

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 516
PROPOSED COMMITTEE SUBSTITUTE S516-PCS15316-ROf-70

Short Title: Community Association Managers Licensure.

(Public)

Sponsors:

Referred to:

March 11, 2009

1 A BILL TO BE ENTITLED
2 AN ACT ESTABLISHING THE COMMUNITY ASSOCIATION MANAGERS LICENSURE
3 ACT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 93A of the General Statutes is amended by adding the
6 following new Article to read:

7 "Article 6.

8 "Community Association Managers Licensure Act.

9 **"§ 93A-85. Short title.**

10 This Article shall be known as the 'North Carolina Community Association Managers
11 Licensure Act.'

12 **"§ 93A-86. Purpose.**

13 The General Assembly finds that persons who provide community association management
14 in North Carolina affect the public health, safety, and welfare and that the mandatory licensure
15 of persons who provide community association management for compensation is necessary to
16 ensure minimum standards of competency. It is the purpose and intent of this Article to protect
17 the public from persons unqualified to provide community association management and from
18 unprofessional conduct by persons licensed pursuant to this Article.

19 **"§ 93A-87. Definitions.**

20 The following definitions apply in this Article:

- 21 (1) Board. – The North Carolina Licensure Board for Community Association
22 Managers.
23 (2) Compensation. – A fee or anything else of value or the promise thereof.
24 (3) Community Association. – An association or organization of the owners of
25 residential condominiums, time-shares, townhouses, apartments, or lots in a
26 planned community or subdivision that is subject to a uniform scheme of
27 restrictive covenants, in which owner membership is made mandatory by
28 covenant, contract, or deed, and is authorized to collect dues, assessments, or
29 other payments from owner members.
30 (4) Community Association Manager. – Any person who, for compensation or
31 the expectation thereof, performs two or more of the following acts or
32 services for a community association:



- 1 a. Acts with the authority of a community association in its business,
2 legal, financial, or other transactions with association members and
3 nonmembers.
- 4 b. Executes the resolutions and decisions of the government of a
5 community association or, with the authority of the association,
6 enforces the rights of the association secured by statute, contract,
7 covenant, rule, or bylaw.
- 8 c. Collects, disburses, or otherwise exercises dominion or control over
9 money or other property belonging to a community association.
- 10 d. Prepares budgets, financial statements, or other financial reports for a
11 community association.
- 12 e. Negotiates contracts or otherwise coordinates or arranges for services
13 or the purchase of property and goods for or on behalf of a
14 community association.
- 15 f. Offers or solicits to perform any of the acts or services in
16 sub-subdivisions a. through e. of this subdivision on behalf of a
17 community association.
- 18 (5) License. – A certificate issued by the Board recognizing the person named
19 therein as having met the requirements to provide community association
20 management services as defined in this Article.
- 21 (6) Licensee. – A person who has been issued a license under this Article.

22 **"§ 93A-88. License required.**

23 (a) On or after October 1, 2010, it shall be unlawful for any person in this State to act as
24 a community association manager, directly or indirectly engage in the business of community
25 association management, hold himself or herself out to be a community association manager, or
26 use the title 'Licensed Community Association Manager' or 'Community Association Manager'
27 without first obtaining a license from the Board as provided in this Article.

28 (b) The Board may issue a license to provide community association management to an
29 individual. The Board shall not issue a license to provide community association management
30 to a partnership, association, corporation, limited liability company, or other business entity.
31 However, a licensed community association manager may perform community association
32 management for or on behalf of a partnership, association, corporation, limited liability
33 company, or other business entity, conduct business as a business entity, or enter into and
34 enforce contracts as a business entity.

35 **"§ 93A-89. Exemptions.**

36 The provisions of this Article shall not apply to:

- 37 (1) An officer or member of a community association who, for no compensation
38 or expectation thereof, performs the acts or services of a community
39 association manager.
- 40 (2) The acts or services of an attorney-at-law who is engaged to represent a
41 community association or community association manager in any business
42 that constitutes the practice of law.
- 43 (3) The acts or services of a real estate broker hired by a community association
44 to sell or rent real property belonging to the association.
- 45 (4) A trustee in bankruptcy, court-appointed receiver, or any other person acting
46 under the express authority of an order issued by a court of competent
47 jurisdiction.
- 48 (5) The acts or services of a certified public accountant acting solely in the
49 capacity of a certified public accountant.
- 50 (6) A person who is the regular, salaried employee of a licensed community
51 association manager or an entity lawfully engaged in community association

1 management while performing clerical or ministerial functions under the
2 direction and control of a licensed community association manager.

3 (7) A person who is the regular, salaried employee of a licensed community
4 association manager or an entity lawfully engaged in community association
5 management who performs any of the acts or services described in
6 G.S. 93A-87(4)a. through e., under the direct supervision and control of a
7 licensed community association manager.

8 (8) The person, including a governmental agency, redevelopment authority, or
9 redevelopment commission, who undertook the development and who has a
10 legal or equitable interest in the property developed and who provides
11 community association management until not more than 30 days after
12 conveyance of all of the units or lots (including units or lots which may be
13 created pursuant to special declarant rights) to unit or lot owners other than
14 the declarant.

15 **"§ 93A-90. North Carolina Licensure Board for Community Association Managers.**

16 (a) Membership. – The North Carolina Licensure Board for Community Association
17 Managers is established. The Board shall consist of seven members appointed as follows:

18 (1) Four community association managers, two of whom shall be appointed by
19 the General Assembly, upon the recommendation of the President Pro
20 Tempore of the Senate, one of whom shall be appointed by the General
21 Assembly, upon the recommendation of the Speaker of the House of
22 Representatives, and one of whom shall be appointed by the Governor.

23 (2) A home builder appointed by the Governor, upon the recommendation of the
24 North Carolina Home Builders Association.

25 (3) A licensed real estate broker appointed by the Governor, upon the
26 recommendation of the North Carolina Association of Realtors.

27 (4) A public member who is not a professional in any of the categories in
28 subdivisions (1) through (3) of this subsection, appointed by the General
29 Assembly, upon the recommendation of the Speaker of the House of
30 Representatives.

31 Members of the Board shall be citizens of the United States and residents of this State.

32 (b) Terms. – Members of the Board shall be appointed for four-year staggered terms.
33 Each Board member shall hold office until July 1 of the year in which the Board member's
34 respective term expires and until his or her successor is appointed and qualified. No member
35 may serve more than two consecutive full terms. Appointments made by the General Assembly
36 shall be made in accordance with G.S. 120-121.

37 The initial Board members shall be appointed before October 1, 2009. Of the members
38 initially appointed, the community association manager appointed by the Governor shall serve
39 a one-year term. The community association manager appointed by the General Assembly,
40 upon the recommendation of the Speaker of the House of Representatives, and the licensed real
41 estate broker shall serve two-year terms. One community association manager appointed by the
42 General Assembly, upon the recommendation of the President Pro Tempore of the Senate, and
43 the home builder shall serve three-year terms. The remaining community association manager
44 appointed by the General Assembly, upon the recommendation of the President Pro Tempore of
45 the Senate, and the public member shall serve four-year terms.

46 Upon the expiration of the terms of the initial Board members, members shall be appointed
47 by the appointing authorities designated in subdivisions (1) through (4) of subsection (a) of this
48 section for a term of four years and shall serve until a successor is appointed.

49 (c) Vacancies. – Any vacancy shall be filled by the authority originally filling that
50 position. Appointees to fill vacancies shall serve the remainder of the unexpired term and until
51 their successors have been duly appointed and qualified.

1 (d) Removal. – The Board may remove any of its members for neglect of duty,
2 incompetence, or unprofessional conduct. A member subject to disciplinary proceedings in his
3 or her capacity as a licensed community association manager shall be disqualified from
4 participating in the official business of the Board until the charges have been resolved.

5 (e) Compensation. – Each member of the Board shall receive per diem and
6 reimbursement for travel and subsistence as provided in G.S. 93B-5.

7 (f) Officers. – The officers of the Board shall be a chair, a vice-chair, and other officers
8 deemed necessary by the Board to carry out the purposes of this Article. All officers shall be
9 elected annually by the Board for one-year terms and shall serve until their successors are
10 elected and qualified. The chair of the Board shall be a licensed community association
11 manager.

12 (g) Meetings. – The Board shall hold its first meeting within 30 days after the
13 appointment of its members and shall hold at least two meetings each year to conduct business
14 and to review the standards and rules previously adopted by the Board. The Board shall
15 establish the procedures for calling, holding, and conducting regular and special meetings. A
16 majority of Board members constitutes a quorum.

17 **"§ 93A-91. Powers and duties of the Board.**

18 The Board has the power and duty to:

- 19 (1) Administer this Article.
- 20 (2) Issue interpretations of this Article.
- 21 (3) Adopt rules as may be necessary to carry out the provisions of this Article.
- 22 (4) Determine the qualifications and fitness of applicants for licensure and
23 license renewal.
- 24 (5) Establish an examination and approve educational curricula for persons
25 seeking licensure under this Article.
- 26 (6) Adopt and publish rules governing the ethics and standards of practice for
27 persons licensed as community association managers and create educational
28 programs, books, and materials for licensees and the general public
29 concerning community associations, their organization and proper
30 management, and the rights of members.
- 31 (7) Issue, renew, deny, suspend, and revoke licenses and investigate and
32 discipline licensees as provided by this Article.
- 33 (8) Conduct investigations, subpoena individuals and records, and do all other
34 things necessary and proper to enforce this Article and discipline persons
35 licensed under this Article.
- 36 (9) Employ and discharge an executive director and other professional, clerical,
37 investigative, and special personnel and to set the compensation and benefits
38 for those persons.
- 39 (10) Purchase or rent office space, equipment, and supplies necessary to carry out
40 the provisions of this Article.
- 41 (11) Adopt a seal by which it shall authenticate its proceedings, official
42 documents, and licenses.
- 43 (12) Conduct administrative hearings in accordance with Article 3A of Chapter
44 150B of the General Statutes.
- 45 (13) Establish fees as allowed by the Article.
- 46 (14) Publish and make available upon request the licensure standards prescribed
47 under this Article and all rules adopted by the Board.
- 48 (15) Request and receive the assistance of State educational institutions or other
49 State agencies.
- 50 (16) Establish continuing education requirements for persons licensed under this
51 Article.

1 (17) Call upon the Attorney General to provide legal counsel and representation
2 to the Board or, upon the approval of the Attorney General, hire another
3 attorney to represent the Board, provided that the cost of legal representation
4 is borne by the Board.

5 **"§ 93A-92. Requirements for licensure; denial of licensure.**

6 (a) To be licensed as a community association manager, an applicant shall do all of the
7 following:

8 (1) Submit a completed application to the Board on a form provided by the
9 Board.

10 (2) Pass a licensing examination prescribed by the Board or present evidence of
11 one of the following:

12 a. Successful completion of the Professional Community Association
13 Manager or the Association Management Specialist designation
14 administered by the Community Associations Institute.

15 b. Successful completion of the Certified Manager of Community
16 Association Certification Program administered by the National
17 Board of Certification for Community Association Managers.

18 c. Attainment of the Certified Property Manager designation of the
19 Institute of Real Estate Management Division, an affiliate of the
20 National Association of Realtors.

21 d. Successful completion of any other program of education which, in
22 the discretion of the Board, is equivalent to the programs described in
23 sub-subdivisions a. through c. of this subdivision.

24 e. Possession of a valid license issued by another state or any political
25 territory or jurisdiction acceptable to the Board if in the Board's
26 opinion the requirements for that licensure are substantially the same
27 as the requirements for licensure under this Article.

28 (3) Produce evidence of coverage by a fidelity bond in accordance with
29 G.S. 93A-93.

30 (4) Demonstrate to the Board that the applicant possesses good moral character
31 and the honesty, truthfulness, and integrity necessary to protect the interests
32 of the public and promote public confidence in licensed community
33 association managers.

34 (5) Pay the applicable fees.

35 (b) If the Board finds that an applicant has not demonstrated that the applicant
36 possesses the character and fitness for licensure, the Board shall defer action on the applicant's
37 application and shall notify the applicant in writing by first-class mail directed to the address
38 provided by the applicant in the application. Within 60 days following the mailing of the
39 notice, the applicant may request a hearing before the Board. Proceedings before the Board
40 shall be governed by Article 3A of Chapter 150B of the General Statutes. At the hearing, the
41 applicant shall have the burden of demonstrating the applicant's good character and fitness for
42 licensure. If the applicant does not make a timely request for a hearing, the application shall be
43 deemed denied.

44 **"§ 93A-93. Fidelity bonds; segregation of accounts.**

45 (a) Every community association manager engaged in community association
46 management shall at all times be covered by a fidelity bond or an insurance policy complying
47 with the provisions of this section.

48 (b) A fidelity bond required by this section shall be in an amount of at least twenty
49 thousand dollars (\$20,000) and shall:

50 (1) Be written by an insurance company authorized to write fidelity bonds in
51 this State.

(2) Cover the community association manager and all or a portion of the employees and protect all or a portion of the community association funds in the custody of the community association manager or community association employees acting under the community association manager's supervision.

(3) Provide that the insurance company issuing the bond may not cancel, substantially modify, or refuse to renew the bond without giving 30 days' prior written notice to the Board, except in the case of nonpayment of premiums, in which case 10 days' prior written notice shall be given to the Board.

(4) Contain any other provisions as may be required by the Board.

(c) A licensee shall furnish the Board proof of required bond coverage before engaging in community association management activities and upon license renewal if the licensee continues to engage in community association management activities.

(d) The fidelity bond may be issued to an individual licensee naming the licensee as the insured party or may be issued to a community association management firm naming the firm, all affiliated licensees, and others as insured parties.

(e) A community association manager with custody, dominion, or control of money belonging to a community association or money belonging to a member of a community association shall comply with all the following:

(1) Safeguard and account for the money promptly and accurately.

(2) Promptly deposit the money into federally insured accounts in a bank, savings institution, or credit union lawfully doing business in North Carolina that consents to the jurisdiction of the Board for the examination of its records necessary to enforce this Article.

(3) Segregate the money in an account or accounts used exclusively for the deposit and maintenance of funds belonging only to one association and not commingle the money belonging to one association with money belonging to another association, the manager, or another person or entity.

(4) Obtain written authorization if any interest or other income earned by the money is to be paid to any person or party other than the association or member to whom the money belongs.

(5) Create and maintain books and records sufficient to demonstrate compliance with the provisions of this section and rules adopted by the Board.

(6) Upon depositing the money as provided in this subsection, expend, remit, or invest the money as directed by the association to whom the money belongs and provide an accurate account of any expenditure, remittance, or investment.

"§ 93A-94. Fees; subsequent application.

(a) The Board may impose the following fees, not to exceed the following amounts:

(1)	<u>Application for community association manager license</u>	<u>\$25.00</u>
(2)	<u>Community association manager examination</u>	<u>75.00</u>
(3)	<u>Issuance of license</u>	<u>150.00</u>
(4)	<u>License renewal.....</u>	<u>100.00</u>
(5)	<u>Late renewal.....</u>	<u>25.00</u>
(6)	<u>Application for course approval.....</u>	<u>150.00</u>
(7)	<u>Course approval renewal.....</u>	<u>75.00</u>
(8)	<u>Course fee, per credit hour per licensee.....</u>	<u>5.00</u>
(9)	<u>Credit for unapproved continuing education course.....</u>	<u>50.00</u>
(10)	<u>Registration of community association.....</u>	<u>50.00</u>

1 (11) Copies of Board rules or licensure standards shall be the cost of printing and
2 mailing.

3 (b) An individual who applied for a license as a community association manager and
4 failed the community association manager examination is not required to pay an additional
5 application fee if the individual submits another application for a license as a community
6 association manager within six months following the submission of the individual's first
7 application. However, the individual shall pay the examination fee to be eligible to take the
8 examination again.

9 **"§ 93A-95. License renewal; inactive license; lapsed license.**

10 (a) Renewal. – A license issued under this Article expires on September 30 of each
11 year. A license may be renewed by filing an application for renewal according to procedures
12 established by the Board and paying the required renewal fee. The Board shall renew the
13 license of a person who files an application for renewal, pays the required renewal fee, and has
14 fulfilled the continuing education requirements set by the Board. If the Board imposes a
15 continuing education requirement as a condition of renewing a license, the Board shall
16 reasonably ensure that the courses needed to fulfill the requirement are available.

17 (b) Late Renewal. – The Board may provide for the late renewal of a license upon the
18 payment of a late fee. However, late renewal of a license may not be granted more than five
19 years after the license expires.

20 (c) Inactive License. – A licensed community association manager may apply to the
21 Board to be placed on inactive status. An applicant for inactive status shall follow the
22 procedure established by the Board. A licensed community association manager who is granted
23 inactive status is not subject to the license renewal requirements during the period the license
24 holder remains on inactive status. A community association manager on inactive status may
25 apply to the Board to be reinstated to active status at any time. The Board may set conditions
26 for reinstatement to active status. A community association manager on inactive status shall not
27 perform any act or service for which licensure is required.

28 **"§ 93A-96. Continuing education.**

29 (a) Requirements. – The Board may establish programs of continuing education for
30 licensees under this Article. A licensee subject to a program under this section shall present
31 evidence to the Board upon renewing the license, and every renewal thereafter, that during the
32 12 months preceding the annual license expiration date the licensee has completed the required
33 number of classroom hours of instruction in courses approved by the Board. The Board shall
34 determine the number of hours of continuing education a licensee is required to complete
35 annually. However, the total number of credit hours shall not exceed eight credit hours. No
36 member of the Board shall provide or sponsor a continuing education course under this section
37 while that person is serving on the Board.

38 (b) Fees. – The Board may establish a nonrefundable course application fee to be
39 charged to a course sponsor for the review and approval of a proposed continuing education
40 course. Approval of a continuing education course shall be renewed annually. The Board may
41 also require a course sponsor to pay a fee for each licensee completing an approved continuing
42 education course conducted by the sponsor.

43 (c) Credit for Unapproved Course. – The Board may award continuing education credit
44 for an unapproved course or related educational activity. The Board may prescribe procedures
45 for a licensee to submit information on an unapproved course or related educational activity for
46 continuing education credit. The Board may charge a fee to the licensee for each unapproved
47 course or activity submitted.

48 (d) Extension of Time. – The Board may, for good cause shown, grant extensions of
49 time to licensees to comply with the requirements of this section. Any licensee who, after
50 obtaining an extension under this subsection, offers evidence satisfactory to the Board that the

1 licensee has satisfactorily completed the required continuing education courses, is in
2 compliance with this section.

3 (e) Rules. – The Board may adopt rules regarding continuing education requirements,
4 including rules that govern:

- 5 (1) The content and subject matter of continuing education courses.
- 6 (2) The criteria, standards, and procedures for the approval of courses, course
7 sponsors, and course instructors.
- 8 (3) The methods of instruction.
- 9 (4) The computation of course credit.
- 10 (5) The ability to carry forward course credit from one year to another.
- 11 (6) The waiver of or variance from the continuing education requirement for
12 hardship or other reasons.
- 13 (7) The procedures for compliance and sanctions for noncompliance.

14 **"§ 93A-97. Registration of community associations.**

15 On or before January 1 of each year, every community association whose membership
16 includes the owners of 20 or more residential condominiums, townhouses, apartments, or lots,
17 or any combination thereof shall register the association with the Board and shall provide the
18 Board with the following information about the association:

- 19 (1) The name and address of the association.
- 20 (2) The county where the property is located.
- 21 (3) The name and address of the community association's manager.
- 22 (4) Any other information the Board may require pursuant to rules adopted by
23 the Board.

24 Registration is also required of any community association whose constituent parts include
25 other community associations or organizations whose membership includes the owners of
26 fewer than 20 residential condominiums, townhouses, apartments, or lots, but in the aggregate
27 includes the owners of 20 or more properties or interests. The Board may charge each affected
28 association an annual registration fee not to exceed fifty dollars (\$50.00).

29 **"§ 93A-98. Disciplinary action by the Board.**

30 (a) The Board shall have the authority to take disciplinary action. Upon its own
31 initiative or upon the complaint of any person, the Board may investigate the conduct of a
32 licensed community association manager or any other person who acts or presumes to act in the
33 capacity of a licensed community association manager. The Board may suspend or revoke a
34 license issued under this Article or reprimand a licensee if, following a hearing, the Board finds
35 that the licensee has:

- 36 (1) Obtained a license by means of fraud, deceit, or misrepresentation.
- 37 (2) Engaged in gross negligence or gross incompetence as a community
38 association manager.
- 39 (3) Engaged in any act or service for which a license is required with a lapsed or
40 inactive license.
- 41 (4) Made a willful misrepresentation of material fact.
- 42 (5) Failed within a reasonable time to account for or remit money belonging to a
43 community association or another person coming into the community
44 association manager's possession in his or her capacity as a community
45 association manager.
- 46 (6) Commingled money belonging to a community association with the
47 community association manager's own money or failed to deposit, maintain,
48 or safeguard the money of a community association as required by
49 G.S. 93A-93(e).
- 50 (7) Been adjudged legally incompetent.

- 1 (8) Paid or offered to pay a valuable consideration to any person for acts or
2 services performed in violation of this Article.
3 (9) Failed to reasonably supervise an employee under G.S. 93A-89(6) or (7) to
4 prevent a violation of this Article.
5 (10) Engaged in any other conduct that is fraudulent.
6 (11) Violated any rule adopted by the Board or any provision of this Article.

7 (b) The Board may also suspend or revoke the license issued to a community
8 association manager when the licensee has been convicted in any court of competent
9 jurisdiction in this State, another state, or the United States of the offenses of fraud,
10 embezzlement, larceny, false pretenses, forgery, conspiracy, or any other offense involving
11 dishonesty, breach of trust, or moral turpitude.

12 (c) In any case in which the Board may take disciplinary action authorized by this
13 section, the Board may also impose reasonable conditions, restrictions, limitations, and
14 probation upon the licensee.

15 (d) Hearings held pursuant to this section shall be governed by the provisions of Article
16 3A of Chapter 150B of the General Statutes.

17 (e) The Board shall have authority to issue subpoenas in aid of its authority to compel
18 the testimony of witnesses and to require any person or entity to produce documents for
19 examination and copying by the Board's representatives. Subpoenas shall be signed by the
20 Board Chairman, Executive Director, or legal counsel. Upon written request, the Board Chair
21 shall revoke a subpoena upon a showing that the subpoena does not describe the evidence
22 sought with reasonable particularity, the evidence sought by the subpoena does not relate to a
23 matter within the authority of the Board, or compliance with the subpoena is unreasonably
24 burdensome. If any person should fail to comply with a subpoena issued by the Board, the
25 Board may apply to the Superior Court of Wake County or any county where the subpoenaed
26 person resides or does business for an order to compel the person to comply with a subpoena or
27 to show cause why the subpoenaed person should not be held in contempt. The court may
28 impose punishment for failure to comply with the Board's subpoena in the same manner as if
29 the subpoena had been issued under the court's own authority. When the subpoena seeks the
30 production of records of money belonging to a community association or association member
31 held by a financial institution, the Board may obtain access to the records in accordance with
32 G.S. 53B-5.

33 **"§ 93A-99. License is property of the Board; display of license; report address change.**

34 (a) A license issued by the Board is the property of the Board. If the Board suspends or
35 revokes a license issued by the Board, the community association manager to whom the license
36 is issued shall return the license to the Board upon demand.

37 (b) A community association manager licensed by the Board shall display the license in
38 a manner prescribed by the Board. A licensed community association whose address changes
39 shall report the change to the Board.

40 **"§ 93A-100. Records.**

41 All persons licensed under this Article shall maintain full and accurate records of business
42 engaged in pursuant to their licenses. Records shall include the written, signed contract, and the
43 written report required by the standards of practice established by the Board. Licensees shall
44 retain records no less than three years. Licensees shall furnish their records to the Board on
45 demand without prior notice.

46 **"§ 93A-101. Violation a misdemeanor.**

47 A person who violates any provision of this Article is guilty of a Class 2 misdemeanor.
48 Each unlawful act or practice constitutes a distinct and separate offense.

49 **"§ 93A-102. Injunctions.**

50 The Board may apply to any appropriate court for an order enjoining violations of this
51 Article. Upon a showing by the Board that any person has violated or is about to violate this

1 Article, the court may grant an injunction or a restraining order or take other appropriate
2 action."

3 **SECTION 2.** G.S. 93A-6(a)(12) reads as rewritten:

4 "(a) The Commission has power to take disciplinary action. Upon its own initiative, or
5 on the complaint of any person, the Commission may investigate the actions of any person or
6 entity licensed under this ~~Chapter, Article,~~ or any other person or entity who shall assume to act
7 in such capacity. If the Commission finds probable cause that a licensee has violated any of the
8 provisions of this ~~Chapter, Article,~~ the Commission may hold a hearing on the allegations of
9 misconduct.

10 The Commission has power to suspend or revoke at any time a license issued under the
11 provisions of this ~~Chapter, Article,~~ or to reprimand or censure any licensee, if, following a
12 hearing, the Commission adjudges the licensee to be guilty of:

13 ...

14 (12) Commingling the money or other property of his or her principals with his or
15 her own or failure to maintain and deposit in a trust or escrow account in an
16 insured bank or savings and loan association in North Carolina all money
17 received by him or her as a real estate licensee acting in that capacity, or an
18 escrow agent, or the custodian or manager of the funds of another person or
19 entity which relate to or concern that person's or entity's interest or
20 investment in real property, provided, these accounts shall not bear interest
21 unless the principals authorize in writing the deposit be made in an interest
22 bearing account and also provide for the disbursement of the interest
23 accrued. However, a real estate broker who is also a licensed community
24 association manager shall not be subject to disciplinary action by the
25 Commission for handling and accounting for money belonging to a
26 community association in compliance with Article 6 of this Chapter.

27"

28 **SECTION 3.** Any person who submits proof to the Board that the person has been
29 actively engaged in business as a community association manager for compensation in this
30 State for at least three consecutive years before the effective date of this act and pays the
31 required fee for the issuance of a license shall be licensed without having to satisfy the
32 requirements of G.S. 93A-92(a)(1) and (2), as enacted by Section 1 of this act. Proof of active
33 engagement as a community association manager may be shown by evidence of the regular
34 performance, over three or more years, of two or more of the acts or services enumerated in
35 G.S. 93A-87. All persons who do not make application to the Board within one year of the
36 effective date of this act shall be required to complete all requirements prescribed by the Board
37 and to otherwise comply with the provisions of G.S. 93A-92.

38 **SECTION 4.** This act is effective when it becomes law.