

# HOUSE BILL 367

C2, N1  
HB 592/20 – ENT

(PRE-FILED)

11r0821

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By: **Delegate Holmes**

Requested: October 2, 2020

Introduced and read first time: January 13, 2021

Assigned to: Environment and Transportation

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## 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 Managers  
4 in the Maryland Department of Labor; providing for the composition of the Board  
5 and the appointment, terms, and expenses of the Board members; providing for the  
6 powers, duties, and functions of the Board; requiring the Maryland Department of  
7 Labor to allocate a certain amount of money for the establishment of the Board in a  
8 certain fiscal year; providing that certain provisions of this Act do not prohibit  
9 certain persons from providing certain services under certain circumstances;  
10 requiring an individual to be issued a license by the Board before providing  
11 management services for a common ownership community under certain  
12 circumstances; specifying the qualifications for a license; providing for the issuance,  
13 fees, renewal, and reinstatement of a license; authorizing the Board to deny a license  
14 to any applicant, reprimand a licensed community manager, or suspend or revoke a  
15 license under certain circumstances; requiring an individual to be issued a limited  
16 license by the Board before providing management services for a common ownership  
17 community under certain circumstances; specifying the qualifications for a limited  
18 license; providing for the issuance, fees, renewal, and reinstatement of a limited  
19 license; authorizing the Board to deny a limited license to any applicant, reprimand  
20 any licensed associate community manager, or suspend or revoke a limited license  
21 under certain circumstances; requiring a common ownership community to register  
22 with the Board under certain circumstances; imposing certain duties on a  
23 contracting party concerning a fidelity bond or theft insurance under certain  
24 circumstances; imposing certain duties concerning financial institution accounts on  
25 a licensed community manager; requiring a contract to provide management services  
26 to include certain provisions under certain circumstances; prohibiting certain acts  
27 and imposing certain penalties for a violation of this Act; making certain provisions  
28 of this Act subject to the Maryland Program Evaluation Act; establishing the State  
29 Board of Common Ownership Community Managers Fund; providing for the  
30 purpose, administration, composition, use, and audit of the Fund; requiring that

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain interest earnings be credited to the Fund; requiring the Secretary of Labor,  
2 in consultation with the Board, to calculate certain costs annually; authorizing the  
3 Board to set certain fees, based on certain calculations; prohibiting a fee established  
4 by the Board from being increased by more than a certain percentage annually;  
5 specifying the terms of the initial members of the Board; providing that the Board  
6 may take into consideration certain training and testing standards when adopting  
7 certain regulations; providing that a certain examination shall satisfy certain  
8 examination requirements for a license under certain circumstances; requiring the  
9 Board to grant a waiver of certain training and examination requirements for a  
10 license under certain circumstances; requiring the Maryland Department of Labor  
11 to report to the General Assembly on or before a certain date; authorizing the  
12 Department of Budget and Management to advance certain funds to the Board and  
13 requiring the Board to reimburse certain funds under certain circumstances;  
14 defining certain terms; and generally relating to the regulation of common ownership  
15 community managers.

16 BY renumbering

17 Article – State Government  
18 Section 8–403(13) through (62), respectively  
19 to be Section 8–403(14) through (63), respectively  
20 Annotated Code of Maryland  
21 (2014 Replacement Volume and 2020 Supplement)

22 BY adding to

23 Article – Business Occupations and Professions  
24 Section 22–101 through 22–802 to be under the new title “Title 22. Common  
25 Ownership Community Managers”  
26 Annotated Code of Maryland  
27 (2018 Replacement Volume and 2020 Supplement)

28 BY adding to

29 Article – Business Regulation  
30 Section 2–106.15, 2–106.16, and 2–108(a)(34)  
31 Annotated Code of Maryland  
32 (2015 Replacement Volume and 2020 Supplement)

33 BY adding to

34 Article – Corporations and Associations  
35 Section 5–6B–12.1  
36 Annotated Code of Maryland  
37 (2014 Replacement Volume and 2020 Supplement)

38 BY adding to

39 Article – Real Property  
40 Section 11–130.1 and 11B–115.2  
41 Annotated Code of Maryland  
42 (2015 Replacement Volume and 2020 Supplement)

1 BY repealing and reenacting, without amendments,  
2 Article – State Finance and Procurement  
3 Section 6–226(a)(2)(i)  
4 Annotated Code of Maryland  
5 (2015 Replacement Volume and 2020 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article – State Finance and Procurement  
8 Section 6–226(a)(2)(ii)122. and 123.  
9 Annotated Code of Maryland  
10 (2015 Replacement Volume and 2020 Supplement)

11 BY adding to  
12 Article – State Finance and Procurement  
13 Section 6–226(a)(2)(ii)124.  
14 Annotated Code of Maryland  
15 (2015 Replacement Volume and 2020 Supplement)

16 BY adding to  
17 Article – State Government  
18 Section 8–403(13)  
19 Annotated Code of Maryland  
20 (2014 Replacement Volume and 2020 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
22 That Section(s) 8–403(13) through (62), respectively, of Article – State Government of the  
23 Annotated Code of Maryland be renumbered to be Section(s) 8–403(14) through (63),  
24 respectively.

25 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
26 as follows:

27 **Article – Business Occupations and Professions**

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

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

30 **22–101.**

31 **(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
32 **INDICATED.**

33 **(B) “BOARD” MEANS THE STATE BOARD OF COMMON OWNERSHIP**  
34 **COMMUNITY MANAGERS.**

1 (C) (1) "COMMON OWNERSHIP COMMUNITY" MEANS:

2 (I) A CONDOMINIUM AS DEFINED IN § 11-101 OF THE REAL  
3 PROPERTY ARTICLE THAT IS USED FOR RESIDENTIAL PURPOSES;

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

6 (III) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B-101 OF  
7 THE REAL PROPERTY ARTICLE.

8 (2) "COMMON OWNERSHIP COMMUNITY" DOES NOT INCLUDE A  
9 TIME-SHARE PROJECT AS DEFINED IN § 11A-101 OF THE REAL PROPERTY  
10 ARTICLE.

11 (D) "LICENSE" MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A  
12 LICENSE ISSUED BY THE BOARD UNDER SUBTITLE 3 OF THIS TITLE THAT ALLOWS  
13 AN INDIVIDUAL TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP  
14 COMMUNITY.

15 (E) "LICENSED ASSOCIATE COMMUNITY MANAGER" MEANS, UNLESS THE  
16 CONTEXT REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS ISSUED A LIMITED  
17 LICENSE BY THE BOARD UNDER SUBTITLE 4 OF THIS TITLE TO PROVIDE  
18 MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY UNDER THE  
19 SUPERVISION OF A LICENSED COMMUNITY MANAGER.

20 (F) "LICENSED COMMUNITY MANAGER" MEANS, UNLESS THE CONTEXT  
21 REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS ISSUED A LICENSE BY THE BOARD  
22 UNDER SUBTITLE 3 OF THIS TITLE TO PROVIDE MANAGEMENT SERVICES FOR A  
23 COMMON OWNERSHIP COMMUNITY.

24 (G) "LIMITED LICENSE" MEANS, UNLESS THE CONTEXT REQUIRES  
25 OTHERWISE, A LIMITED LICENSE ISSUED BY THE BOARD UNDER SUBTITLE 4 OF THIS  
26 TITLE THAT ALLOWS THE INDIVIDUAL TO PROVIDE MANAGEMENT SERVICES FOR A  
27 COMMON OWNERSHIP COMMUNITY UNDER THE SUPERVISION OF A LICENSED  
28 COMMUNITY MANAGER.

29 (H) "PROVIDE MANAGEMENT SERVICES" MEANS:

30 (1) TO ACT WITH THE AUTHORITY OF THE COMMON OWNERSHIP  
31 COMMUNITY IN ITS BUSINESS, LEGAL, FINANCIAL, OR OTHER TRANSACTIONS WITH  
32 MEMBERS AND NONMEMBERS OF THE COMMON OWNERSHIP COMMUNITY;

1           **(2) TO EXECUTE THE RESOLUTIONS AND DECISIONS OF A COMMON**  
2 **OWNERSHIP COMMUNITY;**

3           **(3) TO ENFORCE THE RIGHTS OF THE COMMON OWNERSHIP**  
4 **COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR BYLAW WITH**  
5 **THE AUTHORITY OF THE COMMON OWNERSHIP COMMUNITY;**

6           **(4) TO NEGOTIATE CONTRACTS OR OTHERWISE COORDINATE OR**  
7 **ARRANGE FOR SERVICES OR THE PURCHASE OF PROPERTY AND GOODS FOR OR ON**  
8 **BEHALF OF A COMMON OWNERSHIP COMMUNITY;**

9           **(5) TO COLLECT, DISBURSE, OR OTHERWISE EXERCISE DOMINION OR**  
10 **CONTROL OVER MONEY OR OTHER PROPERTY BELONGING TO A COMMON**  
11 **OWNERSHIP COMMUNITY;**

12           **(6) TO PREPARE BUDGETS, FINANCIAL STATEMENTS, OR OTHER**  
13 **FINANCIAL REPORTS FOR A COMMON OWNERSHIP COMMUNITY;**

14           **(7) TO ARRANGE, CONDUCT, OR COORDINATE MEETINGS OF A**  
15 **COMMON OWNERSHIP COMMUNITY OR THE GOVERNING BODY OF A COMMON**  
16 **OWNERSHIP COMMUNITY; OR**

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

20           **(I) “RESPONSIBLE MANAGER” MEANS A LICENSED COMMUNITY MANAGER**  
21 **WHO HAS PRIMARY RESPONSIBILITY FOR PROVIDING MANAGEMENT SERVICES TO A**  
22 **COMMON OWNERSHIP COMMUNITY UNDER THE TERMS OF A CONTRACT ENTERED**  
23 **INTO BY THE COMMON OWNERSHIP COMMUNITY.**

24 **22-102.**

25           **THE PROVISIONS OF THIS TITLE THAT REQUIRE AN INDIVIDUAL TO BE ISSUED**  
26 **A LICENSE OR A LIMITED LICENSE DO NOT PROHIBIT:**

27           **(1) AN INDIVIDUAL WHO IS A REGULAR, SALARIED EMPLOYEE OF A**  
28 **LICENSED COMMUNITY MANAGER OR A SINGLE COMMON OWNERSHIP COMMUNITY**  
29 **FROM PERFORMING ADMINISTRATIVE, INTERNAL, BOOKKEEPING, OR MINISTERIAL**  
30 **FUNCTIONS IN SUPPORT OF THE LICENSED COMMUNITY MANAGER OR THE SINGLE**  
31 **COMMON OWNERSHIP COMMUNITY;**

32           **(2) AN INDIVIDUAL WHO IS ADMINISTRATIVE SUPPORT STAFF OR AN**  
33 **ASSISTANT OF A LICENSED COMMUNITY MANAGER FROM INCIDENTALLY PROVIDING**

1 MANAGEMENT SERVICES IF THE INDIVIDUAL IS SUPERVISED BY A LICENSED  
2 COMMUNITY MANAGER;

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

6 (4) A MEMBER OF THE GOVERNING BODY OF A COMMON OWNERSHIP  
7 COMMUNITY WHO ACTS WITHOUT COMPENSATION FROM PROVIDING MANAGEMENT  
8 SERVICES FOR THAT COMMON OWNERSHIP COMMUNITY;

9 (5) AN ATTORNEY AT LAW FROM REPRESENTING A COMMON  
10 OWNERSHIP COMMUNITY, A LICENSED COMMUNITY MANAGER, OR A LICENSED  
11 ASSOCIATE COMMUNITY MANAGER IN ANY BUSINESS THAT CONSTITUTES THE  
12 PRACTICE OF LAW;

13 (6) AN INDIVIDUAL LICENSED UNDER THIS ARTICLE AS A LICENSED  
14 CERTIFIED PUBLIC ACCOUNTANT, A LICENSED REAL ESTATE BROKER, OR A  
15 LICENSED ASSOCIATE REAL ESTATE BROKER FROM PROVIDING TO A COMMON  
16 OWNERSHIP COMMUNITY THE SERVICES FOR WHICH THE INDIVIDUAL IS LICENSED;

17 (7) AN INDIVIDUAL WHO ACTS AS A RECEIVER OR TRUSTEE IN  
18 BANKRUPTCY IN THE PERFORMANCE OF DUTIES OR AN INDIVIDUAL WHO ACTS  
19 UNDER A COURT ORDER FROM PROVIDING MANAGEMENT SERVICES FOR A COMMON  
20 OWNERSHIP COMMUNITY; OR

21 (8) AN INDIVIDUAL WHO IS AN EMPLOYEE OF A COMMON OWNERSHIP  
22 COMMUNITY FROM PROVIDING MANAGEMENT SERVICES ONLY TO THAT COMMON  
23 OWNERSHIP COMMUNITY OR TO AN AFFILIATED COMMON OWNERSHIP COMMUNITY.

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

25 **22-201.**

26 **THERE IS A STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS**  
27 **IN THE DEPARTMENT.**

28 **22-202.**

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

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

1                   **(I) FIVE SHALL BE LICENSED COMMON OWNERSHIP**  
2 **COMMUNITY MANAGERS;**

3                   **(II) ONE SHALL BE A LAWYER, AS DEFINED IN § 10-101 OF THIS**  
4 **ARTICLE, WHOSE PRIMARY PRACTICE INCLUDES THE REPRESENTATION OF**  
5 **COMMON OWNERSHIP COMMUNITIES; AND**

6                   **(III) THREE SHALL BE RESIDENT OWNERS IN A COMMON**  
7 **OWNERSHIP COMMUNITY.**

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

10           **(B) EACH MEMBER OF THE BOARD MUST BE A RESIDENT OF THE STATE.**

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

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

14                   **(2) THE TERMS OF THE MEMBERS ARE STAGGERED AS REQUIRED BY**  
15 **THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON OCTOBER 1, 2021.**

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

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

21                   **(5) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE**  
22 **TERMS.**

23           **(E) FOR FISCAL YEAR 2022, THE DEPARTMENT SHALL ALLOCATE NOT**  
24 **MORE THAN \$100,000 FOR THE ESTABLISHMENT OF THE BOARD, INCLUDING**  
25 **PERSONNEL EXPENSES.**

26 **22-203.**

27           **FROM AMONG THE MEMBERS OF THE BOARD, THE GOVERNOR SHALL**  
28 **APPOINT A CHAIR AND A VICE CHAIR.**

29 **22-204.**

1           **(A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A**  
2 **QUORUM.**

3           **(B) THE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS**  
4 **MEETINGS.**

5           **(C) A MEMBER OF THE BOARD:**

6                   **(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE BOARD;**  
7 **BUT**

8                   **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**  
9 **STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

10           **(D) THE BOARD MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE**  
11 **BUDGET.**

12 **22-205.**

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

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

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

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

20                   **(1) ADOPT RULES OF PROFESSIONAL CONDUCT AS APPROPRIATE FOR**  
21 **INDIVIDUALS ISSUED A LICENSE OR A LIMITED LICENSE UNDER THIS TITLE;**

22                   **(2) ESTABLISH CRITERIA AND A PROCESS FOR CERTIFICATION OF A**  
23 **VARIETY OF EDUCATIONAL OFFERINGS AND TRAINING PROGRAMS FOR ISSUING**  
24 **LICENSES OR LIMITED LICENSES UNDER THIS TITLE;**

25                   **(3) ESTABLISH CONTINUING EDUCATION REQUIREMENTS FOR**  
26 **INDIVIDUALS WHO HAVE BEEN ISSUED A LICENSE OR A LIMITED LICENSE UNDER**  
27 **THIS TITLE; AND**

28                   **(4) KEEP A RECORD OF ITS PROCEEDINGS.**

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



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

3           **(2) EDUCATION AND TRAINING OPPORTUNITIES FOR GOVERNING**  
4 **BODIES OF COMMON OWNERSHIP COMMUNITIES; AND**

5           **(3) ANY OTHER PROCEDURES OR STANDARDS CONSISTENT WITH THE**  
6 **MISSION OF THE BOARD.**

7 **22-206.**

8           **(A) THE BOARD SHALL MAINTAIN A PUBLIC LIST OF THE NAMES AND**  
9 **MAILING ADDRESSES OF ALL INDIVIDUALS ISSUED A LICENSE OR A LIMITED**  
10 **LICENSE UNDER THIS TITLE.**

11           **(B) EACH INDIVIDUAL ISSUED A LICENSE OR A LIMITED LICENSE UNDER**  
12 **THIS TITLE SHALL:**

13                   **(1) DESIGNATE A MAILING ADDRESS AT THE TIME OF ISSUANCE OF**  
14 **THE ORIGINAL LICENSE OR LIMITED LICENSE AND ON RENEWAL OF THE LICENSE OR**  
15 **LIMITED LICENSE; AND**

16                   **(2) NOTIFY THE BOARD OF A CHANGE OF ADDRESS WITHIN 30 DAYS**  
17 **AFTER THE CHANGE.**

18 **22-207.**

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

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

22                           **(I) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST**  
23 **OF MAINTAINING THE BOARD;**

24                           **(II) BASED ON THE CALCULATIONS PERFORMED BY THE**  
25 **SECRETARY UNDER § 2-106.16 OF THE BUSINESS REGULATION ARTICLE; AND**

26                           **(III) CONSISTENT WITH OTHER FEES FOR COMPARABLE**  
27 **LICENSES ISSUED BY OTHER BOARDS AND COMMISSIONS IN THE STATE.**

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

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

3           **(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE STATE**  
4 **BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS FUND ESTABLISHED**  
5 **UNDER § 2-106.15 OF THE BUSINESS REGULATION ARTICLE.**

6 **22-208.**

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

9 **22-209.**

10           **(A) IN ADDITION TO ANY OTHER REMEDY AUTHORIZED UNDER THIS TITLE,**  
11 **THE BOARD, WITH THE APPROVAL OF THE ATTORNEY GENERAL, MAY SUE IN THE**  
12 **NAME OF THE STATE TO ENJOIN ANY ACT THAT IS PROHIBITED UNDER SUBTITLE 7**  
13 **OF THIS TITLE.**

14           **(B) THE BOARD MAY TAKE APPROPRIATE ACTIONS TO:**

15                   **(1) ASSIST A COMMON OWNERSHIP COMMUNITY IN EXERCISING ANY**  
16 **RIGHTS OF THE COMMON OWNERSHIP COMMUNITY UNDER THIS TITLE; OR**

17                   **(2) ENTER INTO COOPERATIVE AND INFORMATION-SHARING**  
18 **AGREEMENTS WITH ANY UNIT OF LAW ENFORCEMENT AS ALLOWED BY LAW.**

19                   **SUBTITLE 3. LICENSED COMMUNITY MANAGERS.**

20 **22-301.**

21           **(A) AN INDIVIDUAL MUST BE ISSUED A LICENSE BY THE BOARD BEFORE**  
22 **THE INDIVIDUAL MAY PROVIDE MANAGEMENT SERVICES AS A LICENSED**  
23 **COMMUNITY MANAGER FOR A COMMON OWNERSHIP COMMUNITY IN THE STATE.**

24           **(B) A LICENSED COMMUNITY MANAGER MAY PROVIDE MANAGEMENT**  
25 **SERVICES FOR A COMMON OWNERSHIP COMMUNITY ONLY UNDER THE TERMS OF A**  
26 **CONTRACT ENTERED INTO BY THE COMMON OWNERSHIP COMMUNITY.**

27 **22-302.**

28           **(A) TO QUALIFY FOR A LICENSE, AN APPLICANT MUST BE AN INDIVIDUAL**  
29 **WHO MEETS:**

1           (1)    THE REQUIREMENTS OF THIS SECTION; AND

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

4           (B)    AN APPLICANT MUST BE A LICENSED ASSOCIATE COMMUNITY  
5 MANAGER.

6           (C)    AN APPLICANT SHALL:

7           (1)    COMPLETE A TRAINING PROGRAM APPROVED BY THE BOARD; AND

8           (2)    PASS AN EXAMINATION APPROVED BY THE BOARD THAT  
9 INCLUDES TESTING OF KNOWLEDGE OF STATE LAWS AND REGULATIONS  
10 CONCERNING COMMON OWNERSHIP COMMUNITIES.

11          (D)    AN APPLICANT MUST:

12           (1)    BE ACTIVELY ENGAGED IN PROVIDING MANAGEMENT SERVICES  
13 FOR AT LEAST 5 YEARS AS A LICENSED ASSOCIATE COMMUNITY MANAGER BEFORE  
14 APPLYING FOR A LICENSE; OR

15           (2)    HOLD AN ACTIVE PROFESSIONAL DESIGNATION AS APPROVED BY  
16 THE BOARD.

17   **22-303.**

18          AN APPLICANT FOR A LICENSE SHALL:

19           (1)    SUBMIT TO THE BOARD AN APPLICATION ON THE FORM THAT THE  
20 BOARD PROVIDES; AND

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

22   **22-304.**

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

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

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

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

3 **22-305.**

4           **WHILE IN EFFECT, A LICENSE AUTHORIZES THE LICENSED COMMUNITY**  
5 **MANAGER TO PROVIDE MANAGEMENT SERVICES TO A COMMON OWNERSHIP**  
6 **COMMUNITY.**

7 **22-306.**

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

9           **(B) AT LEAST 2 MONTHS BEFORE A LICENSE EXPIRES, THE BOARD SHALL**  
10 **SEND TO THE LICENSED COMMUNITY MANAGER, AT THE LAST KNOWN ADDRESS OF**  
11 **THE LICENSED COMMUNITY MANAGER:**

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

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

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

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

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

19           **(C) (1) THE BOARD SHALL RENEW THE LICENSE OF AND ISSUE A**  
20 **RENEWAL CERTIFICATE TO EACH LICENSED COMMUNITY MANAGER WHO MEETS THE**  
21 **REQUIREMENTS OF THIS SECTION.**

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

24 **22-307.**

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

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

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

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

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

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

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

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

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

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

18                   **(III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE**  
19 **BOARD.**

20 **22-308.**

21           **(A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE BOARD MAY ISSUE**  
22 **BY RECIPROCITY A LICENSE TO AN INDIVIDUAL WHO HAS THE EQUIVALENT LICENSE**  
23 **IN ANOTHER STATE OR TERRITORY OF THE UNITED STATES.**

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

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

27                   **(2) PROVIDES ADEQUATE EVIDENCE THAT AT THE TIME OF**  
28 **APPLICATION FOR LICENSURE UNDER THIS SECTION THE APPLICANT HAS MET**  
29 **REQUIREMENTS THAT ARE SUBSTANTIALLY EQUIVALENT TO THE REQUIREMENTS**  
30 **OF THE STATE.**

1           **(C) THE BOARD SHALL ESTABLISH STANDARDS FOR THE ISSUANCE OF A**  
2 **LICENSE UNDER THIS SECTION.**

3 **22-309.**

4           **(A) SUBJECT TO THE HEARING PROVISIONS OF § 22-311 OF THIS SUBTITLE,**  
5 **THE BOARD MAY DENY A LICENSE TO ANY APPLICANT, REPRIMAND ANY LICENSED**  
6 **COMMUNITY MANAGER, OR SUSPEND OR REVOKE A LICENSE IF THE APPLICANT OR**  
7 **LICENSED COMMUNITY MANAGER:**

8                   **(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO**  
9 **OBTAIN A LICENSE FOR THE APPLICANT OR LICENSED COMMUNITY MANAGER OR**  
10 **FOR ANOTHER;**

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

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

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

15                           **(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE**  
16 **FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSED COMMUNITY**  
17 **MANAGER TO PROVIDE MANAGEMENT SERVICES;**

18                   **(4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,**  
19 **INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,**  
20 **FRAUDULENT, OR IMPROPER DEALINGS;**

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

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

25                   **(7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP**  
26 **COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE COMMON**  
27 **OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF WHICH THE**  
28 **LICENSED COMMUNITY MANAGER HAS ACTUAL KNOWLEDGE;**

29                   **(8) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE THAT IS**  
30 **PROVEN TO HAVE BEEN DETRIMENTAL TO A COMMON OWNERSHIP COMMUNITY, OR**  
31 **MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;**

1           **(9) HAS BEEN SANCTIONED IN ANOTHER STATE IN A MATTER**  
2 **RELATING TO PROVIDING MANAGEMENT SERVICES;**

3           **(10) VIOLATES ANY OTHER PROVISION OF THIS TITLE; OR**

4           **(11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER**  
5 **THIS TITLE.**

6           **(B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE LICENSED**  
7 **COMMUNITY MANAGER OR SUSPENDING OR REVOKING A LICENSE UNDER THIS**  
8 **SECTION, THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000 FOR EACH**  
9 **VIOLATION.**

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

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

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

14                   **(III) THE GOOD FAITH OF THE LICENSED COMMUNITY MANAGER;**

15 **AND**

16                   **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE LICENSED**  
17 **COMMUNITY MANAGER.**

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

20           **(C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE**  
21 **GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LICENSE OR THE**  
22 **REPRIMAND OF A LICENSED COMMUNITY MANAGER WHEN AN APPLICANT OR A**  
23 **LICENSED COMMUNITY MANAGER IS CONVICTED OF A FELONY OR MISDEMEANOR**  
24 **DESCRIBED IN SUBSECTION (A)(3) OF THIS SECTION:**

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

26                   **(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES**  
27 **AUTHORIZED BY THE LICENSE;**

28                   **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**  
29 **CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR LICENSED**  
30 **COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES;**

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

2           **(5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR LICENSED**  
3 **COMMUNITY MANAGER BEFORE AND AFTER THE CONVICTION.**

4 **22-310.**

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

8 **22-311.**

9           **(A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE**  
10 **GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER §**  
11 **22-309 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST**  
12 **WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE**  
13 **THE BOARD.**

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

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

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

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

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

27 **22-312.**

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



1 **22-313.**

2 **THE BOARD MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES OF**  
3 **THE BOARD:**

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

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

7 **SUBTITLE 4. LICENSED ASSOCIATE COMMUNITY MANAGERS.**

8 **22-401.**

9 (A) **AN INDIVIDUAL MUST BE ISSUED A LIMITED LICENSE BY THE BOARD**  
10 **BEFORE THE INDIVIDUAL MAY PROVIDE MANAGEMENT SERVICES AS A LICENSED**  
11 **ASSOCIATE COMMUNITY MANAGER FOR A COMMON OWNERSHIP COMMUNITY IN THE**  
12 **STATE.**

13 (B) **A LICENSED ASSOCIATE COMMUNITY MANAGER MAY PROVIDE**  
14 **MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY ONLY WHILE**  
15 **UNDER THE GENERAL SUPERVISION OF A LICENSED COMMUNITY MANAGER.**

16 **22-402.**

17 (A) **TO QUALIFY FOR A LIMITED LICENSE, AN APPLICANT MUST BE AN**  
18 **INDIVIDUAL WHO MEETS:**

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

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

22 (B) **AN APPLICANT MUST BE AT LEAST 18 YEARS OLD.**

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

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

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

26 **22-403.**

27 **AN APPLICANT FOR A LIMITED LICENSE SHALL:**

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

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

4 **22-404.**

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

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

8           (2)    ON RECEIPT OF THE LIMITED LICENSE FEE SET BY THE BOARD,  
9 THE BOARD WILL ISSUE A LIMITED LICENSE IN THE NAME OF THE APPLICANT.

10          (B)    ON PAYMENT OF THE LIMITED LICENSE FEE, THE BOARD SHALL ISSUE  
11 A LIMITED LICENSE IN THE NAME OF EACH APPLICANT WHO MEETS THE  
12 REQUIREMENTS OF THIS SUBTITLE.

13          (C)    THE BOARD SHALL DELIVER A LIMITED LICENSE ISSUED BY THE BOARD  
14 TO THE LICENSED COMMUNITY MANAGER WHO WILL BE SUPERVISING THE  
15 LICENSED ASSOCIATE COMMUNITY MANAGER, AT THE ADDRESS OF THE LICENSED  
16 COMMUNITY MANAGER THAT IS INDICATED IN THE APPLICATION FOR A LIMITED  
17 LICENSE.

18 **22-405.**

19          WHILE IN EFFECT, A LIMITED LICENSE AUTHORIZES THE LICENSED  
20 ASSOCIATE COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES FOR A  
21 COMMON OWNERSHIP COMMUNITY ONLY WHILE UNDER THE GENERAL SUPERVISION  
22 OF A LICENSED COMMUNITY MANAGER.

23 **22-406.**

24          (A)    THE TERM OF A LIMITED LICENSE IS 2 YEARS.

25          (B)    AT LEAST 2 MONTHS BEFORE A LIMITED LICENSE EXPIRES, THE BOARD  
26 SHALL SEND TO THE LICENSED ASSOCIATE COMMUNITY MANAGER, AT THE LAST  
27 KNOWN ADDRESS OF THE LICENSED ASSOCIATE COMMUNITY MANAGER:

28          (1)    A RENEWAL APPLICATION FORM; AND

29          (2)    A NOTICE THAT STATES:

1                   **(I) THE DATE ON WHICH THE CURRENT LIMITED LICENSE**  
2 **EXPIRES;**

3                   **(II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE**  
4 **RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE THE**  
5 **LIMITED LICENSE EXPIRES; AND**

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

7           **(C) (1) THE BOARD SHALL RENEW THE LIMITED LICENSE OF AND ISSUE**  
8 **A RENEWAL CERTIFICATE TO EACH LICENSED ASSOCIATE COMMUNITY MANAGER**  
9 **WHO MEETS THE REQUIREMENTS OF THIS SECTION.**

10                   **(2) THE BOARD SHALL INCLUDE ON EACH RENEWAL CERTIFICATE**  
11 **THE DATE ON WHICH THE CURRENT LIMITED LICENSE EXPIRES.**

12 **22-407.**

13           **(A) THE BOARD SHALL REINSTATE THE LIMITED LICENSE OF AN**  
14 **INDIVIDUAL WHO HAS FAILED TO RENEW THE LIMITED LICENSE IF THE INDIVIDUAL:**

15                   **(1) APPLIES TO THE BOARD FOR REINSTATEMENT WITHIN 2 YEARS**  
16 **AFTER THE LIMITED LICENSE EXPIRES;**

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

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

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

23                   **(I) MAY REQUIRE THE INDIVIDUAL TO REAPPLY FOR A LIMITED**  
24 **LICENSE IN THE SAME MANNER AS AN APPLICANT APPLIES FOR AN ORIGINAL**  
25 **LIMITED LICENSE UNDER THIS SUBTITLE; OR**

26                   **(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, MAY**  
27 **REINSTATE THE LIMITED LICENSE.**

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

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

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

5                   **(III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE**  
6 **BOARD.**

7 **22-408.**

8           **(A) SUBJECT TO THE HEARING PROVISIONS OF § 22-410 OF THIS SUBTITLE,**  
9 **THE BOARD MAY DENY A LIMITED LICENSE TO ANY APPLICANT, REPRIMAND ANY**  
10 **LICENSED ASSOCIATE COMMUNITY MANAGER, OR SUSPEND OR REVOKE A LIMITED**  
11 **LICENSE IF THE APPLICANT OR LICENSED ASSOCIATE COMMUNITY MANAGER:**

12                   **(1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO**  
13 **OBTAIN A LIMITED LICENSE FOR THE APPLICANT OR LICENSED ASSOCIATE**  
14 **COMMUNITY MANAGER OR FOR ANOTHER;**

15                   **(2) FRAUDULENTLY OR DECEPTIVELY USES A LIMITED LICENSE;**

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

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

19                   **(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE**  
20 **FITNESS AND QUALIFICATIONS OF THE APPLICANT OR LICENSED ASSOCIATE**  
21 **COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES;**

22                   **(4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,**  
23 **INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,**  
24 **FRAUDULENT, OR IMPROPER DEALINGS;**

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

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

29                   **(7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP**  
30 **COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE COMMON**

1 OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF WHICH THE  
2 LICENSED ASSOCIATE COMMUNITY MANAGER HAS ACTUAL KNOWLEDGE;

3 (8) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE THAT IS  
4 PROVEN TO HAVE BEEN DETRIMENTAL TO A COMMON OWNERSHIP COMMUNITY, OR  
5 MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;

6 (9) HAS BEEN SANCTIONED IN ANOTHER STATE IN A MATTER  
7 RELATING TO PROVIDING MANAGEMENT SERVICES;

8 (10) VIOLATES ANY OTHER PROVISION OF THIS TITLE; OR

9 (11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER  
10 THIS TITLE.

11 (B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE LICENSED  
12 ASSOCIATE COMMUNITY MANAGER OR SUSPENDING OR REVOKING A LIMITED  
13 LICENSE UNDER THIS SECTION, THE BOARD MAY IMPOSE A PENALTY NOT  
14 EXCEEDING \$5,000 FOR EACH VIOLATION.

15 (2) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER  
16 THIS SUBSECTION, THE BOARD SHALL CONSIDER:

17 (I) THE SERIOUSNESS OF THE VIOLATION;

18 (II) THE HARM CAUSED BY THE VIOLATION;

19 (III) THE GOOD FAITH OF THE LICENSED ASSOCIATE COMMUNITY  
20 MANAGER; AND

21 (IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE LICENSED  
22 ASSOCIATE COMMUNITY MANAGER.

23 (3) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS  
24 SUBSECTION INTO THE GENERAL FUND OF THE STATE.

25 (C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE  
26 GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LIMITED  
27 LICENSE OR THE REPRIMAND OF A LICENSED ASSOCIATE COMMUNITY MANAGER  
28 WHEN AN APPLICANT OR A LICENSED ASSOCIATE COMMUNITY MANAGER IS  
29 CONVICTED OF A FELONY OR MISDEMEANOR DESCRIBED IN SUBSECTION (A)(3) OF  
30 THIS SECTION:

31 (1) THE NATURE OF THE CRIME;

1           **(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES**  
2 **AUTHORIZED BY THE LIMITED LICENSE;**

3           **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**  
4 **CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR LICENSED**  
5 **ASSOCIATE COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES;**

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

7           **(5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR LICENSED**  
8 **ASSOCIATE COMMUNITY MANAGER BEFORE AND AFTER THE CONVICTION.**

9 **22-409.**

10           **ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE BOARD**  
11 **BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER § 22-410 OF**  
12 **THIS SUBTITLE.**

13 **22-410.**

14           **(A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE**  
15 **GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER §**  
16 **22-408 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST**  
17 **WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE**  
18 **THE BOARD.**

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

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

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

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

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

1 **22-411.**

2 ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A  
3 CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT ARTICLE,  
4 IS ENTITLED TO JUDICIAL REVIEW AS PROVIDED IN §§ 10-222 AND 10-223 OF THE  
5 STATE GOVERNMENT ARTICLE.

6 **22-412.**

7 THE BOARD MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES OF  
8 THE BOARD:

9 (1) A LIMITED LICENSE THAT HAS BEEN REVOKED; OR

10 (2) BEFORE FULFILLMENT OF THE CONDITIONS OF THE SUSPENSION,  
11 ANY LIMITED LICENSE THAT HAS BEEN SUSPENDED.

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

13 **22-501.**

14 (A) ON OR BEFORE JANUARY 1 EACH YEAR, A COMMON OWNERSHIP  
15 COMMUNITY SHALL REGISTER WITH THE BOARD.

16 (B) IF A COMMON OWNERSHIP COMMUNITY CONTRACTS FOR MANAGEMENT  
17 SERVICES, THE RESPONSIBLE MANAGER SHALL BE RESPONSIBLE FOR THE  
18 REGISTRATION OF THE COMMON OWNERSHIP COMMUNITY.

19 **22-502.**

20 EACH COMMON OWNERSHIP COMMUNITY SHALL PROVIDE THE BOARD THE  
21 FOLLOWING INFORMATION:

22 (1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP  
23 COMMUNITY;

24 (2) THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS  
25 LOCATED;

26 (3) THE NAME AND CONTACT INFORMATION OF EACH OFFICER AND  
27 MEMBER OF THE BOARD OF DIRECTORS OR GOVERNING BODY OF THE COMMON  
28 OWNERSHIP COMMUNITY;

1           **(4) THE NAME AND ADDRESS OF THE LICENSED COMMUNITY**  
2 **MANAGER, IF ANY, FOR THE COMMON OWNERSHIP COMMUNITY; AND**

3           **(5) ANY OTHER INFORMATION REQUIRED BY THE BOARD.**

4                           **SUBTITLE 6. MISCELLANEOUS PROVISIONS.**

5 **22-601.**

6           **(A) IN THIS SECTION, "CONTRACTING PARTY" MEANS A LICENSED**  
7 **COMMUNITY MANAGER OR A PERSON UNDER THE DIRECTION OF A LICENSED**  
8 **COMMUNITY MANAGER THAT CONTRACTS TO PROVIDE MANAGEMENT SERVICES FOR**  
9 **A COMMON OWNERSHIP COMMUNITY.**

10           **(B) A CONTRACTING PARTY SHALL FILE WITH THE SECRETARY PROOF AS**  
11 **REQUIRED BY THE BOARD OF A FIDELITY BOND OR THEFT INSURANCE, OR OTHER**  
12 **COMPARABLE WRITTEN INSURANCE AS REQUIRED BY THE BOARD, THAT COVERS:**

13                           **(1) ANY PERSON THAT PROVIDES MANAGEMENT SERVICES FOR A**  
14 **COMMON OWNERSHIP COMMUNITY UNDER THE TERMS OF A CONTRACT; AND**

15                           **(2) ANY INDIVIDUAL WORKING UNDER THE DIRECTION OF A PERSON**  
16 **DESCRIBED IN ITEM (1) OF THIS SUBSECTION.**

17           **(C) (1) A FIDELITY BOND OR INSURANCE FOR WHICH PROOF IS FILED**  
18 **UNDER THIS SECTION SHALL PROVIDE COVERAGE IN AN AMOUNT EQUAL TO THE**  
19 **LESSER OF:**

20   **(I) \$2,000,000; OR**

21   **(II) THE HIGHEST AGGREGATE AMOUNT OF THE OPERATING**  
22 **AND RESERVE BALANCES OF ALL COMMON OWNERSHIP COMMUNITIES UNDER**  
23 **CONTRACT WITH THE CONTRACTING PARTY IN THE PRIOR 3 MONTHS.**

24                           **(2) THE TOTAL LIABILITY OF THE INSURANCE TO ALL INSURED**  
25 **PERSONS UNDER A FIDELITY BOND OR INSURANCE MAY NOT EXCEED THE SUM OF**  
26 **THE FIDELITY BOND OR INSURANCE.**

27                           **(3) THE SECRETARY, OR THE SECRETARY'S DESIGNEE, SHALL BE**  
28 **NAMED AS A CERTIFICATE HOLDER FOR ANY FIDELITY BOND OR INSURANCE**  
29 **REQUIRED UNDER THIS SECTION.**



1 (D) IF THE FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED, OR  
2 TERMINATED, THE CONTRACTING PARTY IMMEDIATELY SHALL NOTIFY THE  
3 SECRETARY.

4 (E) IF THE FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED, OR  
5 TERMINATED, OR THE CONTRACTING PARTY FAILS TO NOTIFY THE SECRETARY OF  
6 ANY CHANGE TO THE FIDELITY BOND OR INSURANCE, THE SECRETARY:

7 (1) SHALL SUSPEND ANY LICENSE OF ANY INDIVIDUAL PROVIDING  
8 MANAGEMENT SERVICES COVERED BY THE FIDELITY BOND OR INSURANCE; AND

9 (2) MAY NOT REINSTATE A LICENSE UNTIL PROOF OF COMPLIANCE  
10 WITH THIS SECTION IS PROVIDED TO THE SECRETARY.

11 **22-602.**

12 (A) A LICENSED COMMUNITY MANAGER SHALL DEPOSIT ALL MONEY  
13 RECEIVED IN CONNECTION WITH THE PROVISION OF MANAGEMENT SERVICES IN  
14 ONE OR MORE OF THE FINANCIAL INSTITUTION ACCOUNTS OF A COMMON  
15 OWNERSHIP COMMUNITY.

16 (B) A LICENSED COMMUNITY MANAGER WHO PROVIDES MANAGEMENT  
17 SERVICES FOR MORE THAN ONE COMMON OWNERSHIP COMMUNITY SHALL  
18 MAINTAIN SEPARATE FINANCIAL INSTITUTION ACCOUNTS FOR EACH COMMON  
19 OWNERSHIP COMMUNITY.

20 (C) THE FUNDS IN EACH FINANCIAL INSTITUTION ACCOUNT OF A COMMON  
21 OWNERSHIP COMMUNITY MAY NOT BE COMMINGLED WITH THE FUNDS OF THE  
22 LICENSED COMMUNITY MANAGER OR ANOTHER COMMON OWNERSHIP COMMUNITY.

23 (D) THE MAINTENANCE OF FINANCIAL INSTITUTION ACCOUNTS BY A  
24 LICENSED COMMUNITY MANAGER SHALL BE CUSTODIAL AND PROVIDED IN THE  
25 NAME OF THE COMMON OWNERSHIP COMMUNITY.

26 (E) THE RECORDS OF EACH FINANCIAL INSTITUTION ACCOUNT OF A  
27 COMMON OWNERSHIP COMMUNITY SHALL BE ACCESSIBLE FOR REVIEW DIRECTLY  
28 FROM THE FINANCIAL INSTITUTION TO THE GOVERNING BODY OF THE COMMON  
29 OWNERSHIP COMMUNITY.

30 (F) A LICENSED COMMUNITY MANAGER WHO WILLFULLY VIOLATES ANY  
31 PROVISION OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS  
32 SUBJECT TO A FINE NOT EXCEEDING \$25,000 OR IMPRISONMENT NOT EXCEEDING 5  
33 YEARS OR BOTH.

1 **22-603.**

2 IF A COMMON OWNERSHIP COMMUNITY CONTRACTS WITH A PERSON OTHER  
3 THAN A LICENSED COMMUNITY MANAGER TO PROVIDE MANAGEMENT SERVICES,  
4 THE CONTRACT SHALL REQUIRE THAT ONLY A LICENSED COMMUNITY MANAGER  
5 PROVIDE THE MANAGEMENT SERVICES FOR THE COMMON OWNERSHIP COMMUNITY.

6 SUBTITLE 7. PROHIBITED ACTS; PENALTIES.

7 **22-701.**

8 EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL MAY NOT  
9 PROVIDE, ATTEMPT TO PROVIDE, OR OFFER TO PROVIDE MANAGEMENT SERVICES  
10 FOR A COMMON OWNERSHIP COMMUNITY IN THE STATE UNLESS ISSUED A LICENSE  
11 OR A LIMITED LICENSE BY THE BOARD.

12 **22-702.**

13 UNLESS AUTHORIZED UNDER THIS TITLE TO PROVIDE MANAGEMENT  
14 SERVICES TO A COMMON OWNERSHIP COMMUNITY, A PERSON MAY NOT REPRESENT  
15 TO THE PUBLIC BY USE OF A TITLE, INCLUDING "LICENSED COMMUNITY MANAGER",  
16 "LICENSED ASSOCIATE COMMUNITY MANAGER", OR "COMMON OWNERSHIP  
17 COMMUNITY MANAGEMENT", BY USE OF AN ABBREVIATION, BY DESCRIPTION OF  
18 SERVICES, METHODS, OR PROCEDURES, OR OTHERWISE THAT THE PERSON IS  
19 AUTHORIZED TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP  
20 COMMUNITY IN THE STATE.

21 **22-703.**

22 AN INDIVIDUAL MAY NOT:

23 (1) USE OR ATTEMPT TO USE THE LICENSE OR LIMITED LICENSE OF  
24 ANOTHER INDIVIDUAL; OR

25 (2) IMPERSONATE ANOTHER INDIVIDUAL WHO HOLDS A LICENSE OR  
26 LIMITED LICENSE.

27 **22-704.**

28 AN INDIVIDUAL MAY NOT GIVE FALSE INFORMATION TO THE BOARD IN AN  
29 ATTEMPT TO OBTAIN A LICENSE OR LIMITED LICENSE.

30 **22-705.**

1 AN INDIVIDUAL WHOSE LICENSE OR LIMITED LICENSE HAS BEEN SUSPENDED  
2 OR REVOKED UNDER THIS TITLE MAY NOT PROVIDE MANAGEMENT SERVICES FOR A  
3 COMMON OWNERSHIP COMMUNITY IN ANY MANNER AS:

4 (1) AN ASSOCIATE, AN AGENT, AN EMPLOYEE, OR ANY OTHER  
5 SUBORDINATE OF A LICENSED COMMUNITY MANAGER; OR

6 (2) A PRINCIPAL, AN ASSOCIATE, AN AGENT, AN EMPLOYEE, OR ANY  
7 OTHER SUBORDINATE OF A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY  
8 COMPANY THAT PROVIDES MANAGEMENT SERVICES.

9 22-706.

10 (A) A PERSON THAT VIOLATES ANY PROVISION OF THIS TITLE IS GUILTY OF  
11 A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING  
12 \$5,000 OR IMPRISONMENT NOT EXCEEDING 3 YEARS OR BOTH.

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

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

21 AND

22 (V) ANY OTHER RELEVANT FACTORS.

23 (C) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS  
24 SECTION INTO THE GENERAL FUND OF THE STATE.

25 SUBTITLE 8. SHORT TITLE; TERMINATION OF TITLE.

26 22-801.

27 THIS TITLE MAY BE CITED AS THE MARYLAND COMMON OWNERSHIP  
28 COMMUNITY MANAGERS ACT.

29 22-802.

1           **SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF THE**  
2 **MARYLAND PROGRAM EVALUATION ACT, THIS TITLE AND ALL REGULATIONS**  
3 **ADOPTED UNDER THIS TITLE SHALL TERMINATE AND BE OF NO EFFECT AFTER JULY**  
4 **1, 2030.**

5   **Article – Business Regulation**

6   **2–106.15.**

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

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

11                               **(3) “FUND” MEANS THE STATE BOARD OF COMMON OWNERSHIP**  
12 **COMMUNITY MANAGERS FUND.**

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

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

18           **(D) THE SECRETARY OR THE SECRETARY’S DESIGNEE SHALL ADMINISTER**  
19 **THE FUND.**

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

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

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

25                                   **(1) FEES COLLECTED BY THE BOARD AND DISTRIBUTED TO THE**  
26 **FUND UNDER § 22–207 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS**  
27 **ARTICLE;**

28                                   **(2) INTEREST EARNINGS OF THE FUND;**

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

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

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

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

8           **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
9 **THE FUND.**

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

12          **(J) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**  
13 **TRANSACTIONS OF THE FUND, AS PROVIDED IN § 2-1220 OF THE STATE**  
14 **GOVERNMENT ARTICLE.**

15 **2-106.16.**

16          **(A) IN THIS SECTION, “BOARD” MEANS THE STATE BOARD OF COMMON**  
17 **OWNERSHIP COMMUNITY MANAGERS.**

18          **(B) IN CONSULTATION WITH THE BOARD, THE SECRETARY SHALL**  
19 **CALCULATE ANNUALLY THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE**  
20 **BOARD.**

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

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

26 **2-108.**

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

28               **(34) THE STATE BOARD OF COMMON OWNERSHIP COMMUNITY**  
29 **MANAGERS.**

1 **5-6B-12.1.**

2 A COOPERATIVE HOUSING CORPORATION SHALL REGISTER ANNUALLY WITH  
3 THE STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS IN THE  
4 MARYLAND DEPARTMENT OF LABOR AS REQUIRED UNDER TITLE 22, SUBTITLE 5  
5 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

6 **Article – Real Property**7 **11-130.1.**

8 A CONDOMINIUM THAT IS USED FOR RESIDENTIAL PURPOSES SHALL  
9 REGISTER ANNUALLY WITH THE STATE BOARD OF COMMON OWNERSHIP  
10 COMMUNITY MANAGERS IN THE MARYLAND DEPARTMENT OF LABOR AS REQUIRED  
11 UNDER TITLE 22, SUBTITLE 5 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS  
12 ARTICLE.

13 **11B-115.2.**

14 A HOMEOWNERS ASSOCIATION SHALL REGISTER ANNUALLY WITH THE STATE  
15 BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS IN THE MARYLAND  
16 DEPARTMENT OF LABOR AS REQUIRED UNDER TITLE 22, SUBTITLE 5 OF THE  
17 BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE.

18 **Article – State Finance and Procurement**19 **6-226.**

20 (a) (2) (i) Notwithstanding any other provision of law, and unless  
21 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
22 terms of a gift or settlement agreement, net interest on all State money allocated by the  
23 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
24 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
25 Fund of the State.

26 (ii) The provisions of subparagraph (i) of this paragraph do not apply  
27 to the following funds:

28 122. the Racing and Community Development Financing Fund;

29 [and]

30 123. the Racing and Community Development Facilities Fund;

31 AND

1                                   **124. THE STATE BOARD OF COMMON OWNERSHIP**  
 2 **COMMUNITY MANAGERS FUND.**

3                                   **Article – State Government**

4 8–403.

5           This subtitle applies only to the following governmental activities and units:

6                                   **(13) COMMON OWNERSHIP COMMUNITY MANAGERS, STATE BOARD**  
 7 **OF (§ 22–201 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE);**

8           SECTION 3. AND BE IT FURTHER ENACTED, That the terms of the initial  
 9 members of the State Board of Common Ownership Community Managers shall expire as  
 10 follows:

- 11                   (1)   three members in 2024;
- 12                   (2)   three members in 2025; and
- 13                   (3)   three members in 2026.

14           SECTION 4. AND BE IT FURTHER ENACTED, That the State Board of Common  
 15 Ownership Community Managers, when adopting regulations concerning the training and  
 16 examination requirements for an applicant for a license or a limited license under this Act,  
 17 may take into consideration the following training and examination standards:

- 18                   (1)   for a limited license:
  - 19                           (i)   courses that include topics such as:
    - 20                                   1.   the responsibilities of managers and members of
    - 21 community governing bodies;
    - 22                                   2.   management ethics;
    - 23                                   3.   community rules;
    - 24                                   4.   community meetings and other communications;
    - 25                                   5.   assessments collections;
    - 26                                   6.   financial management;
    - 27                                   7.   risk management;
    - 28                                   8.   facilities management; and

1                   9.     personnel management; and

2                   (ii)    examinations that may be in a classroom or online; and

3                   (2)    for a license:

4                   (i)     courses that include topics such as:

5                   1.     high-rise maintenance and management;

6                   2.     advanced insurance and risk management;

7                   3.     management of large-scale communities;

8                   4.     legal considerations in community management; and

9                   5.     contemporary issues in community management; and

10                   (ii)    examinations that include a case study of an existing common  
11 ownership community.

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

13                   (a)     Until the time that the State Board of Common Ownership Community  
14 Managers adopts regulations concerning the training and examination requirements for an  
15 applicant for a license or a limited license under this Act, passing an examination that  
16 meets the requirements listed in subsection (b) of this section shall be deemed adequate for  
17 satisfying the requirements of § 22-302(c) or § 22-402(c) of the Business Occupations and  
18 Professions Article, as enacted by Section 2 of this Act.

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

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

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

24                   SECTION 6. AND BE IT FURTHER ENACTED, That the State Board of Common  
25 Ownership Community Managers shall grant a waiver of the training and examination  
26 requirements for a license issued under § 22-304 or a limited license issued under §  
27 22-404 of the Business Occupations and Professions Article, as enacted by Section 2 of this  
28 Act, to any applicant who presents to the Board not later than October 1, 2023, satisfactory  
29 evidence that the applicant provided management services in the State for the 2 years  
30 immediately before the date of application.



1 SECTION 7. AND BE IT FURTHER ENACTED, That, on or before December 1,  
2 2021, the Maryland Department of Labor shall report to the General Assembly, in  
3 accordance with § 2-1257 of the State Government Article, on the imposition of a  
4 registration fee on common ownership communities, including the necessity for and amount  
5 of a registration fee on common ownership communities in relation to the license fees and  
6 limited license fees required under this Act and the size of a common ownership community  
7 to which a registration fee would apply.

8 SECTION 8. AND BE IT FURTHER ENACTED, That the Department of Budget  
9 and Management, by budget amendment, may advance sufficient funds to the State Board  
10 of Common Ownership Community Managers to allow the Board to commence operations  
11 on October 1, 2021, so that the functions of issuing licenses and limited licenses and  
12 registering common ownership communities can be in place before October 1, 2022. The  
13 Board shall reimburse any funds that have been advanced after the license fees and limited  
14 license fees have been received and deposited into the State Board of Common Ownership  
15 Community Managers Fund.

16 SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2021.