICATE HOLDER:**

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

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

8 (I) **THE DATE ON WHICH THE CURRENT CERTIFICATE**
9 **EXPIRES;**

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

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

14 (C) (1) **THE BOARD SHALL RENEW AND ISSUE A RENEWAL**
15 **CERTIFICATE TO EACH CERTIFICATE HOLDER WHO MEETS THE REQUIREMENTS**
16 **OF THIS SECTION.**

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

19 **22-407.**

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

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

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

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

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

4 **(I) MAY REQUIRE THE INDIVIDUAL TO REAPPLY FOR A**
5 **CERTIFICATE IN THE SAME MANNER AS AN APPLICANT APPLIES FOR AN**
6 **ORIGINAL CERTIFICATE UNDER THIS SUBTITLE; OR**

7 **(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, MAY**
8 **REINSTATE THE CERTIFICATE.**

9 **(2) THE BOARD MAY REINSTATE A CERTIFICATE UNDER**
10 **PARAGRAPH (1) OF THIS SUBSECTION ONLY IF THE INDIVIDUAL:**

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

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

15 **(III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY**
16 **THE BOARD.**

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

18 **22-501.**

19 **(A) ON OR BEFORE JANUARY 1 OF EACH YEAR, THE FOLLOWING**
20 **COMMON OWNERSHIP COMMUNITIES SHALL REGISTER WITH THE BOARD:**

21 **(1) A CONDOMINIUM WITH 11 OR MORE UNITS;**

22 **(2) A HOMEOWNERS ASSOCIATION WITH 31 OR MORE LOTS; AND**

23 **(3) A COOPERATIVE HOUSING CORPORATION WITH 11 OR MORE**
24 **UNITS.**

25 **(B) IF A COMMON OWNERSHIP COMMUNITY THAT IS REQUIRED TO**
26 **REGISTER UNDER THIS SECTION CONTRACTS FOR MANAGEMENT SERVICES**
27 **WITH A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER, THE**
28 **RESPONSIBLE MANAGER IDENTIFIED IN THE CONTRACT SHALL BE**
29 **RESPONSIBLE FOR THE REGISTRATION OF THE COMMON OWNERSHIP**
30 **COMMUNITY.**

1 **22-502.**

2 EACH COMMON OWNERSHIP COMMUNITY REQUIRED TO REGISTER WITH
3 THE BOARD UNDER THIS SUBTITLE SHALL PROVIDE THE BOARD THE
4 FOLLOWING INFORMATION:

5 (1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP
6 COMMUNITY;

7 (2) THE COUNTY IN WHICH THE COMMON OWNERSHIP
8 COMMUNITY IS LOCATED;

9 (3) THE NAME AND ADDRESS OF THE LICENSED COMMON
10 OWNERSHIP COMMUNITY MANAGER FOR THE COMMON OWNERSHIP
11 COMMUNITY; AND

12 (4) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

13 **22-503.**

14 (A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE BOARD SHALL
15 CHARGE EACH COMMON OWNERSHIP COMMUNITY REQUIRED TO REGISTER
16 UNDER § 22-501 OF THIS SUBTITLE AN ANNUAL REGISTRATION FEE OF \$1 PER
17 UNIT OR LOT.

18 (B) THE TOTAL ANNUAL FEE CHARGED TO A COMMON OWNERSHIP
19 COMMUNITY UNDER SUBSECTION (A) OF THIS SECTION MAY NOT BE LESS THAN
20 \$25 AND MAY NOT EXCEED \$250.

21 (C) IF A COMMON OWNERSHIP COMMUNITY IS SUBJECT TO MORE THAN
22 ONE DECLARATION OR ARTICLES OF INCORPORATION, THE COMMON
23 OWNERSHIP COMMUNITY SHALL PAY ONLY A SINGLE REGISTRATION FEE.

24 (D) BEFORE THE TIME THAT A DEVELOPER OR DECLARANT
25 RELINQUISHES CONTROL OF THE GOVERNING BODY OF A COMMON OWNERSHIP
26 COMMUNITY, THE DEVELOPER OR DECLARANT SHALL PAY A REGISTRATION FEE
27 ONLY FOR THE UNITS OR LOTS THAT HAVE BEEN CONVEYED TO MEMBERS OF
28 THE PUBLIC.

29 **SUBTITLE 6. MISCELLANEOUS PROVISIONS.**

30 **22-601.**

1 **(A) A LICENSEE SHALL FILE WITH THE SECRETARY PROOF AS**
2 **REQUIRED BY THE BOARD OF:**

3 **(1) A FIDELITY BOND OR THEFT INSURANCE THAT COVERS:**

4 **(I) THE LICENSEE;**

5 **(II) ANY RESPONSIBLE MANAGER; AND**

6 **(III) ANY EMPLOYEES OR CONTRACTORS OF THE LICENSEE;**
7 **OR**

8 **(2) OTHER COMPARABLE WRITTEN INSURANCE AS REQUIRED BY**
9 **THE BOARD.**

10 **(B) (1) A FIDELITY BOND OR INSURANCE FILED UNDER THIS SECTION**
11 **SHALL PROVIDE COVERAGE IN AN AMOUNT EQUAL TO THE LESSER OF:**

12 **(I) \$2,000,000; OR**

13 **(II) THE HIGHEST AGGREGATE AMOUNT OF THE OPERATING**
14 **AND RESERVE BALANCES OF ALL COMMON OWNERSHIP COMMUNITIES UNDER**
15 **CONTRACT WITH THE LICENSEE IN THE PRIOR FISCAL YEAR.**

16 **(2) THE TOTAL LIABILITY OF THE INSURANCE TO ALL INSURED**
17 **PERSONS UNDER A FIDELITY BOND OR INSURANCE MAY NOT EXCEED THE SUM**
18 **OF THE FIDELITY BOND OR INSURANCE.**

19 **(C) IF THE FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED,**
20 **OR TERMINATED BY THE SURETY, THE LICENSEE IMMEDIATELY SHALL NOTIFY**
21 **THE SECRETARY.**

22 **(D) IF A LICENSEE FAILS TO MAINTAIN THE FIDELITY BOND OR**
23 **INSURANCE AS REQUIRED UNDER THIS SECTION, ON NOTIFICATION THE**
24 **SECRETARY:**

25 **(1) SHALL SUSPEND THE LICENSE; AND**

26 **(2) MAY NOT REINSTATE THE LICENSE UNTIL THE LICENSEE**
27 **SUBMITS PROOF TO THE SECRETARY OF COMPLIANCE WITH THIS SECTION.**

28 **22-602.**

1 (A) A LICENSEE SHALL DEPOSIT ALL MONEY RECEIVED IN CONNECTION
2 WITH THE PROVISION OF MANAGEMENT SERVICES IN ONE OR MORE OF THE
3 FINANCIAL INSTITUTION ACCOUNTS OF A COMMON OWNERSHIP COMMUNITY.

4 (B) A LICENSEE WHO PROVIDES MANAGEMENT SERVICES FOR MORE
5 THAN ONE COMMON OWNERSHIP COMMUNITY SHALL MAINTAIN SEPARATE
6 FINANCIAL INSTITUTION ACCOUNTS FOR EACH COMMON OWNERSHIP
7 COMMUNITY.

8 (C) THE FUNDS IN EACH FINANCIAL INSTITUTION ACCOUNT OF A
9 COMMON OWNERSHIP COMMUNITY MAY NOT BE COMMINGLED WITH THE FUNDS
10 OF THE LICENSEE OR ANOTHER COMMON OWNERSHIP COMMUNITY.

11 (D) THE MAINTENANCE OF FINANCIAL INSTITUTION ACCOUNTS BY A
12 LICENSEE SHALL BE CUSTODIAL AND PROVIDED IN THE NAME OF THE COMMON
13 OWNERSHIP COMMUNITY.

14 (E) EACH FINANCIAL INSTITUTION ACCOUNT SHALL BE ACCESSIBLE
15 DIRECTLY FROM THE FINANCIAL INSTITUTION BY THE GOVERNING BODY OF
16 THE COMMON OWNERSHIP COMMUNITY TO REVIEW ON A REGULAR BASIS.

17 (F) A LICENSEE WHO WILLFULLY VIOLATES ANY PROVISION OF THIS
18 SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A
19 FINE NOT EXCEEDING \$25,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR
20 BOTH.

21 **22-603.**

22 IF A COMMON OWNERSHIP COMMUNITY CONTRACTS WITH A LICENSED
23 COMMON OWNERSHIP COMMUNITY MANAGER TO PROVIDE MANAGEMENT
24 SERVICES, THE CONTRACT SHALL IDENTIFY THE RESPONSIBLE MANAGER FOR
25 THE COMMON OWNERSHIP COMMUNITY.

26 **22-604.**

27 IF A COMMON OWNERSHIP COMMUNITY CONTRACTS WITH A PERSON
28 OTHER THAN A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER TO
29 PROVIDE MANAGEMENT SERVICES, THE CONTRACT SHALL REQUIRE THAT ONLY
30 A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER PROVIDE THE
31 MANAGEMENT SERVICES TO THE COMMON OWNERSHIP COMMUNITY.

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

1 **22-701.**

2 **EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MAY NOT**
3 **PROVIDE, ATTEMPT TO PROVIDE, OR OFFER TO PROVIDE MANAGEMENT**
4 **SERVICES TO A COMMON OWNERSHIP COMMUNITY IN THE STATE UNLESS**
5 **LICENSED OR CERTIFIED BY THE BOARD.**

6 **22-702.**

7 **UNLESS AUTHORIZED UNDER THIS TITLE TO PROVIDE MANAGEMENT**
8 **SERVICES TO A COMMON OWNERSHIP COMMUNITY, A PERSON MAY NOT**
9 **REPRESENT TO THE PUBLIC BY USE OF A TITLE, INCLUDING “LICENSED**
10 **COMMON OWNERSHIP COMMUNITY MANAGER”, “CERTIFIED COMMON**
11 **OWNERSHIP COMMUNITY MANAGER”, OR “COMMON OWNERSHIP COMMUNITY**
12 **MANAGEMENT”; BY USE OF AN ABBREVIATION; BY DESCRIPTION OF SERVICES,**
13 **METHODS, OR PROCEDURES; OR OTHERWISE THAT THE PERSON IS AUTHORIZED**
14 **TO PROVIDE MANAGEMENT SERVICES TO A COMMON OWNERSHIP COMMUNITY**
15 **IN THE STATE.**

16 **22-703.**

17 **AN INDIVIDUAL MAY NOT:**

18 **(1) USE OR ATTEMPT TO USE THE LICENSE OR CERTIFICATE OF**
19 **ANOTHER INDIVIDUAL; OR**

20 **(2) IMPERSONATE ANOTHER INDIVIDUAL WHO HOLDS A LICENSE**
21 **OR CERTIFICATE.**

22 **22-704.**

23 **AN INDIVIDUAL MAY NOT GIVE FALSE INFORMATION TO THE BOARD IN AN**
24 **ATTEMPT TO OBTAIN A LICENSE OR CERTIFICATE.**

25 **22-705.**

26 **AN INDIVIDUAL WHOSE LICENSE OR CERTIFICATE HAS BEEN SUSPENDED**
27 **OR REVOKED UNDER THIS TITLE MAY NOT PROVIDE MANAGEMENT SERVICES TO**
28 **A COMMON OWNERSHIP COMMUNITY IN ANY MANNER AS:**

29 **(1) AN ASSOCIATE, AGENT, EMPLOYEE, OR OTHER SUBORDINATE**
30 **OF A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER; OR**

1 **(2) A PRINCIPAL, ASSOCIATE, AGENT, EMPLOYEE, OR OTHER**
2 **SUBORDINATE OF A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY**
3 **COMPANY THAT PROVIDES MANAGEMENT SERVICES.**

4 **22-706.**

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

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

11 **(2) IN SETTING THE AMOUNT OF THE PENALTY, THE BOARD**
12 **SHALL CONSIDER:**

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

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

15 **(III) THE GOOD FAITH OF THE VIOLATOR;**

16 **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE**
17 **VIOLATOR; AND**

18 **(V) ANY OTHER RELEVANT FACTORS.**

19 **(C) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS**
20 **SUBSECTION INTO THE GENERAL FUND OF THE STATE.**

21 **SUBTITLE 8. SHORT TITLE; TERMINATION OF TITLE.**

22 **22-801.**

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

25 **22-802.**

26 **SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF**
27 **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, 2018.

3 **Article – Business Regulation**

4 **2–106.9.**

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

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

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

11 (B) THERE IS A STATE BOARD OF COMMON OWNERSHIP COMMUNITY
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 THE SECRETARY’S DESIGNEE 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) FEES COLLECTED BY THE BOARD AND DISTRIBUTED TO THE
24 FUND UNDER § 22–207 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS
25 ARTICLE;

26 (2) INVESTMENT EARNINGS OF THE FUND;

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

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) COMMON OWNERSHIP COMMUNITY MANAGERS, STATE**
11 **BOARD OF (§ 22-201 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS**
12 **ARTICLE, JULY 1, 2018);**

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

16 (a) three members in 2015;

17 (b) three members in 2016; and

18 (c) three members in 2017.

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

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

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

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

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

31 SECTION 6. AND BE IT FURTHER ENACTED, That the State Board of
32 Common Ownership Community Managers shall grant a waiver of the training and
33 examination requirements for licensing under this Act to any applicant who presents

1 to the Board no later than October 1, 2014, satisfactory evidence that the applicant
2 provided management services in the State for the 5 years immediately before the date
3 of application.

4 SECTION 7. AND BE IT FURTHER ENACTED, That the Department of
5 Budget and Management, by budget amendment, may advance sufficient funds to the
6 State Board of Common Ownership Community Managers to allow the Board to
7 commence operations on October 1, 2013, so that the licensing, certificate issuing, and
8 registering functions can be in place prior to October 1, 2014. The Board shall
9 reimburse any funds that have been advanced after the license, certificate, and
10 registration fees have been received and deposited in the State Board of Common
11 Ownership Community Managers Fund.

12 SECTION 8. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2013.