

# HOUSE BILL 576

C2, N1

3lr0490  
CF SB 794

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By: **Delegates Beidle, Niemann, Bobo, Carr, Frush, Glenn, Healey, Holmes,  
S. Robinson, Stein, and Weir**

Introduced and read first time: January 31, 2013

Assigned to: Environmental Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 5, 2013

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## CHAPTER \_\_\_\_\_

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 providing that certain provisions of this Act do not prohibit certain persons from  
8 providing certain services under certain circumstances; requiring an individual  
9 to be ~~licensed~~ issued a license by the Board before providing management  
10 services for a common ownership community under certain circumstances;  
11 specifying the qualifications for a license; providing for the issuance, fees,  
12 renewal, and reinstatement of a license; authorizing the Board to deny ~~an~~  
13 ~~applicant or reprimand a licensee~~ a license to any applicant, reprimand a  
14 licensed manager, or suspend or revoke a license under certain circumstances;  
15 requiring an individual to be issued a ~~certificate~~ limited license by the Board  
16 before providing management services for a common ownership community  
17 under certain circumstances; specifying the qualifications for a ~~certificate~~  
18 limited license; providing for the issuance, fees, renewal, and reinstatement of a  
19 ~~certificate~~ limited license; authorizing the Board to deny a limited license to any  
20 applicant, reprimand any holder of a limited license, or suspend or revoke a  
21 limited license under certain circumstances; requiring a common ownership  
22 community to register with ~~and pay a certain registration fee to~~ the Board  
23 under certain circumstances; imposing certain duties on a contracting party  
24 concerning a fidelity bond or theft insurance under certain circumstances;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



1 imposing certain duties on a ~~licensee~~ licensed manager; requiring a contract to  
 2 provide management services to include certain provisions under certain  
 3 circumstances; prohibiting certain acts and imposing certain penalties for a  
 4 violation of this Act; making certain provisions of this Act subject to the  
 5 Maryland Program Evaluation Act; establishing the State Board of Common  
 6 Ownership Community Managers Fund; providing for the purpose,  
 7 administration, composition, use, and audit of the Fund; requiring that certain  
 8 investment earnings be credited to the Fund; requiring the Secretary, in  
 9 consultation with the Board, to calculate certain costs annually; authorizing the  
 10 Board to set certain fees, based on certain calculations; prohibiting a fee  
 11 established by the Board from being increased by more than a certain  
 12 percentage annually; specifying the terms of the initial members of the Board;  
 13 providing that a certain examination shall satisfy certain examination  
 14 requirements for a license under certain circumstances; requiring the Board to  
 15 grant a waiver of certain training and examination requirements for ~~licensing a~~  
 16 license under certain circumstances; requiring the Department of Labor,  
 17 Licensing, and Regulation to report to the General Assembly on or before a  
 18 certain date; authorizing the Department of Budget and Management to  
 19 advance certain funds to the Board and requiring the Board to reimburse  
 20 certain funds under certain circumstances; defining certain terms; and  
 21 generally relating to the regulation of common ownership community managers.

22 BY renumbering

23 Article – Business Regulation  
 24 Section 2–108(a)(10) through (33), respectively  
 25 to be Section 2–108(a)(11) through (34), respectively  
 26 Annotated Code of Maryland  
 27 (2010 Replacement Volume and 2012 Supplement)

28 BY renumbering

29 Article – State Government  
 30 Section 8–403(b)(13) through (69), respectively  
 31 to be Section 8–403(b)(14) through (70), respectively  
 32 Annotated Code of Maryland  
 33 (2009 Replacement Volume and 2012 Supplement)

34 BY adding to

35 Article – Business Occupations and Professions  
 36 Section 22–101 through 22–802 to be under the new title “Title 22. Common  
 37 Ownership Community Managers”  
 38 Annotated Code of Maryland  
 39 (2010 Replacement Volume and 2012 Supplement)

40 BY adding to

41 Article – Business Regulation  
 42 Section 2–106.9, 2–106.10, and 2–108(a)(10)  
 43 Annotated Code of Maryland

1 (2010 Replacement Volume and 2012 Supplement)

2 BY adding to

3 Article – Corporations and Associations

4 Section 5–6B–12.1

5 Annotated Code of Maryland

6 (2007 Replacement Volume and 2012 Supplement)

7 BY adding to

8 Article – Real Property

9 Section 11–130.1 and 11B–115.2

10 Annotated Code of Maryland

11 (2010 Replacement Volume and 2012 Supplement)

12 BY repealing and reenacting, without amendments,

13 Article – State Finance and Procurement

14 Section 6–226(a)(2)(i)

15 Annotated Code of Maryland

16 (2009 Replacement Volume and 2012 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article – State Finance and Procurement

19 Section 6–226(a)(2)(ii)69. and 70.

20 Annotated Code of Maryland

21 (2009 Replacement Volume and 2012 Supplement)

22 BY adding to

23 Article – State Finance and Procurement

24 Section 6–226(a)(2)(ii)71.

25 Annotated Code of Maryland

26 (2009 Replacement Volume and 2012 Supplement)

27 BY repealing and reenacting, without amendments,

28 Article – State Government

29 Section 8–403(a)

30 Annotated Code of Maryland

31 (2009 Replacement Volume and 2012 Supplement)

32 BY adding to

33 Article – State Government

34 Section 8–403(b)(13)

35 Annotated Code of Maryland

36 (2009 Replacement Volume and 2012 Supplement)

37 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
38 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)~~ (C) (1) “COMMON OWNERSHIP COMMUNITY” MEANS:

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

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)~~ (2) “COMMON OWNERSHIP COMMUNITY” DOES NOT  
4 INCLUDE A TIME-SHARE PROJECT AS DEFINED IN § 11A-101 OF THE REAL  
5 PROPERTY ARTICLE.

6           (D) “HOLDER OF A LIMITED LICENSE” MEANS, UNLESS THE CONTEXT  
7 REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS ISSUED A LIMITED LICENSE BY  
8 THE BOARD UNDER SUBTITLE 4 OF THIS TITLE TO PROVIDE MANAGEMENT  
9 SERVICES FOR A COMMON OWNERSHIP COMMUNITY UNDER THE SUPERVISION  
10 OF A LICENSED MANAGER.

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

15           ~~(F)~~ (F) “LICENSED ~~COMMON OWNERSHIP COMMUNITY~~ MANAGER”  
16 MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, AN INDIVIDUAL WHO IS  
17 ~~LICENSED~~ ISSUED A LICENSE BY THE BOARD UNDER SUBTITLE 3 OF THIS TITLE  
18 TO PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY.

19           (G) “LIMITED LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES  
20 OTHERWISE, A LIMITED LICENSE ISSUED BY THE BOARD UNDER SUBTITLE 4 OF  
21 THIS TITLE THAT ALLOWS THE INDIVIDUAL TO PROVIDE MANAGEMENT  
22 SERVICES FOR A COMMON OWNERSHIP COMMUNITY UNDER THE SUPERVISION  
23 OF A LICENSED MANAGER.

24           (H) “PROVIDE MANAGEMENT SERVICES” MEANS:

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

28           (2) TO EXECUTE THE RESOLUTIONS AND DECISIONS OF A  
29 COMMON OWNERSHIP COMMUNITY OR, WITH THE AUTHORITY OF THE COMMON  
30 OWNERSHIP COMMUNITY, TO ENFORCE THE RIGHTS OF THE COMMON  
31 OWNERSHIP COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE,  
32 OR BYLAW;

33           (3) TO NEGOTIATE CONTRACTS OR OTHERWISE COORDINATE OR  
34 ARRANGE FOR SERVICES OR THE PURCHASE OF PROPERTY AND GOODS FOR OR  
35 ON BEHALF OF A COMMON OWNERSHIP COMMUNITY;

1 (4) TO COLLECT, DISBURSE, OR OTHERWISE EXERCISE DOMINION  
2 OR CONTROL OVER MONEY OR OTHER PROPERTY BELONGING TO A COMMON  
3 OWNERSHIP COMMUNITY;

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

6 (6) TO ARRANGE, CONDUCT, OR COORDINATE MEETINGS OF A  
7 COMMON OWNERSHIP COMMUNITY OR THE GOVERNING BODY OF A COMMON  
8 OWNERSHIP COMMUNITY; OR

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

12 (I) "RESPONSIBLE MANAGER" MEANS A LICENSED ~~COMMON~~  
13 ~~OWNERSHIP COMMUNITY~~ MANAGER WHO HAS PRIMARY RESPONSIBILITY FOR  
14 PROVIDING MANAGEMENT SERVICES TO A COMMON OWNERSHIP COMMUNITY  
15 UNDER THE TERMS OF A CONTRACT ENTERED INTO ~~BETWEEN THE LICENSED~~  
16 ~~COMMON OWNERSHIP COMMUNITY MANAGER AND~~ BY THE COMMON OWNERSHIP  
17 COMMUNITY.

18 22-102.

19 ~~THIS TITLE DOES~~ THE PROVISIONS OF THIS TITLE THAT REQUIRE AN  
20 INDIVIDUAL TO BE ISSUED A LICENSE OR A LIMITED LICENSE DO NOT PROHIBIT:

21 (1) AN INDIVIDUAL WHO IS A REGULAR, SALARIED EMPLOYEE OF  
22 A LICENSED ~~COMMON OWNERSHIP COMMUNITY~~ MANAGER OR A SINGLE  
23 COMMON OWNERSHIP COMMUNITY FROM PERFORMING ADMINISTRATIVE,  
24 INTERNAL, BOOKKEEPING, OR MINISTERIAL FUNCTIONS IN SUPPORT OF THE  
25 LICENSED ~~COMMON OWNERSHIP COMMUNITY~~ MANAGER OR THE SINGLE  
26 COMMON OWNERSHIP COMMUNITY;

27 (2) AN INDIVIDUAL WHO IS ADMINISTRATIVE SUPPORT STAFF OR  
28 AN ASSISTANT OF A LICENSED ~~COMMON OWNERSHIP COMMUNITY~~ MANAGER  
29 FROM INCIDENTALLY PROVIDING MANAGEMENT SERVICES IF THE INDIVIDUAL  
30 IS ~~DIRECTLY~~ SUPERVISED BY A LICENSED ~~COMMON OWNERSHIP COMMUNITY~~  
31 MANAGER;

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

1 (4) A MEMBER OF THE GOVERNING BODY OF A COMMON  
2 OWNERSHIP COMMUNITY WHO ACTS WITHOUT COMPENSATION FROM  
3 PROVIDING MANAGEMENT SERVICES FOR THAT COMMON OWNERSHIP  
4 COMMUNITY;

5 (5) AN ATTORNEY AT LAW FROM REPRESENTING A COMMON  
6 OWNERSHIP COMMUNITY, A LICENSED ~~COMMON OWNERSHIP COMMUNITY~~  
7 ~~MANAGER, OR A CERTIFIED COMMON OWNERSHIP COMMUNITY MANAGER~~  
8 HOLDER OF A LIMITED LICENSE IN ANY BUSINESS THAT CONSTITUTES THE  
9 PRACTICE OF LAW;

10 (6) AN INDIVIDUAL LICENSED UNDER ~~THE BUSINESS~~  
11 ~~OCCUPATIONS AND PROFESSIONS ARTICLE~~ THIS ARTICLE AS A LICENSED  
12 CERTIFIED PUBLIC ACCOUNTANT, A LICENSED REAL ESTATE BROKER, OR A  
13 LICENSED ASSOCIATE REAL ESTATE BROKER FROM PROVIDING TO A COMMON  
14 OWNERSHIP COMMUNITY THE SERVICES FOR WHICH THE INDIVIDUAL IS  
15 LICENSED ~~TO PROVIDE~~;

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

20 (8) ~~THE ANY EMPLOYEE OF THE COLUMBIA ASSOCIATION, THE~~  
21 ~~VILLAGE OF ASSOCIATIONS IN HOWARD COUNTY, OR ANY EMPLOYEE OF THE~~  
22 ~~COLUMBIA ASSOCIATION OR THE VILLAGE ASSOCIATIONS IN HOWARD COUNTY~~  
23 ~~TO PROVIDE SERVICES OTHER THAN MANAGEMENT SERVICES~~ FROM PROVIDING  
24 MANAGEMENT SERVICES ONLY TO THE COLUMBIA ASSOCIATION OR THE  
25 AFFILIATED VILLAGE ASSOCIATIONS IN HOWARD COUNTY.

26 SUBTITLE 2. STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS.

27 22-201.

28 THERE IS A STATE BOARD OF COMMON OWNERSHIP COMMUNITY  
29 MANAGERS IN THE DEPARTMENT.

30 22-202.

31 (A) (1) THE BOARD CONSISTS OF NINE MEMBERS.

32 (2) OF THE NINE MEMBERS OF THE BOARD:

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

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

6                   (III) ~~TWO~~ 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 SHALL BE A RESIDENT OF THE  
11 STATE.

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

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

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

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

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

23                   (5) A MEMBER MAY NOT SERVE MORE THAN TWO CONSECUTIVE  
24 TERMS.

25 **22-203.**

26 FROM AMONG ITS MEMBERS, THE GOVERNOR SHALL APPOINT A CHAIR  
27 AND VICE CHAIR.

28 **22-204.**

29            (A) A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A  
30 QUORUM.



1           **(B) THE BOARD SHALL DETERMINE THE TIMES AND PLACES OF ITS**  
2 **MEETINGS.**

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

4                   **(1) MAY NOT RECEIVE COMPENSATION; BUT**

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

8           **(D) THE BOARD MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE**  
9 **BUDGET.**

10 **22-205.**

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

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

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

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

18                   **(1) ADOPT RULES OF PROFESSIONAL CONDUCT AS APPROPRIATE**  
19 **FOR ~~LICENSED COMMON OWNERSHIP COMMUNITY MANAGERS AND CERTIFIED~~**  
20 **~~COMMON OWNERSHIP COMMUNITY MANAGERS~~ INDIVIDUALS ISSUED A LICENSE**  
21 **OR A LIMITED LICENSE UNDER THIS TITLE;**

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

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

29                   **~~(3)~~ (4) KEEP A RECORD OF ITS PROCEEDINGS.**

1 (C) THE BOARD MAY ESTABLISH BY REGULATION:

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

5 (2) ~~CONTINUING EDUCATION REQUIREMENTS FOR LICENSEES~~  
6 ~~AND CERTIFICATE HOLDERS;~~

7 ~~(3)~~ EDUCATION AND TRAINING OPPORTUNITIES FOR GOVERNING  
8 BODIES OF ~~ASSOCIATIONS~~ COMMON OWNERSHIP COMMUNITIES; AND

9 ~~(4)~~ (3) ANY OTHER PROCEDURES OR STANDARDS CONSISTENT  
10 WITH THE MISSION OF THE BOARD.

11 22-206.

12 (A) THE BOARD SHALL MAINTAIN A PUBLIC LIST OF THE NAMES AND  
13 MAILING ADDRESSES OF ALL ~~LICENSEES AND CERTIFICATE HOLDERS~~  
14 INDIVIDUALS ISSUED A LICENSE OR A LIMITED LICENSE UNDER THIS TITLE.

15 (B) ~~EACH LICENSEE AND CERTIFICATE HOLDER SHALL DESIGNATE A~~  
16 ~~MAILING ADDRESS AT THE TIME OF ISSUANCE OF THE ORIGINAL LICENSE OR~~  
17 ~~CERTIFICATE AND ON THE RENEWAL OF THE LICENSE OR CERTIFICATE.~~

18 ~~(C) EACH LICENSEE AND CERTIFICATE HOLDER SHALL~~ INDIVIDUAL  
19 ISSUED A LICENSE OR A LIMITED LICENSE UNDER THIS TITLE SHALL:

20 (1) DESIGNATE A MAILING ADDRESS AT THE TIME OF ISSUANCE  
21 OF THE ORIGINAL LICENSE OR LIMITED LICENSE AND ON RENEWAL OF THE  
22 LICENSE OR LIMITED LICENSE; AND

23 (2) NOTIFY THE BOARD OF A CHANGE OF ADDRESS WITHIN 30  
24 DAYS AFTER THE CHANGE.

25 22-207.

26 (A) (1) THE BOARD MAY SET BY REGULATION REASONABLE FEES FOR  
27 ITS SERVICES.

28 (2) THE FEES CHARGED SHALL BE:

29 (I) SET TO PRODUCE FUNDS TO APPROXIMATE THE COST  
30 OF MAINTAINING THE BOARD; AND

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

3 (B) THE BOARD SHALL PUBLISH THE FEE SCHEDULE SET BY THE  
4 BOARD.

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

7 (2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE  
8 STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS FUND  
9 ESTABLISHED UNDER § 2-106.9 OF THE BUSINESS REGULATION ARTICLE.

10 22-208.

11 THE BOARD EXERCISES ITS POWERS, DUTIES, AND FUNCTIONS SUBJECT  
12 TO THE AUTHORITY OF THE SECRETARY.

13 22-209.

14 (A) IN ADDITION TO ANY OTHER REMEDY AUTHORIZED UNDER THIS  
15 TITLE, THE BOARD, WITH THE APPROVAL OF THE ATTORNEY GENERAL, MAY  
16 SUE IN THE NAME OF THE STATE:

17 ~~(1)~~ TO ENJOIN ANY ACT THAT IS PROHIBITED UNDER SUBTITLE 7  
18 OF THIS TITLE; .

19 ~~(2) ON BEHALF OF A COMMON OWNERSHIP COMMUNITY FOR~~  
20 ~~DAMAGES RESULTING FROM A VIOLATION OF THIS TITLE; OR~~

21 ~~(3)~~ (B) TO THE BOARD MAY TAKE APPROPRIATE ACTIONS TO:

22 (1) ASSIST A COMMON OWNERSHIP COMMUNITY IN EXERCISING  
23 ANY RIGHTS OF THE COMMON OWNERSHIP COMMUNITY UNDER THIS TITLE; OR

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

26 SUBTITLE 3. ~~LICENSING OF COMMON OWNERSHIP COMMUNITY~~ LICENSED  
27 MANAGERS.

28 22-301.

1           (A) ~~SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN~~ AN INDIVIDUAL  
2 SHALL BE ~~LICENSED~~ ISSUED A LICENSE BY THE BOARD BEFORE THE  
3 INDIVIDUAL MAY PROVIDE MANAGEMENT SERVICES FOR A COMMON  
4 OWNERSHIP COMMUNITY IN THE STATE.

5           (B) A LICENSED ~~COMMON OWNERSHIP COMMUNITY~~ MANAGER MAY  
6 PROVIDE MANAGEMENT SERVICES FOR A COMMON OWNERSHIP COMMUNITY  
7 ONLY UNDER THE TERMS OF A CONTRACT ENTERED INTO ~~BETWEEN THE~~  
8 ~~LICENSED COMMON OWNERSHIP COMMUNITY MANAGER AND~~ BY THE COMMON  
9 OWNERSHIP COMMUNITY.

10 **22-302.**

11           (A) TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL BE AN  
12 INDIVIDUAL WHO MEETS:

13                 (1) THE REQUIREMENTS OF THIS SECTION; AND

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

16           (B) AN APPLICANT SHALL BE A ~~CERTIFIED COMMON OWNERSHIP~~  
17 ~~COMMUNITY MANAGER~~ HOLDER OF A LIMITED LICENSE.

18           (C) AN APPLICANT SHALL:

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

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

24           (D) AN APPLICANT SHALL:

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

27                 (2) HOLD AN ACTIVE PROFESSIONAL DESIGNATION AS APPROVED  
28 BY THE BOARD.

29 **22-303.**

30 AN APPLICANT FOR A LICENSE SHALL:

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

3           (2)    PAY TO THE BOARD AN APPLICATION FEE SET BY THE BOARD.  
4 **22-304.**

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

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

8                   (2)    ON RECEIPT OF A LICENSE FEE, THE BOARD WILL ISSUE A  
9 LICENSE TO THE APPLICANT.

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

13           ~~(C)    THE FEE FOR A LICENSE ISSUED UNDER THIS SUBTITLE IS \$200~~  
14 ~~EVERY 2 YEARS.~~

15 **22-305.**

16           WHILE IN EFFECT, A LICENSE AUTHORIZES THE ~~LICENSEE~~ LICENSED  
17 MANAGER TO PROVIDE MANAGEMENT SERVICES TO A COMMON OWNERSHIP  
18 COMMUNITY.

19 **22-306.**

20           (A)    THE TERM OF A LICENSE IS 2 YEARS.

21           (B)    AT LEAST 2 MONTHS BEFORE A LICENSE EXPIRES, THE BOARD  
22 SHALL SEND TO THE ~~LICENSEE~~ LICENSED MANAGER, AT THE LAST KNOWN  
23 ADDRESS OF THE ~~LICENSEE~~ LICENSED MANAGER:

24                   (1)    A RENEWAL APPLICATION FORM; AND

25                   (2)    A NOTICE THAT STATES:

26                           (I)    THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;

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

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

5           **(C) (1) THE BOARD SHALL RENEW THE LICENSE OF AND ISSUE A**  
6 **RENEWAL CERTIFICATE TO EACH ~~LICENSEE~~ LICENSED MANAGER WHO MEETS**  
7 **THE REQUIREMENTS OF THIS SECTION.**

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

10 **22-307.**

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

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

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

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

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

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

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

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

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

1 (II) IF REQUIRED BY THE BOARD, STATES REASONS WHY  
2 REINSTATEMENT SHOULD BE GRANTED; AND

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

5 22-308.

6 (A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE BOARD MAY  
7 ISSUE BY RECIPROCITY A LICENSE ~~TO PROVIDE MANAGEMENT SERVICES FOR A~~  
8 ~~COMMON OWNERSHIP COMMUNITY IN THIS STATE~~ TO AN INDIVIDUAL WHO IS  
9 ~~CURRENTLY A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER~~ HAS THE  
10 EQUIVALENT LICENSE IN ANOTHER STATE OR TERRITORY OF THE UNITED  
11 STATES.

12 (B) THE BOARD MAY ISSUE A LICENSE UNDER THIS SECTION ONLY IF  
13 THE APPLICANT:

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

15 (2) PROVIDES ADEQUATE EVIDENCE THAT AT THE TIME OF  
16 APPLICATION FOR LICENSURE UNDER THIS SECTION, THE APPLICANT HAS MET  
17 REQUIREMENTS THAT ARE SUBSTANTIALLY EQUIVALENT TO THE  
18 REQUIREMENTS OF THIS STATE.

19 (C) THE BOARD SHALL ESTABLISH STANDARDS FOR THE ISSUANCE OF  
20 A LICENSE UNDER THIS SECTION.

21 22-309.

22 (A) SUBJECT TO THE HEARING PROVISIONS OF § 22-311 OF THIS  
23 SUBTITLE, THE BOARD MAY DENY A LICENSE TO ANY APPLICANT, REPRIMAND  
24 ANY ~~LICENSEE~~ LICENSED MANAGER, OR SUSPEND OR REVOKE A LICENSE IF THE  
25 APPLICANT OR ~~LICENSEE~~ LICENSED MANAGER:

26 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO  
27 OBTAIN A LICENSE FOR THE APPLICANT OR ~~LICENSEE~~ LICENSED MANAGER OR  
28 FOR ANOTHER;

29 (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;

30 (3) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE,  
31 IS CONVICTED OF:

1 (I) A FELONY; OR

2 (II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE  
3 FITNESS AND QUALIFICATIONS OF THE APPLICANT OR ~~LICENSEE~~ LICENSED  
4 MANAGER TO PROVIDE MANAGEMENT SERVICES;

5 (4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,  
6 INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,  
7 FRAUDULENT, OR IMPROPER DEALINGS;

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

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

12 (7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP  
13 COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE  
14 COMMON OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF  
15 WHICH THE ~~LICENSEE~~ LICENSED MANAGER HAS ACTUAL KNOWLEDGE;

16 ~~(8) SUBJECT TO THE PROVISIONS OF SUBTITLE 5 OF THIS TITLE,~~  
17 ~~FAILS TO REGISTER ONE OR MORE COMMON OWNERSHIP COMMUNITIES FOR~~  
18 ~~WHICH A LICENSEE PROVIDES MANAGEMENT SERVICES AND TO PAY~~  
19 ~~APPROPRIATE FEES ON BEHALF OF THOSE COMMON OWNERSHIP COMMUNITIES;~~

20 ~~(9)~~ (8) IS GUILTY OF GROSS NEGLIGENCE, INCOMPETENCE, OR  
21 MISCONDUCT IN PROVIDING MANAGEMENT SERVICES;

22 ~~(10)~~ (9) HAS BEEN SANCTIONED IN ANOTHER STATE IN A  
23 MATTER RELATING TO PROVIDING MANAGEMENT SERVICES;

24 ~~(11)~~ (10) VIOLATES ANY OTHER PROVISION OF THIS TITLE; OR

25 ~~(12)~~ (11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD  
26 UNDER THIS TITLE.

27 (B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE  
28 ~~LICENSEE~~ LICENSED MANAGER OR SUSPENDING OR REVOKING A LICENSE  
29 UNDER THIS SUBSECTION, THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING  
30 \$5,000 FOR EACH VIOLATION.

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



- 1 (I) THE SERIOUSNESS OF THE VIOLATION;
- 2 (II) THE HARM CAUSED BY THE VIOLATION;
- 3 (III) THE GOOD FAITH OF THE ~~LICENSEE~~ LICENSED  
4 MANAGER; AND
- 5 (IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE  
6 ~~LICENSEE~~ LICENSED MANAGER.

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

9 (C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE  
10 GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LICENSE OR  
11 THE REPRIMAND OF A ~~LICENSEE~~ LICENSED MANAGER WHEN AN APPLICANT OR  
12 ~~LICENSEE~~ LICENSED MANAGER IS CONVICTED OF A FELONY OR MISDEMEANOR  
13 DESCRIBED IN SUBSECTION (A)(3) OF THIS SECTION:

- 14 (1) THE NATURE OF THE CRIME;
- 15 (2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES  
16 AUTHORIZED BY THE LICENSE;
- 17 (3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE  
18 CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR  
19 ~~LICENSEE~~ LICENSED MANAGER TO PROVIDE MANAGEMENT SERVICES;
- 20 (4) THE LENGTH OF TIME SINCE THE CONVICTION; AND
- 21 (5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR  
22 ~~LICENSEE~~ LICENSED MANAGER BEFORE AND AFTER THE CONVICTION.

23 **22-310.**

24 ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE  
25 BOARD BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER §  
26 22-311 OF THIS SUBTITLE.

27 **22-311.**

28 (A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE  
29 GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER

1 **§ 22-309 OF THIS SUBTITLE, THE BOARD SHALL GIVE THE INDIVIDUAL AGAINST**  
 2 **WHOM THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING**  
 3 **BEFORE THE BOARD.**

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

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

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

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

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

18 **22-312.**

19 **ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A**  
 20 **CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT**  
 21 **ARTICLE, IS ENTITLED TO JUDICIAL REVIEW AS PROVIDED IN §§ 10-222 AND**  
 22 **10-223 OF THE STATE GOVERNMENT ARTICLE.**

23 **22-313.**

24 **~~(A) SUBJECT TO THE PROVISIONS OF THIS SECTION, THE~~ THE BOARD**  
 25 **MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES OF THE BOARD:**

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

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

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

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

1           ~~(2) THE BOARD HOLDS A HEARING ON THE REQUEST;~~

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

4           ~~(4) THE INDIVIDUAL PAYS TO THE BOARD A REINSTATEMENT FEE~~  
5 ~~SET BY THE BOARD.~~

6           SUBTITLE 4. ~~CERTIFICATION OF COMMON OWNERSHIP COMMUNITY~~  
7           MANAGERS HOLDERS OF A LIMITED LICENSE.

8           22-401.

9           (A) ~~SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN~~ AN INDIVIDUAL  
10 SHALL BE ISSUED A ~~CERTIFICATE~~ LIMITED LICENSE BY THE BOARD BEFORE  
11 THE INDIVIDUAL MAY PROVIDE MANAGEMENT SERVICES FOR A COMMON  
12 OWNERSHIP COMMUNITY IN THE STATE.

13           (B) THE HOLDER OF A ~~CERTIFICATE~~ LIMITED LICENSE ISSUED UNDER  
14 THIS SUBTITLE MAY PROVIDE MANAGEMENT SERVICES ONLY WHILE UNDER THE  
15 GENERAL SUPERVISION OF A LICENSED ~~COMMON OWNERSHIP COMMUNITY~~  
16 MANAGER.

17           22-402.

18           (A) TO QUALIFY FOR A ~~CERTIFICATE~~ LIMITED LICENSE, AN APPLICANT  
19 SHALL BE AN 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 AT LEAST 18 YEARS OLD.

24           (C) AN APPLICANT SHALL:

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

27           (2) PASS AN EXAMINATION APPROVED BY THE BOARD.

28           22-403.

1 AN APPLICANT FOR A ~~CERTIFICATE~~ LIMITED LICENSE SHALL:

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

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

5 22-404.

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

9 (1) THE APPLICANT HAS QUALIFIED FOR A ~~CERTIFICATE~~ LIMITED  
10 LICENSE; AND

11 (2) ON RECEIPT OF THE FEE SET BY THE BOARD, THE BOARD  
12 ~~SHALL~~ WILL ISSUE A ~~CERTIFICATE~~ LIMITED LICENSE TO THE APPLICANT.

13 (B) ON PAYMENT OF THE LIMITED LICENSE FEE, THE BOARD SHALL  
14 ISSUE A LIMITED LICENSE TO EACH APPLICANT WHO MEETS THE  
15 REQUIREMENTS OF THIS SUBTITLE.

16 ~~(C) THE FEE FOR A CERTIFICATE ISSUED UNDER THIS SUBTITLE IS \$100~~  
17 ~~EVERY 2 YEARS.~~

18 22-405.

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

24 22-406.

25 (A) THE TERM OF A ~~CERTIFICATE~~ LIMITED LICENSE IS 2 YEARS.

26 (B) AT LEAST 2 MONTHS BEFORE A ~~CERTIFICATE~~ LIMITED LICENSE  
27 EXPIRES, THE BOARD SHALL SEND TO THE ~~CERTIFICATE HOLDER~~ HOLDER OF  
28 THE LIMITED LICENSE, AT THE LAST KNOWN ADDRESS OF THE ~~CERTIFICATE~~  
29 ~~HOLDER~~ HOLDER OF THE LIMITED LICENSE:

30 (1) A RENEWAL APPLICATION FORM; AND

1 (2) A NOTICE THAT STATES:

2 (I) THE DATE ON WHICH THE CURRENT ~~CERTIFICATE~~  
3 LIMITED LICENSE EXPIRES;

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

7 (III) THE AMOUNT OF THE RENEWAL FEE.

8 (C) (1) THE BOARD SHALL RENEW AND ISSUE A RENEWAL  
9 CERTIFICATE TO EACH ~~CERTIFICATE-HOLDER~~ HOLDER OF A LIMITED LICENSE  
10 WHO MEETS THE REQUIREMENTS OF THIS SECTION.

11 (2) THE BOARD SHALL INCLUDE ON EACH RENEWAL  
12 CERTIFICATE THE DATE ON WHICH THE CURRENT ~~CERTIFICATE~~ LIMITED  
13 LICENSE EXPIRES.

14 22-407.

15 (A) THE BOARD SHALL REINSTATE THE ~~CERTIFICATE~~ LIMITED LICENSE  
16 OF AN INDIVIDUAL WHO HAS FAILED TO RENEW THE ~~CERTIFICATE~~ LIMITED  
17 LICENSE IF THE INDIVIDUAL:

18 (1) APPLIES TO THE BOARD FOR REINSTATEMENT WITHIN 2  
19 YEARS AFTER THE ~~CERTIFICATE~~ LIMITED LICENSE EXPIRES;

20 (2) MEETS THE RENEWAL REQUIREMENTS OF § 22-406 OF THIS  
21 SUBTITLE; AND

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

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

28 (I) MAY REQUIRE THE INDIVIDUAL TO REAPPLY FOR A  
29 ~~CERTIFICATE~~ LIMITED LICENSE IN THE SAME MANNER AS AN APPLICANT  
30 APPLIES FOR AN ORIGINAL ~~CERTIFICATE~~ LIMITED LICENSE UNDER THIS  
31 SUBTITLE; OR

1 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, MAY  
2 REINSTATE THE ~~CERTIFICATE~~ LIMITED LICENSE.

3 (2) THE BOARD MAY REINSTATE A ~~CERTIFICATE~~ LIMITED  
4 LICENSE UNDER PARAGRAPH (1) OF THIS SUBSECTION ONLY IF THE  
5 INDIVIDUAL:

6 (I) MEETS THE RENEWAL REQUIREMENTS OF § 22-406 OF  
7 THIS SUBTITLE;

8 (II) IF REQUIRED BY THE BOARD, STATES REASONS WHY  
9 REINSTATEMENT SHOULD BE GRANTED; AND

10 (III) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY  
11 THE BOARD.

12 22-408.

13 (A) SUBJECT TO THE HEARING PROVISIONS OF § 22-410 OF THIS  
14 SUBTITLE, THE BOARD MAY DENY A LIMITED LICENSE TO ANY APPLICANT,  
15 REPRIMAND ANY HOLDER OF A LIMITED LICENSE, OR SUSPEND OR REVOKE A  
16 LIMITED LICENSE IF THE APPLICANT OR HOLDER OF A LIMITED LICENSE:

17 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO  
18 OBTAIN A LIMITED LICENSE FOR THE APPLICANT OR HOLDER OF A LIMITED  
19 LICENSE OR FOR ANOTHER;

20 (2) FRAUDULENTLY OR DECEPTIVELY USES A LIMITED LICENSE;

21 (3) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE,  
22 IS CONVICTED OF:

23 (I) A FELONY; OR

24 (II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE  
25 FITNESS AND QUALIFICATIONS OF THE APPLICANT OR HOLDER OF A LIMITED  
26 LICENSE TO PROVIDE MANAGEMENT SERVICES;

27 (4) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,  
28 INCOMPETENCY, OR UNTRUSTWORTHINESS OR THAT CONSTITUTES DISHONEST,  
29 FRAUDULENT, OR IMPROPER DEALINGS;

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

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

5           **(7) WILLFULLY FAILS TO DISCLOSE TO A COMMON OWNERSHIP**  
6 **COMMUNITY MATERIAL FACTS THAT RELATE TO THE PROPERTY OF THE**  
7 **COMMON OWNERSHIP COMMUNITY OR CONCERN MANAGEMENT SERVICES OF**  
8 **WHICH THE HOLDER OF A LIMITED LICENSE HAS ACTUAL KNOWLEDGE;**

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

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

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

14           **(11) VIOLATES ANY REGULATION ADOPTED BY THE BOARD UNDER**  
15 **THIS TITLE.**

16           **(B) (1) INSTEAD OF OR IN ADDITION TO REPRIMANDING THE HOLDER**  
17 **OF A LIMITED LICENSE OR SUSPENDING OR REVOKING A LIMITED LICENSE**  
18 **UNDER THIS SUBSECTION, THE BOARD MAY IMPOSE A PENALTY NOT EXCEEDING**  
19 **\$5,000 FOR EACH VIOLATION.**

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

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

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

24                   **(III) THE GOOD FAITH OF THE HOLDER OF A LIMITED**  
25 **LICENSE; AND**

26                   **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE**  
27 **HOLDER OF A LIMITED LICENSE.**

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

1        (C) THE BOARD SHALL CONSIDER THE FOLLOWING FACTS IN THE  
2 GRANTING, DENIAL, RENEWAL, SUSPENSION, OR REVOCATION OF A LIMITED  
3 LICENSE OR THE REPRIMAND OF A HOLDER OF A LIMITED LICENSE WHEN AN  
4 APPLICANT OR HOLDER OF A LIMITED LICENSE IS CONVICTED OF A FELONY OR  
5 MISDEMEANOR DESCRIBED IN SUBSECTION (A)(3) OF THIS SECTION:

6            (1) THE NATURE OF THE CRIME;

7            (2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES  
8 AUTHORIZED BY THE LIMITED LICENSE;

9            (3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE  
10 CONVICTION TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR  
11 HOLDER OF A LIMITED LICENSE TO PROVIDE MANAGEMENT SERVICES;

12           (4) THE LENGTH OF TIME SINCE THE CONVICTION; AND

13           (5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR  
14 HOLDER OF A LIMITED LICENSE BEFORE AND AFTER THE CONVICTION.

15 22-409.

16        ON ITS OWN INITIATIVE OR ON A WRITTEN COMPLAINT MADE TO THE  
17 BOARD BY ANY PERSON, THE BOARD MAY COMMENCE PROCEEDINGS UNDER §  
18 22-410 OF THIS SUBTITLE.

19 22-410.

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

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

28        (C) THE BOARD MAY ADMINISTER OATHS IN CONNECTION WITH ANY  
29 PROCEEDING UNDER THIS SECTION.

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



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

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

7 **22-411.**

8           **ANY PERSON AGGRIEVED BY A FINAL DECISION OF THE BOARD IN A**  
 9 **CONTESTED CASE, AS DEFINED IN § 10-202 OF THE STATE GOVERNMENT**  
 10 **ARTICLE, IS ENTITLED TO JUDICIAL REVIEW AS PROVIDED IN §§ 10-222 AND**  
 11 **10-223 OF THE STATE GOVERNMENT ARTICLE.**

12 **22-412.**

13           **THE BOARD MAY REINSTATE, IN ACCORDANCE WITH THE PROCEDURES**  
 14 **OF THE BOARD:**

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

16           **(2) BEFORE FULFILLMENT OF THE CONDITIONS OF THE**  
 17 **SUSPENSION, ANY LIMITED LICENSE THAT HAS BEEN SUSPENDED.**

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

19 **22-501.**

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

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

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

25           **(3) ~~A COOPERATIVE HOUSING CORPORATION WITH 11 OR MORE~~**  
 26 **UNITS.**

27           **(B) IF A COMMON OWNERSHIP COMMUNITY ~~THAT IS REQUIRED TO~~**  
 28 **~~REGISTER UNDER THIS SECTION~~ CONTRACTS FOR MANAGEMENT SERVICES**  
 29 **~~WITH A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER,~~ THE**

1 RESPONSIBLE MANAGER ~~IDENTIFIED IN THE CONTRACT~~ SHALL BE  
2 RESPONSIBLE FOR THE REGISTRATION OF THE COMMON OWNERSHIP  
3 COMMUNITY.

4 ~~22-502.~~

5 EACH COMMON OWNERSHIP COMMUNITY ~~REQUIRED TO REGISTER WITH~~  
6 ~~THE BOARD UNDER THIS SUBTITLE~~ SHALL PROVIDE THE BOARD THE  
7 FOLLOWING INFORMATION:

8 (1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP  
9 COMMUNITY;

10 (2) THE COUNTY IN WHICH THE COMMON OWNERSHIP  
11 COMMUNITY IS LOCATED;

12 (3) THE NAME AND CONTACT INFORMATION OF EACH OFFICER OR  
13 MEMBER OF THE BOARD OF DIRECTORS OR GOVERNING BODY OF THE COMMON  
14 OWNERSHIP COMMUNITY;

15 ~~(3)~~ (4) THE NAME AND ADDRESS OF THE LICENSED ~~COMMON~~  
16 ~~OWNERSHIP COMMUNITY~~ MANAGER, IF ANY, FOR THE COMMON OWNERSHIP  
17 COMMUNITY; AND

18 ~~(4)~~ (5) ANY OTHER INFORMATION REQUIRED BY THE BOARD.

19 ~~22-503.~~

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

24 ~~(B) THE TOTAL ANNUAL FEE CHARGED TO A COMMON OWNERSHIP~~  
25 ~~COMMUNITY UNDER SUBSECTION (A) OF THIS SECTION MAY NOT BE LESS THAN~~  
26 ~~\$25 AND MAY NOT EXCEED \$250.~~

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

30 ~~(D) BEFORE THE TIME THAT A DEVELOPER OR DECLARANT~~  
31 ~~RELINQUISHES CONTROL OF THE GOVERNING BODY OF A COMMON OWNERSHIP~~  
32 ~~COMMUNITY, THE DEVELOPER OR DECLARANT SHALL PAY A REGISTRATION FEE~~

1 ~~ONLY FOR THE UNITS OR LOTS THAT HAVE BEEN CONVEYED TO MEMBERS OF~~  
 2 ~~THE PUBLIC.~~

3 SUBTITLE 6. MISCELLANEOUS PROVISIONS.

4 22-601.

5 (A) A LICENSEE IN THIS SECTION, "CONTRACTING PARTY" MEANS A  
 6 PERSON WHO CONTRACTS TO PROVIDE MANAGEMENT SERVICES FOR A COMMON  
 7 OWNERSHIP COMMUNITY.

8 (B) A CONTRACTING PARTY SHALL FILE WITH THE SECRETARY PROOF  
 9 AS REQUIRED BY THE BOARD OF:

10 (1) ~~A FIDELITY BOND OR THEFT INSURANCE THAT COVERS:~~

11 ~~(I) THE LICENSEE;~~

12 ~~(II) ANY RESPONSIBLE MANAGER; AND~~

13 ~~(III) ANY EMPLOYEES OR CONTRACTORS OF THE LICENSEE;~~

14 ~~OR~~

15 (2) ~~OTHER COMPARABLE WRITTEN INSURANCE AS REQUIRED BY~~  
 16 ~~THE BOARD~~ A FIDELITY BOND OR THEFT INSURANCE, OR OTHER COMPARABLE  
 17 WRITTEN INSURANCE AS REQUIRED BY THE BOARD, THAT COVERS:

18 (1) ANY PERSON WHO PROVIDES MANAGEMENT SERVICES FOR A  
 19 COMMON OWNERSHIP COMMUNITY UNDER THE TERMS OF A CONTRACT; AND

20 (2) ANY INDIVIDUAL WORKING UNDER THE DIRECTION OF A  
 21 PERSON DESCRIBED IN ITEM (1) OF THIS SUBSECTION.

22 ~~(B)~~ (C) (1) A FIDELITY BOND OR INSURANCE FOR WHICH PROOF IS FILED  
 23 UNDER THIS SECTION SHALL PROVIDE COVERAGE IN AN AMOUNT EQUAL TO THE  
 24 LESSER OF:

25 (I) \$2,000,000; OR

26 (II) THE HIGHEST AGGREGATE AMOUNT OF THE OPERATING  
 27 AND RESERVE BALANCES OF ALL COMMON OWNERSHIP COMMUNITIES UNDER  
 28 CONTRACT WITH THE ~~LICENSEE~~ CONTRACTING PARTY IN THE PRIOR ~~FISCAL~~  
 29 ~~YEAR~~ 3 MONTHS.

1           (2) THE TOTAL LIABILITY OF THE INSURANCE TO ALL INSURED  
2 PERSONS UNDER A FIDELITY BOND OR INSURANCE MAY NOT EXCEED THE SUM  
3 OF THE FIDELITY BOND OR INSURANCE.

4           (3) THE SECRETARY, OR THE SECRETARY'S DESIGNEE, SHALL BE  
5 NAMED AS A CERTIFICATE HOLDER FOR ANY FIDELITY BOND OR INSURANCE  
6 REQUIRED UNDER THIS SECTION.

7           ~~(C)~~ (D) IF THE FIDELITY BOND OR INSURANCE IS CANCELED,  
8 FORFEITED, OR TERMINATED ~~BY THE SURETY~~, THE ~~LICENSEE~~ CONTRACTING  
9 PARTY IMMEDIATELY SHALL NOTIFY THE SECRETARY.

10           ~~(D)~~ (E) ~~IF A LICENSEE FAILS TO MAINTAIN THE FIDELITY BOND OR~~  
11 ~~INSURANCE AS REQUIRED UNDER THIS SECTION, ON NOTIFICATION THE~~  
12 FIDELITY BOND OR INSURANCE IS CANCELED, FORFEITED, OR TERMINATED, OR  
13 THE CONTRACTING PARTY FAILS TO NOTIFY THE SECRETARY OF ANY CHANGES  
14 TO THE FIDELITY BOND OR INSURANCE, THE SECRETARY:

15           (1) SHALL SUSPEND ~~THE LICENSE~~ ANY LICENSE OR LIMITED  
16 LICENSE OF ANY INDIVIDUAL PROVIDING MANAGEMENT SERVICES COVERED BY  
17 THE FIDELITY BOND OR INSURANCE; AND

18           (2) MAY NOT REINSTATE ~~THE LICENSE UNTIL THE LICENSEE~~  
19 ~~SUBMITS PROOF TO THE SECRETARY OF COMPLIANCE WITH THIS SECTION A~~  
20 LICENSE OR LIMITED LICENSE UNTIL PROOF OF COMPLIANCE WITH THIS  
21 SECTION IS PROVIDED TO THE SECRETARY.

22 22-602.

23           (A) A ~~LICENSEE~~ LICENSED MANAGER SHALL DEPOSIT ALL MONEY  
24 RECEIVED IN CONNECTION WITH THE PROVISION OF MANAGEMENT SERVICES IN  
25 ONE OR MORE OF THE FINANCIAL INSTITUTION ACCOUNTS OF A COMMON  
26 OWNERSHIP COMMUNITY.

27           (B) A ~~LICENSEE~~ LICENSED MANAGER WHO PROVIDES MANAGEMENT  
28 SERVICES FOR MORE THAN ONE COMMON OWNERSHIP COMMUNITY SHALL  
29 MAINTAIN SEPARATE FINANCIAL INSTITUTION ACCOUNTS FOR EACH COMMON  
30 OWNERSHIP COMMUNITY.

31           (C) THE FUNDS IN EACH FINANCIAL INSTITUTION ACCOUNT OF A  
32 COMMON OWNERSHIP COMMUNITY MAY NOT BE COMMINGLED WITH THE FUNDS  
33 OF THE ~~LICENSEE~~ LICENSED MANAGER OR ANOTHER COMMON OWNERSHIP  
34 COMMUNITY.

1 (D) THE MAINTENANCE OF FINANCIAL INSTITUTION ACCOUNTS BY A  
 2 ~~LICENSEE~~ LICENSED MANAGER SHALL BE CUSTODIAL AND PROVIDED IN THE  
 3 NAME OF THE COMMON OWNERSHIP COMMUNITY.

4 (E) ~~EACH~~ THE RECORDS OF EACH FINANCIAL INSTITUTION ACCOUNT  
 5 OF A COMMON OWNERSHIP COMMUNITY SHALL BE ACCESSIBLE FOR REVIEW  
 6 DIRECTLY FROM THE FINANCIAL INSTITUTION BY THE GOVERNING BODY OF  
 7 THE COMMON OWNERSHIP COMMUNITY ~~TO REVIEW ON A REGULAR BASIS.~~

8 (F) A ~~LICENSEE~~ LICENSED MANAGER WHO WILLFULLY VIOLATES ANY  
 9 PROVISION OF THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON  
 10 CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$25,000 OR IMPRISONMENT  
 11 NOT EXCEEDING 5 YEARS OR BOTH.

12 **22-603.**

13 ~~IF A COMMON OWNERSHIP COMMUNITY CONTRACTS WITH A LICENSED~~  
 14 ~~COMMON OWNERSHIP COMMUNITY MANAGER TO PROVIDE MANAGEMENT~~  
 15 ~~SERVICES, THE CONTRACT SHALL IDENTIFY THE RESPONSIBLE MANAGER FOR~~  
 16 ~~THE COMMON OWNERSHIP COMMUNITY.~~

17 ~~**22-604.**~~

18 IF A COMMON OWNERSHIP COMMUNITY CONTRACTS WITH A PERSON  
 19 OTHER THAN A LICENSED ~~COMMON OWNERSHIP COMMUNITY~~ MANAGER TO  
 20 PROVIDE MANAGEMENT SERVICES, THE CONTRACT SHALL REQUIRE THAT ONLY  
 21 A LICENSED ~~COMMON OWNERSHIP COMMUNITY~~ MANAGER PROVIDE THE  
 22 MANAGEMENT SERVICES ~~TO~~ FOR THE COMMON OWNERSHIP COMMUNITY.

23 SUBTITLE 7. PROHIBITED ACTS; PENALTIES.

24 **22-701.**

25 EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MAY NOT  
 26 PROVIDE, ATTEMPT TO PROVIDE, OR OFFER TO PROVIDE MANAGEMENT  
 27 SERVICES ~~TO~~ FOR A COMMON OWNERSHIP COMMUNITY IN THE STATE UNLESS  
 28 ~~LICENSED OR CERTIFIED~~ ISSUED A LICENSE OR A LIMITED LICENSE BY THE  
 29 BOARD.

30 **22-702.**

31 UNLESS AUTHORIZED UNDER THIS TITLE TO PROVIDE MANAGEMENT  
 32 SERVICES TO A COMMON OWNERSHIP COMMUNITY, A PERSON MAY NOT  
 33 REPRESENT TO THE PUBLIC BY USE OF A TITLE, ~~INCLUDING "LICENSED~~

1 ~~COMMON OWNERSHIP COMMUNITY MANAGER~~”, ~~“CERTIFIED COMMON~~  
 2 ~~OWNERSHIP COMMUNITY MANAGER~~”, OR ~~“COMMON OWNERSHIP COMMUNITY~~  
 3 ~~MANAGEMENT~~”; BY USE INCLUDING “LICENSED MANAGER”, “HOLDER OF A  
 4 LIMITED LICENSE”, OR “COMMON OWNERSHIP COMMUNITY MANAGEMENT” BY  
 5 USE OF AN ABBREVIATION; ABBREVIATION, BY DESCRIPTION OF SERVICES,  
 6 METHODS, OR PROCEDURES, OR OTHERWISE THAT THE PERSON IS  
 7 AUTHORIZED TO PROVIDE MANAGEMENT SERVICES ~~TO~~ FOR A COMMON  
 8 OWNERSHIP COMMUNITY IN THE STATE.

9 **22-703.**

10 AN INDIVIDUAL MAY NOT:

11 (1) USE OR ATTEMPT TO USE THE LICENSE OR ~~CERTIFICATE~~  
 12 LIMITED LICENSE OF ANOTHER INDIVIDUAL; OR

13 (2) IMPERSONATE ANOTHER INDIVIDUAL WHO HOLDS A LICENSE  
 14 OR ~~CERTIFICATE~~ LIMITED LICENSE.

15 **22-704.**

16 AN INDIVIDUAL MAY NOT GIVE FALSE INFORMATION TO THE BOARD IN AN  
 17 ATTEMPT TO OBTAIN A LICENSE OR ~~CERTIFICATE~~ LIMITED LICENSE.

18 **22-705.**

19 AN INDIVIDUAL WHOSE LICENSE OR ~~CERTIFICATE~~ LIMITED LICENSE HAS  
 20 BEEN SUSPENDED OR REVOKED UNDER THIS TITLE MAY NOT PROVIDE  
 21 MANAGEMENT SERVICES ~~TO~~ FOR A COMMON OWNERSHIP COMMUNITY IN ANY  
 22 MANNER AS:

23 (1) AN ASSOCIATE, AGENT, EMPLOYEE, OR OTHER SUBORDINATE  
 24 OF A LICENSED ~~COMMON OWNERSHIP COMMUNITY MANAGER~~; OR

25 (2) A PRINCIPAL, ASSOCIATE, AGENT, EMPLOYEE, OR OTHER  
 26 SUBORDINATE OF A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY  
 27 COMPANY THAT PROVIDES MANAGEMENT SERVICES.

28 **22-706.**

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

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

4           **(2) IN SETTING THE AMOUNT OF THE PENALTY, THE BOARD**  
5 **SHALL CONSIDER:**

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

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

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

9                   **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE**  
10 **VIOLATOR; AND**

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

12           **(C) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS**  
13 **~~SUBSECTION~~ SECTION INTO THE GENERAL FUND OF THE STATE.**

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

15           **22-801.**

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

18           **22-802.**

19           **SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF**  
20 **THE MARYLAND PROGRAM EVALUATION ACT, THIS TITLE AND ALL**  
21 **REGULATIONS ADOPTED UNDER THIS TITLE SHALL TERMINATE AND BE OF NO**  
22 **EFFECT AFTER JULY 1, ~~2018~~ 2023.**

23                   **Article – Business Regulation**

24           **2-106.9.**

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

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

1           **(3) "FUND" MEANS THE STATE BOARD OF COMMON OWNERSHIP**  
2 **COMMUNITY MANAGERS FUND.**

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

5           **(C) THE PURPOSE OF THE FUND IS TO COVER THE ACTUAL**  
6 **DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY**  
7 **AND REGULATORY DUTIES OF THE BOARD.**

8           **(D) THE SECRETARY OR THE SECRETARY'S DESIGNEE SHALL**  
9 **ADMINISTER THE FUND.**

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

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

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

15           **(1) FEES COLLECTED BY THE BOARD AND DISTRIBUTED TO THE**  
16 **FUND UNDER § 22-207 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS**  
17 **ARTICLE;**

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

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

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

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

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

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



1 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN  
2 ACCORDANCE WITH THE STATE BUDGET.

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

6 **2-106.10.**

7 (A) IN THIS SECTION, "BOARD" MEANS THE STATE BOARD OF COMMON  
8 OWNERSHIP COMMUNITY MANAGERS.

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

12 (C) THE BOARD SHALL ESTABLISH FEES BASED ON THE CALCULATIONS  
13 PROVIDED BY THE SECRETARY UNDER THIS SECTION.

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

17 **2-108.**

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

19 (10) THE STATE BOARD OF COMMON OWNERSHIP COMMUNITY  
20 MANAGERS.

21 **Article – Corporations and Associations**

22 **5-6B-12.1.**

23 **A COOPERATIVE HOUSING CORPORATION SHALL REGISTER ANNUALLY**  
24 **WITH THE STATE BOARD OF COMMON OWNERSHIP COMMUNITY MANAGERS IN**  
25 **THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION AS REQUIRED**  
26 **UNDER TITLE 22, SUBTITLE 5 OF THE BUSINESS OCCUPATIONS AND**  
27 **PROFESSIONS ARTICLE.**

28 **Article – Real Property**

29 **11-130.1.**



1 (b) Except as otherwise provided in subsection (a) of this section, on or before  
2 the evaluation date for the following governmental activities or units, an evaluation  
3 shall be made of the following governmental activities or units and the statutes and  
4 regulations that relate to the governmental activities or units:

5 (13) COMMON OWNERSHIP COMMUNITY MANAGERS, STATE  
6 BOARD OF (§ 22-201 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS  
7 ARTICLE, JULY 1, ~~2018~~ 2023);

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

11 (a) three members in ~~2015~~ 2016;

12 (b) three members in ~~2016~~ 2017; and

13 (c) three members in ~~2017~~ 2018.

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

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

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

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

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

26 SECTION 6. AND BE IT FURTHER ENACTED, That the State Board of  
27 Common Ownership Community Managers shall grant a waiver of the training and  
28 examination requirements for ~~licensing under this Act~~ a license issued under § 22-304  
29 of the Business and Occupations and Professions Article, as enacted under Section 3 of  
30 this Act, to any applicant who presents to the Board no later than October 1, ~~2014~~  
31 2015, satisfactory evidence that the applicant provided management services in the  
32 State for the ~~5~~ 2 years immediately before the date of application.

33 SECTION 7. AND BE IT FURTHER ENACTED, That, on or before December 1,  
34 2013, the Department of Labor, Licensing, and Regulation shall report to the General  
35 Assembly, in accordance with § 2-1246 of the State Government Article, on the

1 imposition of a registration fee on common ownership communities, including the  
2 necessity for and amount of a registration fee on common ownership communities in  
3 relation to the license and limited license fees required under this Act and the size of a  
4 common ownership community to which a registration fee would apply.

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

14 SECTION ~~8~~ 9. AND BE IT FURTHER ENACTED, That this Act shall take  
15 effect October 1, 2013.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.