



## Proposed Regulation Agency Background Document

<b>Agency name</b>	Common Interest Community Board
<b>Virginia Administrative Code (VAC) citation</b>	18 VAC 48 -50
<b>Regulation title</b>	Common Interest Community Manager Regulations
<b>Action title</b>	Amendment to Common Interest Community Manager Regulations to Provide for Individual Certification
<b>Date this document prepared</b>	July 19, 2010

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 36 (2006) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

### Brief summary

*In a short paragraph, please summarize all substantive provisions of new regulations or changes to existing regulations that are being proposed in this regulatory action.*

This is a revision to existing regulations to establish the certification requirements for supervisory and principal employees of common interest community managers, as well as the standards of practice and conduct for such employees. In addition, the regulations specific to common interest community managers were amended as the Board determined necessary during the review process.

The regulations were developed by a committee of Board members and members of the public with expertise in various areas related to common interest communities (common interest community managers, a community association attorney, and association member representatives) in order to aid in the development of regulations that ensure minimum competency without being overly burdensome or too costly.

### Acronyms and Definitions

*Please define all acronyms used in the Agency Background Document. Also, please define any technical terms that are used in the document that are not also defined in the "Definition" section of the regulations.*

None.

## Legal basis

*Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., the agency, board or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.*

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Section 54.1-2349 states in part that the Board shall have the power and duty to promulgate regulations to carry out the requirements of Chapter 23.3 of Title 54.1 of the Code of Virginia. In addition, 54.1-2349(A)(3) states that the Board shall establish criteria for the certification of employees of common interest community managers who have principal responsibility for management services provided to common interest communities or supervisory responsibility for employees who participate directly in the provision of management services. § 54.1-201(E) states in part that regulatory boards shall promulgate regulations in accordance with the Administrative Process Act necessary to assure continued competence, to prevent deceptive or misleading practices by practitioners and to effectively administer the regulatory system administered by the regulatory board. The regulation is mandatory to implement Chapters 851 and 871 of the Acts of the 2008 General Assembly.

## Purpose

*Please explain the need for the new or amended regulation by (1) detailing the specific reasons why this regulatory action is essential to protect the health, safety, or welfare of citizens, and (2) discussing the goals of the proposal, the environmental benefits, and the problems the proposal is intended to solve.*

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This revision to existing regulations is necessary to establish the certification requirements for supervisory and principal employees of common interest community managers, as well as the standards of practice and conduct for such employees. In addition, the regulations specific to common interest community managers were amended as the Board determined necessary during the review process. The amendment is necessary to fully implement Chapters 851 and 871 of the Acts of the 2008 General Assembly, which were the result of HB 516 and SB 301. The goal of the regulation is to establish qualifications and standards of practice and conduct for specific employees of common interest community managers in accordance with HB 516 and SB 301.

The General Assembly determined that regulatory oversight of common interest community managers is essential to protect the health, safety, and welfare of the citizens of Virginia. Minimum qualifications for certification of supervisory and principal employees of common interest community managers, renewal requirements, and the standards of conduct and practice are the general items that will be addressed in the regulations.

## Substance

*Please briefly identify and explain new substantive provisions (for new regulations), substantive changes to existing sections or both where appropriate. (More detail about all provisions or changes is requested in the "Detail of changes" section.)*

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The regulations were revised to incorporate provisions for individual certification of supervisory and principal employees of common interest community managers in accordance with § 54.1-2349(A)(3) of the Code of Virginia. In addition to qualifications for certification, renewal and reinstatement requirements

for certificate-holders were added, as well as revision of the standards of conduct and practice to either incorporate new provisions for certified individuals or amend provisions that exist in the current regulations for common interest community managers to include certified individuals. The Board meticulously reviewed all provisions for common interest community managers to determine their applicability to certified supervisory and principal employees. Further, all existing regulations for common interest community managers were reviewed and amended as necessary to clarify provisions, expand upon existing requirements to ensure that the requirements in place ensure minimum competency while not creating undue burdens and costs on the affected management firms. Based on comment received during the public comment period and discussion during the recent legislative session, the Board incorporated a requirement that applicants for certification must complete a fair housing training program that includes a minimum of two contact hours and focuses on Virginia fair housing laws as they relate to the management of common interest communities. Further, the Board incorporated a requirement that applicants for certification must complete a two-hour training program that encompasses Virginia laws and regulations related to common interest community management and the creation, governance, administration, and operations of associations. Both of these training programs must also be completed biannually as a requirement for renewal. Finally, the existing training program requirements were reviewed and clarified based on experiences with processing training program approval applications under the regulatory provisions that became effective April 1, 2010.

**Issues**

- Please identify the issues associated with the proposed regulatory action, including:*
- 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;*
  - 2) the primary advantages and disadvantages to the agency or the Commonwealth; and*
  - 3) other pertinent matters of interest to the regulated community, government officials, and the public.*

*If the regulatory action poses no disadvantages to the public or the Commonwealth, please so indicate.*

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The primary advantage to the public is that specified employees of common interest community managers will be regulated to ensure the health, safety, and welfare of the public, particularly those residing in common interest communities, is protected. The only foreseeable disadvantage is that the increased costs to managers and associations will likely be passed along to association members (i.e., homeowners, unit owners, etc.).

The primary advantage to the Commonwealth is that the regulation of common interest community managers and specified employees reflects the importance that Virginia places on ensuring that those providing management services to associations and their members' have met specific minimum requirements for licensure and must maintain certain standards of practice and conduct in order to provide those services.

**Requirements more restrictive than federal**

*Please identify and describe any requirement of the proposal, which are more restrictive than applicable federal requirements. Include a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements or no requirements that exceed applicable federal requirements, include a statement to that effect.*

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There are no applicable federal requirements.

**Localities particularly affected**

*Please identify any locality particularly affected by the proposed regulation. Locality particularly affected means any locality which bears any identified disproportionate material impact which would not be experienced by other localities.*

No impact on localities has been identified as resulting from the proposed regulation.

**Public participation**

*Please include a statement that in addition to any other comments on the proposal, the agency is seeking comments on the costs and benefits of the proposal and the impacts of the regulated community.*

In addition to any other comments, the board/agency is seeking comments on the costs and benefits of the proposal and the potential impacts of this regulatory proposal. Also, the agency/board is seeking information on impacts on small businesses as defined in § 2.2-4007.1 of the Code of Virginia. Information may include 1) projected reporting, recordkeeping and other administrative costs, 2) probable effect of the regulation on affected small businesses, and 3) description of less intrusive or costly alternative methods of achieving the purpose of the regulation.

Anyone wishing to submit written comments may do so by mail, email or fax to Trisha L. Henshaw, Executive Director, Common Interest Community Board, 9960 Mayland Drive, Suite 400, Richmond, Virginia 23233, fax to (804) 527-4205, or email to [cic@dpor.virginia.gov](mailto:cic@dpor.virginia.gov). Written comments must include the name and address of the commenter. In order to be considered comments must be received by the last date of the public comment period.

A public hearing will be held and notice of the public hearing may appear on the Virginia Regulatory Town Hall website ([www.townhall.virginia.gov](http://www.townhall.virginia.gov)) and the Commonwealth Calendar. Both oral and written comments may be submitted at that time.

**Economic impact**

*Please identify the anticipated economic impact of the proposed new regulations or amendments to the existing regulation. When describing a particular economic impact, please specify which new requirement or change in requirement creates the anticipated economic impact.*

<p><b>Projected cost to the state to implement and enforce the proposed regulation, including (a) fund source, and (b) a delineation of one-time versus on-going expenditures.</b></p>	<p>All costs incurred in support of board activities and regulatory operations are paid by the department and funded through fees paid by applicants and licensees. All boards within the Department of Professional and Occupational Regulation must operate within the Code provisions of the Callahan Act (54.1-113), and the general provisions of 54.1-201. Each regulatory program's revenues must be adequate to support both its direct costs and a proportional share of agency operating costs. The department allocates costs to its regulatory programs based on consistent, equitable, and cost-</p>
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	<p>effective methodologies.</p> <p>One-Time: There are no new one-time costs associated with these regulations.</p> <p>Ongoing: There are no new ongoing costs associated with these regulations.</p>
<b>Projected cost of the <i>new regulations or changes to existing regulations</i> on localities.</b>	No change anticipated.
<b>Description of the individuals, businesses or other entities likely to be affected by the <i>new regulations or changes to existing regulations</i>.</b>	The regulations will affect principal and supervisory employees of common interest community managers. Community managers may be impacted by the certification requirements for their employees; homeowners and unit-owners within common interest communities may be indirectly affected.
<b>Agency’s best estimate of the number of such entities that will be affected. Please include an estimate of the number of small businesses affected.</b> Small business means a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.	The number of employees required to be certified under these proposed regulations is not known. However, there are approximately 200 licensed common interest community managers, who may have only one employee, or up to ten employees or more. Assuming an average of about 5 employees per community manager, it is estimated that about 1,000 people would become certified.
<b>All projected costs of the <i>new regulations or changes to existing regulations</i> for affected individuals, businesses, or other entities. Please be specific and do include all costs. Be sure to include the projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses. Specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the proposed regulatory changes or new regulations.</b>	The application fee for certification is expected to be \$75. The renewal fee is expected to be \$75 for a two-year period, for an annual cost of \$37.50.
<b>Beneficial impact the regulation is designed to produce.</b>	The regulation is a result of a legislative mandate from the 2008 General Assembly Session. The licensure of common interest community managers, and certification of supervisory and principal employees of managers, was determined to be necessary and beneficial to protect the health, safety, and welfare of the public.

**Alternatives**

*Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in §2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulation.*

Chapters 851 and 871 of the Acts of the 2008 General Assembly and the Code of Virginia mandate the establishment of the regulation. Therefore, no alternatives exist to evaluate.

**Regulatory flexibility analysis**

*Please describe the agency’s analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.*

The regulations were developed with consideration that the affected industries consist of small businesses. The Board considers that the regulatory methods implemented were promulgated to accomplish the applicable law while minimizing the adverse impact on small businesses and are consistent with the regulation of small businesses of other professions.

**Public comment**

*Please summarize all comments received during public comment period following the publication of the NOIRA, and provide the agency response.*

<b>Commenter</b>	<b>Comment</b>	<b>Agency response</b>
Helen O’Beirne, Housing Opportunities Made Equal	Because common interest community managers are directly involved in housing accessibility, all common interest community managers who provide management services or who have supervisory responsibility for employees who provide management services should be required to receive fair housing certification as overseen by the Fair Housing Board. In addition, all members of common interest community boards should also be required to receive fair housing training.	The Board intends to develop criteria for the certification of all employees of the common interest community manager who have principal responsibility for management services provided to a common interest community or who have supervisory responsibility for employees who participate directly in the provision of management services to a common interest community pursuant to 54.1-2346(C) of the Code of Virginia. The commenter’s suggestions pertaining to common interest community managers will be considered during the development of these regulations. These regulations will not address the requirements for members of common interest community boards.

**Family impact**

*Please assess the impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

No impact on families in Virginia has been identified as resulting from the proposed regulation.

**Detail of changes**

*Please detail all changes that are being proposed and the consequences of the proposed changes. If the proposed regulation is a new chapter, describe the intent of the language and the expected impact if implemented in each section. Please detail the difference between the requirements of the new provisions and the current practice or if applicable, the requirements of other existing regulations in place.*

*If the proposed regulation is intended to replace an emergency regulation, please list separately (1) all provisions of the new regulation or changes to existing regulations between the pre-emergency regulation and the proposed regulation, and (2) only changes made since the publication of the emergency regulation.*

<b>Current section number</b>	<b>Proposed new section number, if applicable</b>	<b>Current requirement</b>	<b>Proposed change, rationale, and consequences</b>
10		This section provides the definitions of various terms used in the regulations.	This section was amended to add the following definitions related to certification: active status (as the term is used in § 54.1-2346.C), certified principal or supervisory employee, direct supervision, principal responsibility, and supervisory responsibility. In addition, the following definitions were amended to reference certification: applicant, regulant, renewal, and responsible person. The following definition was deleted as it is not used in the regulations: full time employee.
20		This section provides the application procedures for applicants seeking licensure as a common interest community manager or certification as a certified principal or supervisory employee, includes timeframes for review of applications, and explains what constitutes a completed application.	The section was amended to include applicants for certification in the application procedures provisions.
30		This section provides the qualifications for licensure. The	The qualifications for licensure for common interest community

		<p>requirements include: proper registration of business and/or trade names; disclosure of mailing and physical addresses and address from which management services for Virginia common interest communities are provided, and includes prohibition against using a post office box as the sole address; disclosure of all felony convictions, misdemeanor convictions, and any plea of nolo contendere; evidence of a blanket fidelity bond or employee dishonesty bond; certification that the applicant complies with standards of conduct and practice contained in regulations; the applicant, responsible person, and any principals shall be in good standing and disclose any disciplinary action by any board or administrative body in any jurisdiction; disclosure of any relevant information about the firm, responsible person, and any principals of the firm for the past seven years prior to the application on any outstanding judgments, past-due assessments, defaults on bonds, or pending or past bankruptcies, specifically those that relate to management services; disclosure if any principals who owned more than 50% equity interest in the firm are or were equity owners holding a 10% or greater interest in any entity licensed by any agency of the Commonwealth that was subject to any adverse disciplinary action within the seven years preceding application; the applicant must hold an active designation as an Accredited Association Management Company by the Community Associations Institute or must certify that the applicant has i.) at least one supervisory employee or officer with five years of experience in providing management services and who has successfully completed a comprehensive training program as described in 18 VAC 48-50-250.B, as approved by the board, involved in all aspects of the management services offered and provided by the firm, and ii.) at least 50% of persons who have principal responsibility for management services meet one of</p>	<p>managers were amended as follows:</p> <ul style="list-style-type: none"> <li>❖ Clarification in subsection E that the required bond or employee dishonesty policy must be issued in the name of the firm. <i>This change was necessary to clearly differentiate the bond/insurance policy required to be held in the name of the association from the bond/insurance policy required to be held by the manager.</i></li> <li>❖ Insertion of a new subsection (now I) to include the statutory requirement that the manager shall attest that all employees of the firm in a principal or supervisory capacity shall, within two years of employment, hold a certificate or shall be under the direct supervision of a certificated employee. <i>This change was necessary to ensure that the manager complies with the requirements of § 54.1-2346.C of the Code of Virginia.</i></li> <li>❖ Subsection K (previously J) was revised to delete the requirements specific to 50% of the employees of the firm (including the experiential and designation requirements) as those individuals will now fall under the certification requirements. In addition, the requirements for the supervisory employee/officer of the firm have been expanded to include requirements other than the comprehensive training</li> </ul>
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		<p>the following:          hold an active designation as a Professional Community Association Manager and certify having provided management services for a period of 12 months immediately preceding application; or          hold an active designation as a Certified Manager of Community Associations by the National Board of Certification for Community Association Managers and certify having two years of experience in providing management services of which a minimum of 12 months of experience must have been gained immediately preceding application; or          hold an active designation as an Association Management Specialist and certify having two years of experience in providing management services of which a minimum of 12 months of experience must have been gained immediately preceding application; or          have completed an introductory training program, as set forth in 18 VAC 48-50-250.A, and certifying examination approved by the board and certify having two years experience in providing management services of which a minimum of 12 months of experience must have been gained immediately preceding application; and the applicant shall name a responsible person for the firm.</p>	<p>program and five years of qualifying experience that were previously contained in the regulations. Specifically, the supervisory employee or officer may complete one of the following: the Professional Community Association Manager designation offered by Community Associations Institute; a comprehensive training program and three years of qualifying experience; an introductory training program and five years of qualifying experience; or has not completed a board-approved program but can document, for approval by the Board, the equivalent of a comprehensive training program through documented coursework, and has at least ten years of qualifying experience. <i>This change was determined necessary after the implementation of the CIC manager regulations effective April 1, 2010, resulted in a number of firms being unable to meet the qualifications for licensure as completion of the comprehensive training program and five years of experience appears to be too restrictive. Further, the Board received feedback from a number of provisional licensees that they will likely be unable to fulfill the current requirements prior to the expiration date of the provisional license, June 30, 2011. In an effort to balance public protection with ensuring minimum competency, the Board established a tiered</i></p>
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			<p><i>system to qualify for a license that includes provisions that require more qualifying experience and less hours of approved training as well as provisions requiring more hours of approved training and less experience. The Board further instituted a provision that would allow the Board to consider on a case-by-case basis the qualifications of an individual who has ten years of experience and has completed coursework, for which documentation can be supplied with the application, that is equivalent to a comprehensive training program.</i></p>
	35	N/A	<p>This is a new section containing the provisions for certification of certified principal and supervisory employees. The substantive provisions include:</p> <ul style="list-style-type: none"> <li>❖ Conviction and adverse financial information, as well as good-standing provisions, that must be reported.</li> <li>❖ Experiential and training requirements including: Professional Community Association Manager designation issued by the Community Associations Institute and three months of qualifying experience; Certified Manager of Community Associations designation issued by the National Board of Certification for Community Association Managers and two years of qualifying experience; Association Management Specialist designation issued by the Community</li> </ul>

			<p>Associations Institute and two years of qualifying experience; or completion of an introductory training program and two years of qualifying experience.</p> <ul style="list-style-type: none"> <li>❖ The applicant is required to provide proof of completion of two hours of Virginia common interest community law and regulation training as approved by the Board.</li> <li>❖ The applicant is required to provide proof of completion of two hours of fair housing training as it relates to the management of common interest communities in Virginia.</li> </ul>
	37	N/A	<p>This is a new section that establishes the requirements for an applicant for licensure or certification to apply by reciprocity. An applicant for licensure may have the experience and/or training requirements, as applicable, waived if the applicant holds an equivalent license or certificate in another state, the District of Columbia, or any other territory or possession of the United States. Other requirements not related to experience and/or training must still be met by the applicant.</p>
40		<p>This section details the provisions for denial of an application for licensure by the Board and reference to the Code applicable to the appeal process.</p>	<p>This section was amended to include certification in the provision regarding the Board's authority to deny a license and delete text deemed unnecessary. <i>The section was condensed to eliminate unnecessary text that referenced a code citation that was only applicable to certain situations, and applies even without the reference in the regulation. The reference to the appeal process is unnecessary as it is applicable in all cases where a license or certificate is denied, and the language regarding the appeal process is contained in the orders issued by the Board in such instances.</i></p>

60		The schedule of fees is provided in this section, including the types of fees, amount of fees, when recovery fund fees are applicable, and when the specified fee is due.	This section was amended to incorporate the fees for certification.
80		This section provides the requirements for maintaining a provisional license, including stipulating that the annual assessment is due each year the provisional license is in effect as well as the documentation necessary for confirming the annual assessment due and the waiver of such documentation if the maximum annual assessment is submitted. Further, this section requires that proof of current bond or insurance policy must be submitted and that the bond/policy must be maintained in accordance with the Board's regulations and applicable statutes.	This section was repealed as it will no longer be applicable after June 30, 2011.
90		This section contains the general provisions related to renewal, including that licenses expire one year from the last day of the month in which the license was issued, fees required for renewal, the expiration of provisional licenses on June 30, 2011, and the non-renewability of provisional licenses.	This section was amended to include the provision that the certificate shall expire two years from the last day of the month in which it was issued. <i>As the certificate-holder is not required to submit an annual assessment, as is required of common interest community manager licensees, it would be less burdensome on the certificate-holder to renew every two years as opposed to every year.</i>
100		This section details the provisions related to expiration and renewal of a license. This includes the requirement that proof of current bond/insurance policy be submitted. In addition, the section stipulates that a renewal notice will be mailed but failure to receive the renewal notice does not relieve the regulant of the obligation to renew. Further, this section provides the procedures for renewing if the renewal notice is not received, including the stipulation that submitting the application for renewal constitutes certification that the regulant continues to comply with the standards of conduct and practice of the Board. Finally, the section provides that all applicants for renewal shall continue to meet all of	This section was amended to include the requirements for renewal of a certificate. Specifically, the certificate-holder is required to complete the renewal application, submit proof of completion of fair housing training as it relates to the management of common interest communities and two hours of Virginia common interest community law and regulation training, both approved by the Board and completed within the certificate period. <i>The Board determined that it is necessary for a certificate-holder to complete the Board-approved fair housing training and common interest community law and</i>

		the Board's qualifications for licensure.	<i>regulation training to ensure the certificate-holder remains up-to-date on the laws and regulations affecting Virginia applicants and regulants as they are amended.</i>
110		This section provides the requirements for reinstatement. Reinstatement is required when the requirements for renewal of a license are not completed within 30 days of the license expiration date. The license may be reinstated up to six months following the expiration date. After that time, the license may not be reinstated and the regulant must apply as a new applicant and meet all entry requirements in effect at that time. Further, the section explains that any regulated activity conducted subsequent to the license expiration date may constitute unlicensed activity and subject to prosecution.	This section was amended to include the requirements for reinstatement of a certificate. Specifically, reinstatement is required if renewal is not completed within 30 days of the certificate expiration date. Reinstatement requires submittal of the reinstatement fee and completion of all requirements for renewal of the certificate. Further, the section was amended to replace text that is repeated from section 100 to simply reference the applicable subsection. <i>The requirements for reinstatement of certificates were established to be consistent with the reinstatement requirements for common interest community manager licenses, as well as other professions and occupations within the Department.</i>
120		This section provides for the status of a license prior to the reinstatement of the license. A regulant who applies for reinstatement of a license shall be subject to all of the laws and regulations as if the regulant had been continuously licensed and remains under the Board's authority during the entire period.	This section was amended to incorporate certificates in provisions related to the status of the license or certificate during the period prior to reinstatement. <i>This amendment is necessary to clearly state the Board's authority over certificate-holders during the period that the certificate is expired prior to reinstatement.</i>
130		This section provides the circumstances in which renewal or reinstatement of a license may be denied. These circumstances include any of the reasons that initial licensure may be denied, failure to meet the terms of an agreement for licensure, failure to satisfy sanctions, or failure to fully pay any monetary penalty or costs imposed by the Board.	This section was amended to incorporate certificates into the provision related to the Board's discretion to deny renewal or reinstatement. <i>This amendment is necessary to ensure the Board's authority to deny renewal or reinstatement of a certificate in specific circumstances.</i>
140		This section provides the possible sanctions that may be imposed in the event that a regulant is found in violation of the Board's regulations or statutes.	This section was amended to incorporate certificates into the provision related to the grounds for disciplinary action. <i>This amendment is necessary to clearly identify the Board's</i>

			<i>authority to impose sanctions for findings of violations of the Board's regulations and/or statutes.</i>
150		This section provides the requirements for maintaining a license as a common interest community manager. These provisions include prohibition of assigning or transferring a license; requirement to report, in writing, all changes of address to the Board within 30 days; requirement to notify the Board of any change in the qualifications for licensure within 30 days of the change; and the requirement to notify the Board of the cancellation, amendment, expiration, or any other change of any bond or insurance policy within five days of the change.	This section was amended to incorporate certificates into the notification requirements for maintaining the license or certificate. In addition, a subsection was added to require the licensee to report to the Board the discharge or termination of active status of an employee holding a certificate within 30 days of such discharge or termination. <i>These amendments were necessary to ensure that the certificate-holder is provided with specific information that must be reported to the Board in the event of a change. In addition, the addition of the subsection requiring a common interest community manager to report to the Board the discharge or termination of active status of an employee is consistent with the requirements of § 54.1-2346(C).</i>
160		This section provides the requirements for maintaining and managing funds from associations. This includes the requirement that all managers that hold funds that belong to others as a result of the fiduciary relationship between them be labeled as such to clearly distinguish funds that belong to others from those funds of the common interest community manager.	This section was amended to clarify that only licensed firms have responsibilities related to maintenance and management of accounts. <i>Section 54.1-2353(A) imposes fiduciary responsibilities to the associations it manages on common interest community managers as opposed to individual employees; therefore, the change was necessary to identify applicability of the section on licensed firms and not certified principal or supervisory employees.</i>
180		This section requires that regulants notify the Board of any adverse action, including: any disciplinary action taken by another jurisdiction, board, or administrative body of competent jurisdiction; any voluntary surrendering of a license, certificate, or registration done in connection with a disciplinary action in another jurisdiction; or any conviction, finding of guilt, or plea of guilty of any felony	This section was amended to create a new subsection with the provisions under which a certificate-holder must notify the Board and the responsible person of the employing firm of certain disciplinary and conviction information against the certificate-holder. <i>This reporting requirements for certificate-holders contained in</i>

		<p>or misdemeanor in any jurisdiction. The section requires that the Board be notified within 30 days of the action and specifies the documentation that must be submitted relating to the action.</p>	<p><i>this amendment are consistent with the reporting requirements for common interest community manager licensees. In addition, the Board determined that the certificate-holder must be required to report such action to the responsible person, as the responsible person is required to receive communications and notices from the Board that may affect the firm or any certificate-holder with the firm.</i></p>
<p>190</p>		<p>This section details the acts that regulants are prohibited from engaging in and the violations from which disciplinary action may result. The prohibited actions include, in summary, violating, inducing another to violate, or cooperating with others in violating any of the provisions of any of the regulations of the Board or statutes applicable to the Board; allowing the common interest community manager license to be used by another; obtaining or attempting to obtain a license by false or fraudulent representation, or maintaining, renewing, or reinstating a license by false or fraudulent representation; a regulant having been convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18 VAC 48-50-180 of the regulation; failing to inform the board in writing within 30 days that the regulant was convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18 VAC 48-50-180 of the regulation; failing to report a change as required by 18 VAC 48-50-150 or 18 VAC 48-50-170; the intentional and unjustified failure to comply with the terms of the contract, operating agreement, or governing documents; engaging in dishonest or fraudulent conduct in providing management services; failing to satisfy any judgments or restitution orders entered by a court or arbiter of competent jurisdiction; incompetence in providing management services; failing to handle association funds in accordance with the provisions of §</p>	<p>This section was amended to add the term “certificate” to the subsection, where appropriate, to indicate that the prohibited act was applicable to certificate-holders. In addition, subsection J regarding incompetence was amended to clarify that the prohibited act by which the Board has authority to take disciplinary action must involve egregious or repeated violations of generally accepted standards for the provision of management services. In addition, a provision was added requiring that the name used on advertising must correspond with the name on the license. <i>This section was meticulously reviewed to determine each provision’s applicability to licensees, certificate-holders, or both. As this section contains the prohibited acts for which the Board can take disciplinary action, each subsection was reviewed to ensure that public protection was balanced with not creating unrealistic and overly burdensome requirements.</i></p>

		<p>54.1-2353(A) or 18 VAC 48-50-160; failing to account in a timely manner for all money and property received by the regulant in which the association has or may have an interest; failing to disclose to the association material facts related to the association's property or concerning management services of which the regulant has actual knowledge; failing to provide complete records related to the association's management services to the association within 30 days of any written request by the association or within 30 days of the termination of the contract unless otherwise agreed to in writing by both the association and the common interest community manager; failing upon written request of the association to provide books and records such that the association can perform pursuant to § 55-510 (Property Owners Association Act), § 55-79.74:1 (Condominium Act), and § 55-474 (Virginia Real Estate Cooperative Act); commingling the funds of any association by a principal, his employees, or his associates with the principal's own funds, or those of his firm; failing to act in providing management services in a manner that safeguards the interests of the public; failing to make use of a legible, written contract clearly specifying the terms and conditions of the management services to be performed by the common interest community manager. The contract shall include, but not be limited to, the following: beginning and ending dates of the contract; cancellation rights of the parties; records retention and distribution policy; a general description of the records to be kept and the bookkeeping system to be used; and the common interest community manager's license number. Prior to commencement of the terms of the contract or acceptance of payments, the contract shall be signed by the regulant and the client or the client's authorized agent.</p>	
220		This section requires that regulants	Subsection B of this section was



		<p>respond to inquiries by the board or any of its agents regarding any complaint filed with the Department within 10 days of the request; that the regulant produce any documents requested by the board or any of its agents within 10 days, unless extended by the board upon a showing of extenuating circumstances prohibiting delivery within 10 days; the regulant may not provide a false, misleading, or incomplete response to the board or its agents seeking information in the investigation of a complaint filed with the board; and the regulant must respond to any inquiry by the board or its agents, other than requested by the previous subsections, within 21 days.</p>	<p>amended to require production of records by a regulant within 10 days as it concerns any transaction pertaining a complaint filed with the Board. <i>This amendment was deemed necessary to ensure that the regulant is not overburdened with providing records within ten days to any request by the Board; instead the request must be related to a transaction pertaining to a complaint filed with the Board.</i></p>
250		<p>This section provides the requirements for introductory and comprehensive training programs required pursuant to 18 VAC 48-50-30.K. The introductory training program must include a minimum of 16 contact hours and encompass the subject areas set forth in the section. The comprehensive training program must include a minimum of 80 contact hours and the syllabus shall include at least 40 contact hours encompassing all of the subject areas set forth in the section and may include up to 40 contact hours in other subject areas approved by the Board. The subject areas that must be included in each training program are: governance, legal matters, and communications; financial matters, including budgets, reserves, investments, internal controls and assessments; contracting; risk management and insurance; management ethics for common interest community managers; facilities maintenance; and human resources. The section also requires that all training programs have a final, written examination.</p>	<p>This section was amended to correct the regulation citations that changed as a result of amendments to the entry requirements. In addition, a statement that the time allocated to each subject must be sufficient to ensure adequate coverage of the subject was added as a result of the Training Program Review Committee's recommendations to the Board. Subsection E was deleted to place it in a new section, 257, for clarity. <i>After the effective date of the permanent Common Interest Community Manager Regulations, April 1, 2010, the Training Program Review Committee charged by the Board with reviewing all applications for training program approval made several recommendations to the Board based on its review of the initial applications received. One of these recommendations was to ensure that training programs were required to devote adequate time to coverage of the required subject areas.</i></p>
	253	N/A	<p>This new section was added to provide the requirements for approval of a two hour training program on common interest community law and regulations required to be taken by certificate applicants and certificate-holders.</p>

	255	N/A	This new section was added to provide the requirements for approval of a two hour training program on fair housing as it relates to the management of common interest communities required to be taken by certificate applicants and certificate-holders.
	257	N/A	This is a new section consisting of language previously found in subsection E of section 250.
290	290	This section provides the requirements for examinations for licensure.	This section was amended to include certification in the provision for examinations.