

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
PERIMETER CENTER
9960 MAYLAND DRIVE
RICHMOND, VIRGINIA 23233

CIC MANAGER REGULATORY REVIEW COMMITTEE
OF THE
COMMON INTEREST COMMUNITY BOARD

Tentative AGENDA

MONDAY, FEBRUARY 14, 2022 AT 10:00 AM
2nd FLOOR, BOARD ROOM 4

I. CALL TO ORDER

II. EMERGENCY EVACUATION PROCEDURES

III. APPROVAL OF AGENDA

1. Committee Agenda, February 14, 2022

IV. PUBLIC COMMENT PERIOD*

V. RESOURCES AND INFORMATION

1. Laws and Regulations
 - a. Chapter 23.3 of Title 54.1 of the Code of Virginia
 - b. Common Interest Community Manager Regulations
 - c. Section 54.1-311 of the Code of Virginia (Degrees of Regulation)
2. Community Manager Licensing Requirements from Other States
3. Entry Qualifications
 - a. CIC Manager Qualifying Individual Qualifications Table
 - b. CPSE Qualifications Table
4. Community Management Industry Credentials
5. Training and Education
 - a. CIC Training Programs Table
 - b. Real Estate Board Education Requirements
6. CIC Board Guidance Documents
7. Information on Cases Closed Administratively

VII. NEW BUSINESS

1. Summary of Committee Items from December 2, 2021 Meeting
 - a. Memo from Mr. Mulhare Regarding Audit Requirement (carryover from 12/2/21)
2. Discussion and Review of Regulatory Review Topics
 - a. Review of Draft Amendments from 12/2/21
 - b. Standards of Conduct and Practice
 - c. Training Programs and Examination
4. Review of Recommendations for Changes to Statute

VIII. OTHER BUSINESS

IX. COMPLETE CONFLICT OF INTEREST FORMS AND TRAVEL VOUCHERS

X. ADJOURN

* Five minute public comment, per person.

Persons desiring to participate in the meeting and requiring special accommodations or interpretative services should contact the Department at (804) 367-0362 at least ten days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The Department fully complies with the Americans with Disabilities Act.

PERIMETER CENTER CONFERENCE CENTER
EMERGENCY EVACUATION OF BOARD AND TRAINING ROOMS
(Script to be read at the beginning of each meeting.)

PLEASE LISTEN TO THE FOLLOWING INSTRUCTIONS ABOUT EXITING THE PREMISES IN THE EVENT OF AN EMERGENCY.

In the event of a fire or other emergency requiring the evacuation of the building, alarms will sound. When the alarms sound, leave the room immediately. Follow any instructions given by Security staff

Board Room 1

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Board Room 2

Exit the room using one of the doors at the back of the room. (Point) Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

You may also exit the room using the side door, turn **Right** out the door and make an immediate **Left**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Board Rooms 3 and 4

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Training Room 1

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Training Room 2

Exit the room using one of the doors at the back of the room. Upon exiting the doors, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

PUBLIC COMMENT PERIOD

Five minute public comment, per person, with the exception of any open disciplinary or application files.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board position
DRAFT AGENDA

Code of Virginia

Title 54.1. Professions and Occupations

Subtitle II. Professions and Occupations Regulated by the Department of Professional and Occupational Regulation and Boards within the Department

Chapter 23.3. Common Interest Communities

Article 1. Common Interest Community Board

§ 54.1-2345. Definitions

As used in this chapter, unless the context requires a different meaning:

"Association" includes condominium, cooperative, or property owners' associations.

"Board" means the Common Interest Community Board.

"Common interest community" means real estate subject to a declaration containing lots, at least some of which are residential or occupied for recreational purposes, and common areas to which a person, by virtue of the person's ownership of a lot subject to that declaration, is a member of the association and is obligated to pay assessments of common expenses, provided that for the purposes of this chapter only, a common interest community does not include any time-share project registered pursuant to the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.) or any additional land that is a part of such registration. "Common interest community" does not include an arrangement described in § 54.1-2345.1.

"Common interest community manager" means a person or business entity, including a partnership, association, corporation, or limited liability company, that, for compensation or valuable consideration, provides management services to a common interest community.

"Declaration" means any instrument, however denominated, recorded among the land records of the county or city in which the development or any part thereof is located, that either (i) imposes on the association maintenance or operational responsibilities for the common area as a regular annual assessment or (ii) creates the authority in the association to impose on lots, or on the owners or occupants of such lots, or on any other entity any mandatory payment of money as a regular annual assessment in connection with the provision of maintenance or services or both for the benefit of some or all of the lots, the owners or occupants of the lots, or the common area. "Declaration" includes any amendment or supplement to the instruments described in this definition.

"Governing board" means the governing board of an association, including the executive organ of a condominium unit owners' association, the executive board of a cooperative proprietary lessees' association, and the board of directors or other governing body of a property owners' association.

"Lot" means (i) any plot or parcel of land designated for separate ownership or occupancy shown on a recorded subdivision plat for a development or the boundaries of which are described in the declaration or in a recorded instrument referred to or expressly contemplated by the declaration, other than a common area, and (ii) a unit in a condominium association or a unit in a real estate cooperative.

"Management services" means (i) acting with the authority of an association in its business, legal,

financial, or other transactions with association members and nonmembers; (ii) executing the resolutions and decisions of an association or, with the authority of the association, enforcing the rights of the association secured by statute, contract, covenant, rule, or bylaw; (iii) collecting, disbursing, or otherwise exercising dominion or control over money or other property belonging to an association; (iv) preparing budgets, financial statements, or other financial reports for an association; (v) arranging, conducting, or coordinating meetings of an association or the governing body of an association; (vi) negotiating contracts or otherwise coordinating or arranging for services or the purchase of property and goods for or on behalf of an association; or (vii) offering or soliciting to perform any of the aforesaid acts or services on behalf of an association.

2008, cc. [851](#), [871](#);2019, c. [712](#);2020, c. [592](#).

§ 54.1-2345.1. Certain real estate arrangements and covenants not deemed to constitute a common interest community

A. An arrangement between the associations for two or more common interest communities to share the costs of real estate taxes, insurance premiums, services, maintenance, or improvements of real estate, or other activities specified in their arrangement or declarations does not create a separate common interest community, or an arrangement between an association and the owner of real estate that is not part of a common interest community to share the costs of real estate taxes, insurance premiums, services, maintenance, or improvements of real estate, or other activities specified in their arrangement does not create a separate common interest community. Assessments against the lots in the common interest community required by such arrangement shall be included in the periodic budget for the common interest community, and the arrangement shall be disclosed in all required public offering statements and disclosure packets.

B. A covenant requiring the owners of separately owned parcels of real estate to share costs or other obligations associated with a party wall, driveway, well, or other similar use does not create a common interest community unless the owners otherwise agree to create such community.

2019, c. [712](#).

§ 54.1-2346. License required; certification of employees; renewal; provisional license

A. Unless exempted by § [54.1-2347](#), any person, partnership, corporation, or other entity offering management services to a common interest community on or after January 1, 2009, shall hold a valid license issued in accordance with the provisions of this article prior to engaging in such management services.

B. Unless exempted by § [54.1-2347](#), any person, partnership, corporation, or other entity offering management services to a common interest community without being licensed in accordance with the provisions of this article shall be subject to the provisions of § [54.1-111](#).

C. On or after July 1, 2012, it shall be a condition of the issuance or renewal of the license of a common interest community manager that 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 shall, within two years after employment with the common interest community manager, hold a certificate issued by the Board certifying the person possesses the character and minimum skills to engage properly in the provision of management services to a common interest community or shall be

under the direct supervision of a certified employee of such common interest community manager. A common interest community manager shall notify the Board if a certificated employee is discharged or in any way terminates his active status with the common interest community manager.

D. It shall be a condition of the issuance or renewal of the license of a common interest community manager that the common interest community manager shall obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the common interest community manager against losses resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall include coverage for losses of clients of the common interest community manager resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall provide coverage in an amount equal to the lesser of \$2 million or the highest aggregate amount of the operating and reserve balances of all associations under the control of the common interest community manager during the prior fiscal year. The minimum coverage amount shall be \$10,000.

E. It shall be a condition of the issuance or renewal of the license of a common interest community manager that the common interest community manager certifies to the Board (i) that the common interest community manager is in good standing and authorized to transact business in Virginia; (ii) that the common interest community manager has established a code of conduct for the officers, directors, and persons employed by the common interest community manager to protect against conflicts of interest; (iii) that the common interest community manager provides all management services pursuant to written contracts with the associations to which such services are provided; (iv) that the common interest community manager has established a system of internal accounting controls to manage the risk of fraud or illegal acts; and (v) that an independent certified public accountant reviews or audits the financial statements of the common interest community manager at least annually in accordance with standards established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

2008, cc. [851](#), [871](#);2011, cc. [334](#), [605](#);2019, c. [712](#).

§ 54.1-2347. Exceptions and exemptions generally

A. The provisions of this article shall not be construed to prevent or prohibit:

1. An employee of a duly licensed common interest community manager from providing management services within the scope of the employee's employment by the duly licensed common interest community manager;
2. An employee of an association from providing management services for that association's common interest community;
3. A resident of a common interest community acting without compensation from providing management services for that common interest community;
4. A resident of a common interest community from providing bookkeeping, billing, or recordkeeping services for that common interest community for compensation, provided the blanket fidelity bond or employee dishonesty insurance policy maintained by the association insures the association against losses resulting from theft or dishonesty committed by such

person;

5. A member of the governing board of an association acting without compensation from providing management services for that association's common interest community;
6. A person acting as a receiver or trustee in bankruptcy in the performance of his duties as such or any person acting under order of any court from providing management services for a common interest community;
7. A duly licensed attorney-at-law from representing an association or a common interest community manager in any business that constitutes the practice of law;
8. A duly licensed certified public accountant from providing bookkeeping or accounting services to an association or a common interest community manager;
9. A duly licensed real estate broker or agent from selling, leasing, renting, or managing lots within a common interest community; or
10. An association, exchange agent, exchange company, managing agent, or managing entity of a time-share project registered pursuant to the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.) from providing management services for such time-share project.

B. A licensee of the Board shall comply with the Board's regulations, notwithstanding the fact that the licensee would be otherwise exempt from licensure under subsection A. Nothing in this subsection shall be construed to require a person to be licensed in accordance with this article if he would be otherwise exempt from such licensure.

2008, cc. 851, 871;2010, c. 511;2011, cc. 334, 605;2019, c. 712.

§ 54.1-2348. Common Interest Community Board; membership; meetings; quorum

There is hereby created the Common Interest Community Board (the Board) as a policy board, within the meaning of § 2.2-2100, in the executive branch of state government. Members of the Board shall be appointed by the Governor and consist of 11 members as follows: three shall be representatives of Virginia common interest community managers, one shall be a Virginia attorney whose practice includes the representation of associations, one shall be a representative of a Virginia certified public accountant whose practice includes providing attest services to associations, one shall be a representative of the Virginia time-share industry, two shall be representatives of developers of Virginia common interest communities, and three shall be Virginia citizens, one of whom serves or who has served on the governing board of an association that is not professionally managed at the time of appointment and two of whom reside in a common interest community. Of the initial appointments, one representative of Virginia common interest community managers and one representative of developers of Virginia common interest communities shall serve terms of two years and one representative of Virginia common interest community managers and one representative of developers of Virginia common interest communities shall serve terms of three years; the Virginia attorney shall serve a term of three years; the Virginia certified public accountant shall serve a term of one year; the Virginia citizen who serves or who has served on the governing board of an association shall serve a term of two years, and the two Virginia citizens who reside in a common interest community shall serve terms of one year. All other initial appointments and all subsequent appointments shall be for terms for four years, except that vacancies may be filled for the remainder of the unexpired term. Each appointment of a representative of a Virginia common interest community manager to the

Board may be made from nominations submitted by the Virginia Association of Community Managers, who may nominate no more than three persons for each manager vacancy. In no case shall the Governor be bound to make any appointment from such nominees. No person shall be eligible to serve for more than two successive four-year terms.

The Board shall meet at least once each year and at other such times as it deems necessary. The Board shall elect from its membership a chairman and a vice-chairman to serve for a period of one year. A majority of the Board shall constitute a quorum. The Board is vested with the powers and duties necessary to execute the purposes of this article.

2008, cc. [851](#), [871](#);2010, c. [511](#);2012, c. [522](#);2019, c. [712](#).

§ 54.1-2349. Powers and duties of the Board

A. The Board shall administer and enforce the provisions of this article. In addition to the provisions of §§ [54.1-201](#) and [54.1-202](#), the Board shall:

1. Promulgate regulations necessary to carry out the requirements of this article in accordance with the provisions of the Administrative Process Act (§ [2.2-4000](#) et seq.), including the prescription of fees, procedures, and qualifications for the issuance and renewal of common interest community manager licenses. Upon application for license and each renewal thereof, the applicant shall pay a fee established by the Board, which shall be placed to the credit of the Common Interest Community Management Information Fund established pursuant to § [54.1-2354.2](#);
2. Establish criteria for the licensure of common interest community managers to ensure the appropriate training and educational credentials for the provision of management services to common interest communities. Such criteria may include experiential requirements and shall include designation as an Accredited Association Management Company by the Community Associations Institute. As an additional alternative to such designation, the Board shall have authority, by regulation, to include one of the following: (i) successful completion of another Board-approved training program and certifying examination or (ii) successful completion of a Virginia testing program to determine the quality of the training and educational credentials for and competence of common interest community managers;
3. Establish criteria for the certification of the employees of common interest community managers 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 to ensure the person possesses the character and minimum skills to engage properly in the provision of management services to a common interest community. Such criteria shall include designation as a Certified Manager of Community Associations by the Community Association Managers International Certification Board, designation as an Association Management Specialist by the Community Associations Institute, or designation as a Professional Community Association Manager by the Community Associations Institute. As an additional alternative to such designations, the Board shall have authority, by regulation, to include one of the following: (i) successful completion of another Board-approved training program as developed by the Virginia Association of Realtors or other organization, and certifying examination, or (ii) successful completion of a Virginia testing program to determine the quality of the training and educational credentials for and competence of the employees of common interest community managers who participate directly in the provision of management services to a common interest community.

The fee paid to the Board for the issuance of such certificate shall be paid to the Common Interest Community Management Information Fund established pursuant to § 54.1-2354.2;

4. Approve the criteria for accredited common interest community manager training programs;
5. Approve accredited common interest community manager training programs;
6. Establish, by regulation, standards of conduct for common interest community managers and for employees of common interest community managers certified in accordance with the provisions of this article;
7. Establish, by regulation, an education-based certification program for persons who are involved in the business or activity of providing management services for compensation to common interest communities. The Board shall have the authority to approve training courses and instructors in furtherance of the provisions of this article;
8. Issue a certificate of registration to each association that has properly filed in accordance with this chapter; and
9. Develop and publish best practices for the content of declarations consistent with the requirements of the Property Owners' Association Act (§ 55.1-1800 et seq.).

B. 1. The Board shall have the sole responsibility for the administration of this article and for the promulgation of regulations to carry out the requirements thereof.

2. The Board shall also be responsible for the enforcement of this article, provided that the Real Estate Board shall have the sole responsibility for the enforcement of this article with respect to a real estate broker, real estate salesperson, or real estate brokerage firm licensed in accordance with Chapter 21 (§ 54.1-2100 et seq.) who is also licensed as a common interest community manager.

3. For purposes of enforcement of this article or the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), any requirement for the conduct of a hearing shall be satisfied by an informal fact-finding proceeding convened and conducted pursuant to § 2.2-4019 of the Administrative Process Act (§ 2.2-4000 et seq.).

C. The Board is authorized to obtain criminal history record information from any state or federal law-enforcement agency relating to an applicant for licensure or certification. Any information so obtained is for the exclusive use of the Board and shall not be released to any other person or agency except in furtherance of the investigation of the applicant or with the authorization of the applicant or upon court order.

D. Notwithstanding the provisions of subsection A of § 54.1-2354.4, the Board may receive a complaint directly from any person aggrieved by an association's failure to deliver a resale certificate or disclosure packet within the time period required under § 55.1-1809, 55.1-1810, 55.1-1811, 55.1-1900, 55.1-1992, or 55.1-2161.

2008, cc. 851, 871;2009, c. 557;2010, cc. 511, 615;2011, c. 334;2012, cc. 481, 797;2015, c. 268; 2017, cc. 387, 393, 405, 406;2019, cc. 391, 712.

§ 54.1-2350. Annual report; form to accompany resale certificates and disclosure packets

In addition to the provisions of § 54.1-2349, the Board shall:

1. Administer the provisions of Article 2 (§ 54.1-2354.1 et seq.);
2. Develop and disseminate an association annual report form for use in accordance with §§ 55.1-1836, 55.1-1980, and 55.1-2182; and
3. Develop and disseminate a form to accompany resale certificates required pursuant to § 55.1-1990 and association disclosure packets required pursuant to § 55.1-1809, which form shall summarize the unique characteristics of common interest communities generally that may affect a prospective purchaser's decision to purchase a lot or unit located in a common interest community. The form shall include information on the following, which may or may not be applicable to a particular common interest community: (i) the obligation on the part of an owner to pay regular annual or special assessments to the association; (ii) the penalty for failure or refusal to pay such assessments; (iii) the purposes for which such assessments, if any, may be used, including for the construction or maintenance of stormwater management facilities; (iv) the importance the declaration of restrictive covenants or condominium instruments, as applicable, and other governing documents play in association living; (v) limitations on an owner's ability to rent his lot or unit; (vi) limitations on an owner's ability to park or store certain types of motor vehicles or boats within the common interest community; (vii) limitations on an owner's ability to maintain an animal as a pet within the lot or unit, or in common areas or common elements; (viii) architectural guidelines applicable to an owner's lot or unit; (ix) limitations on an owner's ability to operate a business within a dwelling unit on a lot or within a unit; (x) the period or length of declarant control; and (xi) that the purchase contract for a lot within an association is a legally binding document once it is signed by the prospective purchaser where the purchaser has not elected to cancel the purchase contract in accordance with law. The form shall also provide that (a) the purchaser remains responsible for his own examination of the materials that constitute the resale certificate or disclosure packet and of any table of contents that may be contained therein; (b) the purchaser shall carefully review the entire resale certificate or disclosure packet; and (c) the contents of the resale certificate or disclosure packet shall control to the extent that there are any inconsistencies between the form and the resale certificate or disclosure packet.

2008, cc. 851, 871; 2017, c. 257; 2018, cc. 70, 733; 2019, cc. 390, 712.

§ 54.1-2351. General powers and duties of Board concerning associations

A. The Board may adopt, amend, and repeal rules and regulations and issue orders consistent with and in furtherance of the objectives of this article, but the Board may not intervene in the internal activities of an association except to the extent necessary to prevent or cure violations of this article or of the chapter pursuant to which the association is created. The Board may prescribe forms and procedures for submitting information to the Board.

B. If it appears that any governing board has engaged, is engaging, or is about to engage in any act or practice in violation of this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), or any of the Board's regulations or orders, the Board without prior administrative proceedings may bring an action in the appropriate court to enjoin that act or practice or for other appropriate relief. The Board is not required to post a bond or prove that no adequate remedy at law exists.

C. The Board may intervene in any action involving a violation by a declarant or a developer of a time-share project of this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), or any of the Board's regulations or orders.

D. The Board may accept grants-in-aid from any governmental source and may contract with agencies charged with similar functions in this or other jurisdictions in furtherance of the objectives of this article.

E. The Board may cooperate with agencies performing similar functions in this and other jurisdictions to develop uniform filing procedures and forms, uniform disclosure standards, and uniform administrative practices, and may develop information that may be useful in the discharge of the Board's duties.

F. In issuing any cease and desist order, the Board shall state the basis for the adverse determination and the underlying facts.

G. Without limiting the remedies that may be obtained under this article, the Board, without compliance with the Administrative Process Act (§ 2.2-4000 et seq.), shall have the authority to enforce the provisions of this section and may institute proceedings in equity to enjoin any person, partnership, corporation, or any other entity violating this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), or any of the Board's regulations or orders. Such proceedings shall be brought in the name of the Commonwealth by the Board in the circuit court or general district court of the city or county in which the unlawful act occurred or in which the defendant resides.

H. The Board may assess a monetary penalty to be paid to the Common Interest Community Management Information Fund of not more than \$1,000 per violation against any governing board that violates any provision of this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), or any of the Board's regulations or orders. In determining the amount of the penalty, the Board shall consider the degree and extent of harm caused by the violation. No monetary penalty may be assessed under this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), or any of the Board's regulations or orders unless the governing board has been given notice and an opportunity to be heard pursuant to the Administrative Process Act (§ 2.2-4000 et seq.). The penalty may be sued for and recovered in the name of the Commonwealth.

2008, cc. 851, 871;2009, c. 557;2010, c. 615;2019, c. 712.

§ 54.1-2352. Cease and desist orders

A. The Board may issue an order requiring the governing board of the association to cease and desist from the unlawful practice and to take such affirmative action as in the judgment of the Board will carry out the purposes of this article, if the Board determines after notice and hearing that the governing board of an association has:

1. Violated any statute or regulation of the Board governing the association regulated pursuant

to this article, including engaging in any act or practice in violation of this article, the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), or any of the Board's regulations or orders;

2. Failed to register as an association or to file an annual report as required by statute or regulation;

3. Materially misrepresented facts in an application for registration or an annual report; or

4. Willfully refused to furnish the Board information or records required or requested pursuant to statute or regulation.

B. If the Board makes a finding of fact in writing that the public interest will be irreparably harmed by delay in issuing an order, it may issue a temporary order to cease and desist or to take such affirmative action as may be deemed appropriate by the Board. Prior to issuing the temporary order, the Board shall give notice of the proposal to issue a temporary order to the person. Every temporary order shall include in its terms a provision that upon request a hearing will be held promptly to determine whether or not it becomes permanent.

2008, cc. 851, 871; 2009, c. 557; 2019, cc. 467, 712.

§ 54.1-2353. Protection of the interests of associations; appointment of receiver for common interest community manager

A. A common interest community manager owes a fiduciary duty to the associations to which it provides management services with respect to the manager's handling the funds or the records of each association. All funds deposited with the common interest community manager shall be handled in a fiduciary capacity and shall be kept in a separate fiduciary trust account or accounts in an FDIC-insured financial institution separate from the assets of the common interest community manager. The funds shall be the property of the association and shall be segregated for each depository in the records of the common interest community manager in a manner that permits the funds to be identified on an association basis. All records having administrative or fiscal value to the association that a common interest community manager holds, maintains, compiles, or generates on behalf of a common interest community are the property of the association. A common interest community manager may retain and dispose of association records in accordance with a policy contained in the contract between the common interest community manager and the association. Within a reasonable time after a written request for any such records, the common interest community manager shall provide copies of the requested records to the association at the association's expense. The common interest community manager shall return all association records that it retains and any originals of legal instruments or official documents that are in the possession of the common interest community manager to the association within a reasonable time after termination of the contract for management services without additional cost to the association. Records maintained in electronic format may be returned in such format.

B. If the Board has reasonable cause to believe that a common interest community manager is unable to properly discharge its fiduciary responsibilities to an association to which it provides management services, the Board may submit an ex parte petition to the circuit court of the city or county wherein the common interest community manager maintains an office or is doing business for the issuance of an order authorizing the immediate inspection by and production to

representatives of the petitioner of any records, documents, and physical or other evidence belonging to the subject common interest community manager. The court may issue such order without notice to the common interest community manager if the petition, supported by affidavit of the petitioner and such other evidence as the court may require, shows reasonable cause to believe that such action is required to prevent immediate loss of property of one or more of the associations to which the subject common interest community manager provides management services. The court may also temporarily enjoin further activity by the common interest community manager and take such further action as shall be necessary to conserve, protect, and disburse the funds involved, including the appointment of a receiver. The papers filed with the court pursuant to this subsection shall be placed under seal.

C. If the Board has reasonable cause to believe that a common interest community manager is unable to properly discharge its fiduciary responsibilities to an association to which it provides management services, the Board may file a petition with the circuit court of the county or city wherein the subject common interest community manager maintains an office or is doing business. The petition may seek the following relief: (i) an injunction prohibiting the withdrawal of any bank deposits or the disposition of any other assets belonging to or subject to the control of the subject common interest community manager and (ii) the appointment of a receiver for all or part of the funds or property of the subject common interest community manager. The subject common interest community manager shall be given notice of the time and place of the hearing on the petition and an opportunity to offer evidence. The court, in its discretion, may require a receiver appointed pursuant to this section to post bond, with or without surety. The papers filed with the court under this subsection shall be placed under seal until such time as the court grants an injunction or appoints a receiver. The court may issue an injunction, appoint a receiver, or provide such other relief as the court may consider proper if, after a hearing, the court finds that such relief is necessary or appropriate to prevent loss of property of one or more of the associations to which the subject common interest community manager provides management services.

D. In any proceeding under subsection C, any person or entity known to the Board to be indebted to or having in his possession property, real or personal, belonging to or subject to the control of the subject common interest community manager's business and which property the Board reasonably believes may become part of the receivership assets shall be served with a copy of the petition and notice of the time and place of the hearing.

E. The court shall describe the powers and duties of the receiver in its appointing order, which may be amended from time to time. The receiver shall, unless otherwise ordered by the court in the appointing order, (i) prepare and file with the Board a list of all associations managed by the subject common interest community manager; (ii) notify in writing all of the associations to which the subject common interest community manager provides management services of the appointment and take whatever action the receiver deems appropriate to protect the interests of the associations until such time as the associations have had an opportunity to obtain a successor common interest community manager; (iii) facilitate the transfer of records and information to such successor common interest community manager; (iv) identify and take control of all bank accounts, including without limitation trust and operating accounts, over which the subject common interest community manager had signatory authority in connection with its management business; (v) prepare and submit an accounting of receipts and disbursements and account balances of all funds under the receiver's control for submission to the court within four months of the appointment and annually thereafter until the receivership is

terminated by the court; (vi) attempt to collect any accounts receivable related to the subject common interest community manager's business; (vii) identify and attempt to recover any assets wrongfully diverted from the subject common interest community manager's business, or assets acquired with funds wrongfully diverted from the subject common interest community manager's business; (viii) terminate the subject common interest community manager's business; (ix) reduce to cash all of the assets of the subject common interest community manager; (x) determine the nature and amount of all claims of creditors of the subject common interest community manager, including associations to which the subject common interest community manager provided management services; and (xi) prepare and file with the court a report of such assets and claims proposing a plan for the distribution of funds in the receivership to such creditors in accordance with the provisions of subsection F.

F. Upon the court's approval of the receiver's report referenced in subsection E, at a hearing after such notice as the court may require to creditors, the receiver shall distribute the assets of the common interest community manager and funds in the receivership first to clients whose funds were or ought to have been held in a fiduciary capacity by the subject common interest community manager, then to the receiver for fees, costs, and expenses awarded pursuant to subsection G, and thereafter to the creditors of the subject common interest community manager, and then to the subject common interest community manager or its successors in interest.

G. A receiver appointed pursuant to this section shall be entitled, upon proper application to the court in which the appointment was made, to recover an award of reasonable fees, costs, and expenses. If there are not sufficient nonfiduciary funds to pay the award, then the shortfall shall be paid by the Common Interest Community Management Recovery Fund as a cost of administering the Fund pursuant to § 54.1-2354.5, to the extent that the said Fund has funds available. The Fund shall have a claim against the subject common interest community manager for the amount paid.

H. The court may determine whether any assets under the receiver's control should be returned to the subject common interest community manager.

I. If the Board shall find that any common interest community manager is insolvent, that its merger into another common interest community manager is desirable for the protection of the associations to which such common interest community manager provides management services, and that an emergency exists, and, if the board of directors of such insolvent common interest community manager shall approve a plan of merger of such common interest community manager into another common interest community manager, compliance with the requirements of § 13.1-718 shall be dispensed with as to such insolvent common interest community manager and the approval by the Board of such plan of merger shall be the equivalent of approval by the holders of more than two-thirds of the outstanding shares of such insolvent common interest community manager for all purposes of Article 12 (§ 13.1-715.1 et seq.) of Chapter 9 of Title 13.1. If the Board finds that a common interest community manager is insolvent, that the acquisition of its assets by another common interest community manager is in the best interests of the associations to which such common interest community manager provides management services, and that an emergency exists, it may, with the consent of the boards of directors of both common interest community managers as to the terms and conditions of such transfer, including the assumption of all or certain liabilities, enter an order transferring some or all of the assets of such insolvent common interest community manager to such other common interest community

manager, and no compliance with the provisions of §§ 13.1-723 and 13.1-724 shall be required, nor shall §§ 13.1-730 through 13.1-741 be applicable to such transfer. In the case either of such a merger or of such a sale of assets, the Board shall provide that prompt notice of its finding of insolvency and of the merger or sale of assets be sent to the stockholders of record of the insolvent common interest community manager for the purpose of providing such shareholders an opportunity to challenge the finding that the common interest community manager is insolvent. The relevant books and records of such insolvent common interest community manager shall remain intact and be made available to such shareholders for a period of 30 days after such notice is sent. The Board's finding of insolvency shall become final if a hearing before the Board is not requested by any such shareholder within such 30-day period. If, after such hearing, the Board finds that such common interest community manager was solvent, it shall rescind its order entered pursuant to this subsection and the merger or transfer of assets shall be rescinded. But if, after such hearing, the Board finds that such common interest community manager was insolvent, its order shall be final.

J. The provisions of this article are declared to be remedial. The purpose of this article is to protect the interests of associations adversely affected by common interest community managers who have breached their fiduciary duty. The provisions of this article shall be liberally administered in order to protect those interests and thereby the public's interest in the quality of management services provided by Virginia common interest community managers.

2008, cc. 851, 871;2011, cc. 334, 605;2019, c. 712.

§ 54.1-2354. Variation by agreement

Except as expressly provided in this article, provisions of this article may not be varied by agreement, and rights conferred by this article may not be waived. All management agreements entered into by common interest community managers shall comply with the terms of this article and the provisions of the Property Owners' Association Act (§ 55.1-1800 et seq.), the Virginia Condominium Act (§ 55.1-1900 et seq.), the Virginia Real Estate Cooperative Act (§ 55.1-2100 et seq.), or the Virginia Real Estate Time-Share Act (§ 55.1-2200 et seq.), as applicable.

2008, cc. 851, 871;2019, c. 712.

Article 2. Common Interest Community Management Information Fund; Common Interest Community Ombudsman; Common Interest Community Management Recovery Fund

§ 54.1-2354.1. Definitions

As used in this article, unless the context requires a different meaning:

"Balance of the fund" means cash, securities that are legal investments for fiduciaries under the provisions of subdivisions A 1, 2, and 4 of § 2.2-4519, and repurchase agreements secured by obligations of the United States government or any agency thereof, and shall not mean accounts receivable, judgments, notes, accrued interest, or other obligations to the fund.

"Claimant" means, upon proper application to the Director, a receiver for a common interest community manager appointed pursuant to § 54.1-2353 in those cases in which there are not sufficient funds to restore all funds that were or ought to have been held in a fiduciary capacity by the subject common interest community manager or to pay an award of reasonable fees, costs, and expenses to the receiver.

"Director" means the Director of the Department of Professional and Occupational Regulation.

1993, c. 958; 2008, cc. 851, 871, § 55-528; 2019, c. 712.

§ 54.1-2354.2. Common Interest Community Management Information Fund

A. There is hereby created the Common Interest Community Management Information Fund, referred to in this section as "the Fund," to be used in the discretion of the Board to promote the improvement and more efficient operation of common interest communities through research and education. The Fund shall be established on the books of the Comptroller. The Fund shall consist of money paid into it pursuant to §§ 54.1-2349, 55.1-1835, 55.1-1980, and 55.1-2182, and such money shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but, at the discretion of the Board, shall remain in the Fund or shall be transferred to the Common Interest Community Management Recovery Fund established pursuant to § 54.1-2354.5

B. Expenses for the operations of the Office of the Common Interest Community Ombudsman, including the compensation paid to the Common Interest Community Ombudsman, shall be paid first from interest earned on deposits constituting the Fund and the balance from the moneys collected annually in the Fund. The Board may use the remainder of the interest earned on the balance of the Fund and of the moneys collected annually and deposited in the Fund for financing or promoting the following:

1. Information and research in the field of common interest community management and operation;
2. Expedient and inexpensive procedures for resolving complaints about an association from members of the association or other citizens;
3. Seminars and educational programs designed to address topics of concern to community associations; and
4. Other programs deemed necessary and proper to accomplish the purpose of this article.

C. Following the close of any biennium, when the Common Interest Community Management Information Fund shows expenses allocated to it for the past biennium to be more than 10 percent greater or less than moneys collected on behalf of the Board, the Board shall revise the fees levied by it for placement into the Fund so that the fees are sufficient but not excessive to cover expenses. A fee established pursuant to § 55.1-1835, 55.1-1980, or 55.1-2182 shall not exceed \$25 unless such fee is based on the number of units or lots in the association.

1993, c. 958, § 55-529; 2008, cc. 851, 871; 2019, cc. 391, 712.

§ 54.1-2354.3. Common Interest Community Ombudsman; appointment; powers and duties

A. The Director in accordance with § 54.1-303 shall appoint a Common Interest Community Ombudsman (the Ombudsman) and shall establish the Office of the Common Interest Community Ombudsman (the Office). The Ombudsman shall be a member in good standing in the Virginia State Bar. All state agencies shall assist and cooperate with the Office in the performance of its duties under this article.

B. The Office shall:

1. Assist members in understanding rights and the processes available to them according to the laws and regulations governing common interest communities and respond to general inquiries;
2. Make available, either separately or through an existing website, information concerning common interest communities and such additional information as may be deemed appropriate;
3. Receive notices of final adverse decisions;
4. Upon request, assist members in understanding the rights and processes available under the laws and regulations governing common interest communities and provide referrals to public and private agencies offering alternative dispute resolution services, with a goal of reducing and resolving conflicts among associations and their members;
5. Ensure that members have access to the services provided through the Office and that the members receive timely responses from the representatives of the Office to the inquiries;
6. Maintain data on inquiries received, types of assistance requested, notices of final adverse decisions received, actions taken, and the disposition of each such matter;
7. Upon request to the Director by (i) any of the standing committees of the General Assembly having jurisdiction over common interest communities or (ii) the Housing Commission, provide to the Director for dissemination to the requesting parties assessments of proposed and existing common interest community laws and other studies of common interest community issues;
8. Monitor changes in federal and state laws relating to common interest communities;
9. Provide information to the Director that will permit the Director to report annually on the activities of the Office of the Common Interest Community Ombudsman to the standing committees of the General Assembly having jurisdiction over common interest communities and to the Housing Commission. The Director's report shall be filed by December 1 of each year and shall include a summary of significant new developments in federal and state laws relating to common interest communities each year; and
10. Carry out activities as the Board determines to be appropriate.

1993, c. 958, § 55-530; 1997, c. 222; 1998, c. 463; 2001, c. 816; 2008, cc. 851, 871; 2010, cc. 59, 208; 2012, cc. 481, 797; 2019, c. 712.

§ 54.1-2354.4. Association complaint procedures; final adverse decisions

A. The Board shall establish by regulation a requirement that each association shall establish reasonable procedures for the resolution of written complaints from the members of the association and other citizens. Each association shall adhere to the written procedures established pursuant to this subsection when resolving association member and citizen complaints. The procedures shall include the following:

1. A record of each complaint shall be maintained for no less than one year after the association acts upon the complaint.
2. Such association shall provide complaint forms or written procedures to be given to persons who wish to register written complaints. The forms or procedures shall include the address and telephone number of the association or its common interest community manager to which complaints shall be directed and the mailing address, telephone number, and electronic mailing

address of the Office. The forms and written procedures shall include a clear and understandable description of the complainant's right to give notice of adverse decisions pursuant to this section.

B. A complainant may give notice to the Board of any final adverse decision in accordance with regulations promulgated by the Board. The notice shall be filed within 30 days of the final adverse decision, shall be in writing on forms prescribed by the Board, shall include copies of all records pertinent to the decision, and shall be accompanied by a \$25 filing fee. The fee shall be collected by the Director and paid directly into the state treasury and credited to the Common Interest Community Management Information Fund pursuant to § 54.1-2354.2. The Board may, for good cause shown, waive or refund the filing fee upon a finding that payment of the filing fee will cause undue financial hardship for the member. The Director shall provide a copy of the written notice to the association that made the final adverse decision.

C. The Director or his designee may request additional information concerning any notice of final adverse decision from the association that made the final adverse decision. The association shall provide such information to the Director within a reasonable time upon request. If the Director upon review determines that the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the Board, the Director may, in his sole discretion, provide the complainant and the association with information concerning such laws or regulations governing common interest communities or interpretations thereof by the Board. The determination of whether the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the Board shall be a matter within the sole discretion of the Director, whose decision is final and not subject to further review. The determination of the Director shall not be binding upon the complainant or the association that made the final adverse decision.

1993, c. 958, § 55-530; 1997, c. 222; 1998, c. 463; 2001, c. 816; 2008, cc. 851, 871; 2010, cc. 59, 208; 2012, cc. 481, 797; 2019, c. 712.

§ 54.1-2354.5. Common Interest Community Management Recovery Fund

A. There is hereby created the Common Interest Community Management Recovery Fund, referred to in this section as "the Fund," to be used in the discretion of the Board to protect the interests of associations.

B. Each common interest community manager, at the time of initial application for licensure, and each association filing its first annual report after the effective date shall be assessed \$25, which shall be specifically assigned to the Fund. Initial payments may be incorporated in any application fee payment or annual filing fee and transferred to the Fund by the Director within 30 days.

All assessments, except initial assessments, for the Fund shall be deposited within three business days after their receipt by the Director, in one or more federally insured banks, savings and loan associations, or savings banks located in the Commonwealth. Funds deposited in banks, savings institutions, or savings banks in excess of insurance afforded by the Federal Deposit Insurance Corporation or other federal insurance agency shall be secured under the Virginia Security for Public Deposits Act (§ 2.2-4400 et seq.). The deposit of these funds in federally insured banks, savings and loan associations, or savings banks located in the Commonwealth shall not be considered investment of such funds for purposes of this section. Funds maintained by the Director may be invested in securities that are legal investments for fiduciaries under the provisions of § 64.2-1502.

Interest earned on the deposits constituting the Fund shall be used for administering the Fund. The remainder of this interest, at the discretion of the Board, may be transferred to the Common Interest Community Management Information Fund, established pursuant to § 54.1-2354.2, or accrue to the Fund.

C. On and after July 1, 2011, the minimum balance of the Fund shall be \$150,000. Whenever the Director determines that the principal balance of the Fund is or will be less than such minimum principal balance, the Director shall immediately inform the Board. At the same time, the Director may recommend that the Board transfer a fixed amount from the Common Interest Community Management Information Fund to the Fund to bring the principal balance of the Fund to the amount required by this subsection. Such transfer shall be considered by the Board within 30 days of the notification of the Director.

D. If any such transfer of funds is insufficient to bring the principal balance of the Fund to the minimum amount required by this section, or if a transfer to the Fund has not occurred, the Board shall assess each association and each common interest community manager, within 30 days of notification by the Director, a sum sufficient to bring the principal balance of the Fund to the required minimum amount. The amount of such assessment shall be allocated among the associations and common interest community managers in proportion to each payor's most recently paid annual assessment, or if an association or common interest community manager has not paid an annual assessment previously, in proportion to the average annual assessment most recently paid by associations or common interest community managers, respectively. The Board may order an assessment at any time in addition to any required assessment. Assessments made pursuant to this subsection may be issued by the Board (i) after a determination made by it or (ii) at the time of license renewal.

Notice to common interest community managers and the governing boards of associations of these assessments shall be by first-class mail, and payment of such assessments shall be made by first-class mail addressed to the Director within 45 days after the mailing of such notice.

E. If any common interest community manager fails to remit the required payment within 45 days of the mailing, the Director shall notify the common interest community manager by first-class mail at the latest address of record filed with the Board. If no payment has been received by the Director within 30 days after mailing the second notice, the license shall be automatically suspended. The license shall be restored only upon the actual receipt by the Director of the delinquent assessment.

F. If any association fails to remit the required payment within 45 days of the mailing, the Director shall notify the association by first-class mail at the latest address of record filed with the Board. If no payment has been received by the Director within 30 days after mailing the second notice, it shall be deemed a knowing and willful violation of this section by the governing board of the association.

G. At the close of each fiscal year, whenever the balance of the Fund exceeds \$5 million, the amount in excess of \$5 million shall be transferred to the Virginia Housing Trust Fund established pursuant to Chapter 9 (§ 36-141 et seq.) of Title 36. Except for payments of costs as set forth in this article and transfers pursuant to this subsection, there shall be no transfers out of the Fund, including transfers to the general fund, regardless of the balance of the Fund.

H. A claimant may seek recovery from the Fund subject to the following conditions:

1. A claimant may file a verified claim in writing to the Director for a recovery from the Fund.
2. Upon proper application to the Director, in those cases in which there are not sufficient funds to pay an award of reasonable fees, costs, and expenses to the receiver or to restore all funds that were or ought to have been held in a fiduciary capacity by the subject common interest community manager, the Director shall report to the Board the amount of any shortfall to the extent that there are not sufficient funds (i) to pay any award of fees, costs, and expenses pursuant to subsection G of § 54.1-2353 by the court appointing the receiver; or (ii) to restore all funds that were or ought to have been held in a fiduciary capacity by the subject common interest community manager, as certified by the court appointing the receiver.
3. If the Board finds there has been compliance with the required conditions, the Board shall issue a directive ordering payment of the amount of such shortfall to the claimant from the Fund, provided that in no event shall such payment exceed the balance in the Fund. When the Fund balance is not sufficient to pay the aggregate amount of such shortfall, the Board shall direct that payment be applied first in satisfaction of any award of reasonable fees, costs, and expenses to the receiver and second to restore the funds that were or ought to have been held in a fiduciary capacity by the subject common interest community manager. If the Board has reason to believe that there may be additional claims against the Fund, the Board may withhold any payment from the Fund for a period of not more than one year. After such one-year period, if the aggregate of claims received exceeds the Fund balance, the Fund balance shall be prorated by the Board among the claimants and paid in the above payment order from the Fund in proportion to the amounts of claims remaining unpaid.
4. The Director shall, subject to the limitations set forth in this subsection, pay to the claimant from the Fund such amount as shall be directed by the Board upon the execution and delivery to the Director by such claimant of an assignment to the Board of the claimant's rights on its behalf and on behalf of the associations receiving distributions from the Fund against the common interest community manager to the extent that such rights were satisfied from the Fund.
5. The claimant shall be notified in writing of the findings of the Board. The Board's findings shall be considered a case decision as defined in § 2.2-4001, and judicial review of these findings shall be in accordance with § 2.2-4025 of the Administrative Process Act (§ 2.2-4000 et seq.).
6. Notwithstanding any other provision of law, the Board shall have the right to appeal a decision of any court that is contrary to any distribution recommended or authorized by it.
7. Upon payment by the Director to a claimant from the Fund as provided in this subsection, the Board shall immediately revoke the license of the common interest community manager whose actions resulted in payment from the Fund. The common interest community manager whose license was so revoked shall not be eligible to apply for a license as a common interest community manager until he has repaid in full the amount paid from the Fund on his account, plus interest at the judgment rate of interest from the date of payment from the Fund.
8. Nothing contained in this subsection shall limit the authority of the Board to take disciplinary action against any common interest community manager for any violation of statute or regulation, nor shall the repayment in full by a common interest community manager of the amount paid from the Fund on such common interest community manager's account nullify or modify the effect of any disciplinary proceeding against such common interest community manager for any such violation.

2008, cc. [851](#), [871](#), § 55-530.1; 2009, c. [557](#);2013, c. [754](#);2019, c. [712](#).

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board position.
DRAFT AGENDA

COMMONWEALTH OF VIRGINIA
COMMON INTEREST COMMUNITY BOARD



**COMMON INTEREST COMMUNITY
MANAGER REGULATIONS**

Last Updated June 1, 2020

STATUTES

Title 54.1, Chapter 23.3



Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400

Richmond, VA 23233

(804) 367-8500

www.dpor.virginia.gov

SUMMARY OF SIGNIFICANT CHANGES

Included in this document are relevant excerpts from the Virginia Administrative Code. Please note that the Common Interest Community Board is responsible for promulgating regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.), and the Virginia Code Commission is responsible for compiling and codifying all of the administration regulations of state agencies into the Virginia Administrative Code.

It is your responsibility to stay informed and follow all regulations and statutes governing your profession or occupation. As a regulant of the Board, you should read and become familiar with all regulations applicable to your profession or occupation. You can stay informed of regulatory actions that may result in changes to the regulations at Virginia Regulatory Town Hall (www.townhall.virginia.gov).

This document is a complete, edited (unofficial) copy of the Common Interest Community Manager Regulations (18VAC48-50). Please refer to the Virginia Administrative Code for an official copy of the regulations applicable to your profession or occupation. You can access the Virginia Administrative Code online at <https://law.lis.virginia.gov/admincode/>.

The following is a brief summary of the significant changes to the Common Interest Community Manager Regulations effective June 1, 2020.

- Licensure qualifications for common interest community managers were changed to remove the requirement that firms register a trade or fictitious name with the clerk of the circuit court in the locality where business is conducted. The change was made to conform the regulations to a change in state law that became effective on January 1, 2020.

STATEMENT OF PURPOSE

This booklet contains the information you will need to obtain your common interest community manager license and certification requirements for supervisory and principal employees of common interest community managers. The law that governs your profession is found in **Chapter 23.3 (§ 54.1-2345 et seq.) of Title 54.1 of the Code of Virginia**. That law permits the board to issue regulations that tell you more about what is expected of you in your profession. This booklet contains a copy of the regulations that you will need to know and with which you must comply in order to obtain and retain your license.

BE SURE TO READ AND UNDERSTAND THE STANDARDS OF CONDUCT AND PRACTICE. FAILURE TO COMPLY WITH THESE STANDARDS COULD RESULT IN A MONETARY PENALTY, THE LOSS OF YOUR LICENSE, OR OTHER DISCIPLINARY ACTION.

It is the goal of the Department of Professional and Occupational Regulation to provide the information you need to comply with the law and regulations. If you have a question and cannot find the answer in this booklet, please write to:

Common Interest Community Board
Department of Professional and Occupational Regulation
9960 Mayland Drive
Richmond, VA 23233

Or call the Agency at (804) 367-8500.

Or e-mail at cic@dpor.virginia.gov.

TABLE OF CONTENTS

REGULATIONS:

Part I - General

18VAC48-50-10. Definitions1

Part II - Entry

18VAC48-50-20. Application procedures.....3

18VAC48-50-30. Qualifications for licensure as a
common interest community manager3

18VAC48-50-35. Qualifications for certification as a
certified principal or supervisory employee effective July 1, 20127

18VAC48-50-37. Licensure and certification by reciprocity.....9

18VAC48-50-40. Application denial.....10

Part III - Fees

18VAC48-50-50. General fee requirements.....11

18VAC48-50-60. Fee schedule11

Part IV – Renewal and Reinstatement

18VAC48-50-90. Renewal required.....13

18VAC48-50-100. Expiration and renewal.....13

18VAC48-50-110. Reinstatement of common interest community manager license
and certified principal or supervisory employee certificate required.. 14

18VAC48-50-120. Status of license or certificate during the
period prior to reinstatement.....14

18VAC48-50-130. Board discretion to deny renewal or reinstatement15

Part V – Standards of Conduct and Practice

18VAC48-50-140. Grounds for disciplinary action.....16

18VAC48-50-150. Maintenance of license or certificate.....16

18VAC48-50-160. Maintenance and management of accounts	17
18VAC48-50-170. Change of business entity requires a new license	17
18VAC48-50-180. Notice of adverse action	17
18VAC48-50-190. Prohibited acts	19
18VAC48-50-200. Establishment of code of conduct.....	21
18VAC48-50-210. Establishment of internal accounting controls	21
18VAC48-50-220. Response to inquiry and provision of records	21

Part VI – Training Programs and Examination

18VAC48-50-230. Training programs generally	22
18VAC48-50-240. Approval of common interest community manager training programs.....	22
18VAC48-50-250. Introductory and comprehensive training program requirements.....	23
18VAC48-50-253. Virginia common interest community law and regulation training program requirements	23
18VAC48-50-255. Fair housing training program requirements	24
18VAC48-50-257. Documentation of training program completion required.....	24
18VAC48-50-260. Maintenance of records	24
18VAC48-50-270. Reporting of changes	24
18VAC48-50-280. Withdrawal of approval.....	25
18VAC48-50-290. Examinations	25

EXCERPTS FROM THE CODE OF VIRGINIA

Chapter 23.3 of Title 54.1 (§§ 55-2345 through 54.1-2354.5).....	26
--	----

Part I

General

18VAC48-50-10. Definitions.

Section [54.1-2345](#) of the Code of Virginia provides definitions of the following terms and phrases as used in this chapter:

"Association"

"Board"

"Common interest community"

"Common interest community manager"

"Declaration"

"Governing board"

"Lot"

"Management services"

The following words, terms, and phrases when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

"Active status" means the status of a certificated person in the employ of a common interest community manager.

"Address of record" means the mailing address designated by the regulant to receive notices and correspondence from the board. Notice mailed to the address of record by certified mail, return receipt requested, shall be deemed valid notice.

"Applicant" means a common interest community manager that has submitted an application for licensure or an individual who has submitted an application for certification.

"Application" means a completed, board-prescribed form submitted with the appropriate fee and other required documentation.

"Certified principal or supervisory employee" refers to any individual who has principal responsibility for management services provided to a common interest community or who has supervisory responsibility for employees who participate directly in the provision of management services to a common interest community, and who holds a certificate issued by the

board.

"Contact hour" means 50 minutes of instruction.

"Department" means the Virginia Department of Professional and Occupational Regulation.

"Direct supervision" means exercising oversight and direction of, and control over, the work of another.

"Firm" means a sole proprietorship, association, partnership, corporation, limited liability company, limited liability partnership, or any other form of business organization recognized under the laws of the Commonwealth of Virginia and properly registered, as may be required, with the Virginia State Corporation Commission.

"Principal responsibility" means having the primary obligation for the direct provision of management services provided to a common interest community.

"Regulant" means a common interest community manager as defined in [§ 54.1-2345](#) of the Code of Virginia who holds a license issued by the board or an individual who holds a certificate issued by the board.

"Reinstatement" means the process and requirements through which an expired license or certificate can be made valid without the regulant having to apply as a new applicant.

"Renewal" means the process and requirements for periodically approving the continuance of a license or certificate.

"Responsible person" means the employee, officer, manager, owner, or principal of the firm who shall be designated by each firm to ensure compliance with Chapter 23.3 ([§ 54.1-2345](#) et seq.) of Title 54.1 of the Code of Virginia, and all regulations of the board, and to receive communications and notices from the board that may affect the firm. In the case of a sole proprietorship, the sole proprietor shall have the responsibilities of the responsible person.

"Sole proprietor" means any individual, not a corporation or other registered business entity, who is trading under his own name, or under an assumed or fictitious name pursuant to the provisions of Chapter 5 of Title 59.1 ([§ 59.1-69](#) et seq.) of the Code of Virginia.

"Supervisory responsibility" means providing formal supervision of the work of at least one other person. The individual who has supervisory responsibility directs the work of another employee or other employees, has control over the work performed, exercises examination and evaluation of the employee's performance, or has the authority to make decisions personally that affect the management services provided.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 35, Issue 19, eff. July 1, 2019; Volume 36, Issue 17, eff. June 1, 2020.

Part II

Entry

18VAC48-50-20. Application procedures.

All applicants seeking licensure or certification shall submit an application with the appropriate fee specified in 18VAC48-50-60. Application shall be made on forms provided by the board or its agent.

By submitting the application to the department, the applicant certifies that the applicant has read and understands the applicable statutes and the board's regulations.

The receipt of an application and the deposit of fees by the board does not indicate approval by the board.

The board may make further inquiries and investigations with respect to the applicant's qualifications to confirm or amplify information supplied. All applications shall be completed in accordance with the instructions contained herein and on the application. Applications will not be considered complete until all required documents are received by the board.

An individual or firm will be notified within 30 days of the board's receipt of an initial application if the application is incomplete. An individual or firm that fails to complete the process within 12 months of receipt of the application in the board's office must submit a new application and fee.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-30. Qualifications for licensure as a common interest community manager.

- A. Firms that provide common interest community management services shall submit an application on a form prescribed by the board and shall meet the requirements set forth in [§ 54.1-2346](#) of the Code of Virginia, as well as the additional qualifications of this section.
- B. Any firm offering management services as defined in [§ 54.1-2345](#) of the Code of Virginia shall hold a license as a common interest community manager. All names under which the common interest community manager conducts business shall be disclosed on the application. The name under which the firm conducts business and holds itself out to the public (i.e., the trade or fictitious name) shall also be disclosed on the application. Firms shall be organized as business entities under the laws of the Commonwealth of Virginia or otherwise authorized to transact business in Virginia. Firms shall register any trade or fictitious names with the State Corporation Commission in accordance with Chapter 5 of Title 59.1 ([§ 59.1-69](#) et seq.) of the Code of Virginia before submitting an application to the board.

- DRAFT AGENDA
Materials contained in this agenda are proposed for discussion
and are not to be considered as regulation or official Board action.
DRAFT AGENDA
- C. The applicant for a common interest community manager license shall disclose the firm's mailing address, the firm's physical address, and the address of the office from which the firm provides management services to Virginia common interest communities. A post office box is only acceptable as a mailing address when a physical address is also provided.
 - D. In accordance with [§ 54.1-204](#) of the Code of Virginia, each applicant for a common interest community manager license shall disclose the following information about the firm, the responsible person, and any of the principals of the firm:
 - 1. All felony convictions.
 - 2. All misdemeanor convictions in any jurisdiction that occurred within three years of the date of application.
 - 3. Any plea of nolo contendere or finding of guilt regardless of adjudication or deferred adjudication shall be considered a conviction for the purposes of this section. The record of conviction certified or authenticated in such form as to be admissible in evidence under the laws of the jurisdiction where convicted shall be admissible as prima facie evidence of such guilt.
 - E. The applicant for a common interest community manager license shall submit evidence of a blanket fidelity bond or employee dishonesty insurance policy in accordance with [§ 54.1-2346 D](#) of the Code of Virginia. Proof of current bond or insurance policy with the firm as the named bondholder or insured must be submitted in order to obtain or renew the license. The bond or insurance policy must be in force no later than the effective date of the license and shall remain in effect through the date of expiration of the license.
 - F. The applicant for a common interest community manager license shall be in compliance with the standards of conduct and practice set forth in Part V (18VAC48-50-140 et. seq.) of this chapter at the time of application, while the application is under review by the board, and at all times when the license is in effect.
 - G. The applicant for a common interest community manager license, the responsible person, and any principals of the firm shall be in good standing in Virginia and in every jurisdiction and with every board or administrative body where licensed, certified, or registered and the board, in its discretion, may deny licensure to any applicant who has been subject to, or whose principals have been subject to, or any firm in which the principals of the applicant for a common interest community manager license hold a 10% or greater interest have been subject to, any form of adverse disciplinary action, including reprimand, revocation, suspension or denial, imposition of a monetary penalty, required to complete

remedial education, or any other corrective action, in any jurisdiction or by any board or administrative body or surrendered a license, certificate, or registration in connection with any disciplinary action in any jurisdiction prior to obtaining licensure in Virginia.

H. The applicant for a common interest community manager license shall provide all relevant information about the firm, the responsible person, and any of the principals of the firm for the seven years prior to application on any outstanding judgments, past-due tax assessments, defaults on bonds, or pending or past bankruptcies, and specifically shall provide all relevant financial information related to providing management services as defined in [§ 54.1-2345](#) of the Code of Virginia. The applicant for a common interest community manager license shall further disclose whether or not one or more of the principals who individually or collectively own more than a 50% equity interest in the firm are or were equity owners holding, individually or collectively, a 10% or greater interest in any other entity licensed by any agency of the Commonwealth of Virginia that was the subject of any adverse disciplinary action, including revocation of a license, within the seven-year period immediately preceding the date of application.

I. An applicant for a common interest community manager license shall hold an active designation as an Accredited Association Management Company by the Community Associations Institute.

J. Prior to July 1, 2012, in lieu of the provisions of subsection I of this section, an application for a common interest community manager license may be approved provided the applicant certifies to the board that the applicant has:

1. At least one supervisory employee, officer, manager, owner, or principal of the firm who is involved in all aspects of the management services offered and provided by the firm and who has satisfied one of the following criteria:
 - a. Holds an active designation as a Professional Community Association Manager by Community Associations Institute;
 - b. Has successfully completed a comprehensive training program as described in 18VAC48-50-250 B, as approved by the board, and has at least three years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services;
 - c. Has successfully completed an introductory training program as described in 18VAC48-50-250 A, as approved by the board, and has at least five years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services; or

- d. Has not completed a board-approved training program but who, in the judgment of the board, has obtained the equivalent of such training program by documented course work that meets the requirements of a board-approved comprehensive training program as described in Part VI (18VAC48-50-230 et seq.) of this chapter, and has at least 10 years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services.
2. At least 50% of persons in the firm with principal responsibility for management services to a common interest community in the Commonwealth of Virginia have satisfied one of the following criteria:
- a. 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;
 - b. 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 the required two years experience, a minimum of 12 months of experience must have been gained immediately preceding application;
 - c. Hold an active designation as an Association Management Specialist and certify having two years of experience in providing management services. Of the required two years experience, a minimum of 12 months of experience must have been gained immediately preceding application; or
 - d. Have completed a comprehensive or introductory training program, as set forth in 18VAC48-50-250 A or B, and passed a certifying examination approved by the board and certify having two years experience in providing management services. Of the required two years experience, a minimum of 12 months of experience must have been gained immediately preceding application.
- K. Effective July 1, 2012, the applicant for a common interest community manager license shall attest that all employees of the firm 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 shall, within two years after employment with the common interest community manager, hold a certificate as a certified principal or supervisory employee issued by the board or shall be under the direct supervision of a certified principal or supervisory employee.
- L. Effective July 1, 2012, in lieu of the provisions of subsection I of this section, an application for a common interest community manager license may be approved provided

the applicant certifies to the board that the applicant has at least one supervisory employee, officer, manager, owner, or principal of the firm who is involved in all aspects of the management services offered and provided by the firm and who has satisfied one of the following criteria:

1. Holds an active designation as a Professional Community Association Manager by Community Associations Institute;
2. Has successfully completed a comprehensive training program as described in 18VAC48-50-250 B, as approved by the board, and has at least three years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services;
3. Has successfully completed an introductory training program as described in 18VAC48-50-250 A, as approved by the board, and has at least five years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services; or
4. Has not completed a board-approved training program but who, in the judgment of the board, has obtained the equivalent of such training program by documented course work that meets the requirements of a board-approved comprehensive training program as described in Part VI (18VAC48-50-230 et seq.) of this chapter, and has at least 10 years of experience in providing management services, the quality of which demonstrates to the board that the individual is competent to have supervisory responsibility or principal responsibility for management services.

M. The firm shall designate a responsible person.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 36, Issue 17, eff. June 1, 2020.

18VAC48-50-35. Qualifications for certification as a certified principal or supervisory employee effective July 1, 2012.

- A. Principal or supervisory employees requiring certification pursuant to [§ 54.1-2346](#) of the Code of Virginia shall meet the requirements of this section and submit an application for certification on or after July 1, 2012.
- B. The applicant for certification shall be at least 18 years of age.
- C. The applicant for certification shall have a high school diploma or its equivalent.

- DRAFT AGENDA
Materials contained in this agenda are proposed for discussion
and are not to be construed as official or final position.
DRAFT AGENDA
- D. The applicant for certification shall provide a mailing address. A post office box is only acceptable as a mailing address when a physical address is also provided. The mailing address provided shall serve as the address of record.
 - E. In accordance with [§ 54.1-204](#) of the Code of Virginia, each applicant for certification shall disclose the following information:
 - 1. All felony convictions.
 - 2. All misdemeanor convictions that occurred in any jurisdiction within three years of the date of application.
 - 3. Any plea of nolo contendere or finding of guilt regardless of adjudication or deferred adjudication shall be considered a conviction for the purposes of this section. The record of conviction certified or authenticated in such form as to be admissible in evidence under the laws of the jurisdiction where convicted shall be admissible as prima facie evidence of such guilt.
 - F. The applicant for certification shall be in compliance with the standards of conduct and practice set forth in Part V (18VAC48-50-140 et seq.) of this chapter at the time of application, while the application is under review by the board, and at all times when the certificate is in effect.
 - G. The applicant for certification shall be in good standing in Virginia and in every jurisdiction and with every board or administrative body where licensed, certified, or registered to provide management or related services; and the board, in its discretion, may deny certification to any applicant for certification who has been subject to any form of adverse disciplinary action, including but not limited to reprimand, revocation, suspension or denial, imposition of a monetary penalty, requirement to complete remedial education, or any other corrective action, in any jurisdiction or by any board or administrative body or surrendered a license, certificate, or registration in connection with any disciplinary action in any jurisdiction prior to obtaining certification in Virginia.
 - H. The applicant for certification shall provide all relevant information for the seven years prior to application on any outstanding judgments, past-due tax assessments, defaults on bonds, or pending or past bankruptcies, all as related to providing management services as defined in [§ 54.1-2345](#) of the Code of Virginia. The applicant for certification shall further disclose whether or not he was the subject of any adverse disciplinary action, including revocation of a license, certificate, or registration within the seven-year period immediately preceding the date of application.
 - I. An applicant for certification may be certified provided the applicant provides proof to the board that the applicant meets one of the following:

1. Holds an active designation as a Professional Community Association Manager by Community Associations Institute and certifies having provided management services for a period of three months immediately preceding application;
2. Holds an active designation as a Certified Manager of Community Associations by the National Board of Certification for Community Association Managers and certifies having two years of experience in providing management services. Of the required two years experience, a minimum of six months of experience must have been gained immediately preceding application;
3. Holds an active designation as an Association Management Specialist by Community Associations Institute and certifies having two years of experience in providing management services. Of the required two years experience, a minimum of three months of experience must have been gained immediately preceding application; or
4. Has completed an introductory or comprehensive training program as set forth in 18VAC48-50-250 A or B and passed a certifying examination approved by the board and certifies having two years experience in providing management services. Of the required two years experience, a minimum of six months of experience must have been gained immediately preceding application.

J. The applicant for certification shall provide the name of his employing common interest community manager, if applicable.

Historical Notes:

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-37. Licensure and certification by reciprocity.

- A. The board may waive the requirements of 18VAC48-50-30 I, J, and L and issue a license as a common interest community manager to an applicant who holds an active, current license, certificate, or registration in another state, the District of Columbia, or any other territory or possession of the United States provided the requirements and standards under which the license, certificate, or registration was issued are substantially equivalent to those established in this chapter and related statutes.
- B. Effective July 1, 2012, the board may waive the requirements of 18VAC48-50-35 I and issue a certificate as a certified employee to an applicant who holds an active, current license, certificate, or registration in another state, the District of Columbia, or any other territory or possession of the United States provided the requirements and standards under which the license, certificate, or registration was issued are substantially equivalent to those established in this chapter and related statutes.

Historical Notes:

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-40. Application denial.

The board may refuse initial licensure or certification due to an applicant's failure to comply with entry requirements or for any of the reasons for which the board may discipline a regulant.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board position.
DRAFT AGENDA

Part III

Fees

18VAC48-50-50. General fee requirements.

All fees are nonrefundable and shall not be prorated. The date on which the fee is received by the department or its agent will determine whether the fee is on time. Checks or money orders shall be made payable to the Treasurer of Virginia.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-60. Fee schedule.

Fee Type	Fee Amount		Recovery Fund Fee* (if applicable)	Total Amount Due	When Due
Initial Common Interest Community Manager Application	\$100	+	25	\$125	With application
Common Interest Community Manager Renewal	\$100			\$100	With renewal application
Common Interest Community Manager Reinstatement (includes a \$200 reinstatement fee in addition to the regular \$100 renewal fee)	\$300			\$300	With renewal application
Certified Principal or Supervisory Employee Initial Application	\$75			\$75	With application
Certified Principal or Supervisory Employee Renewal	\$75			\$75	With renewal application
Certified Principal or Supervisory Employee	\$150			\$150	With renewal application

Reinstatement (includes a \$75 reinstatement fee in addition to the regular \$75 renewal fee)					
Training Program Provider Initial Application	\$100			\$100	With application
Training Program Provider Additional Program	\$50			\$50	With application

*In accordance with [§ 54.1-2354.5](#) of the Code of Virginia.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 35, Issue 19, eff. July 1, 2019; Volume 36, Issue 3, eff. November 1, 2019.

18VAC48-50-70. (Repealed).

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 35, Issue 19, eff. July 1, 2019.

18VAC48-50-80. (Repealed).

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 35, Issue 19, eff. July 1, 2019; Volume 36, Issue 3, eff. November 1, 2019.

Part IV

Renewal and Reinstatement

18VAC48-50-90. Renewal required.

A license issued under this chapter shall expire one year from the last day of the month in which it was issued. A certificate issued under this chapter shall expire two years from the last day of the month in which it was issued. A fee shall be required for renewal.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 36, Issue 3, eff. November 1, 2019.

18VAC48-50-100. Expiration and renewal.

- A. Prior to the expiration date shown on the license, licenses shall be renewed upon (i) completion of the renewal application, (ii) submittal of proof of current bond or insurance policy as detailed in 18VAC48-50-30 E, and (iii) payment of the fees specified in 18VAC48-50-60.
- B. Prior to the expiration date shown on the certificate, certificates shall be renewed upon (i) completion of the renewal application; (ii) submittal of proof of completion of two hours 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 as approved by the board and completed within the two-year certificate period immediately prior to the expiration date of the certificate; and (iii) payment of the fees specified in 18VAC48-50-60.
- C. The board will mail a renewal notice to the regulant at the last known mailing address of record. Failure to receive this notice shall not relieve the regulant of the obligation to renew. If the regulant fails to receive the renewal notice, a copy of the license or certificate may be submitted with the required fees as an application for renewal. By submitting an application for renewal, the regulant is certifying continued compliance with the Standards of Conduct and Practice in Part V (18VAC48-50-140 et seq.) of this chapter.
- D. Applicants for renewal shall continue to meet all of the qualifications for licensure and certification set forth in Part II (18VAC48-50-20 et seq.) of this chapter.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 35, Issue 19, eff. July 1, 2019.

18VAC48-50-110. Reinstatement of common interest community manager license and certified principal or supervisory employee certificate required.

- A. If all of the requirements for renewal of a license as specified in 18VAC48-50-100 A are not completed within 30 days of the license expiration date, the licensee shall be required to reinstate the license by meeting all renewal requirements and by paying the reinstatement fee specified in 18VAC48-50-60.
- B. If all of the requirements for renewal of a certificate as specified in 18VAC48-50-100 B are not completed within 30 days of the certificate expiration date, the certificateholder shall be required to reinstate the certificate by meeting all renewal requirements and by paying the reinstatement fee specified in 18VAC48-50-60.
- C. A license or certificate may be reinstated for up to six months following the expiration date. After six months, the license or certificate may not be reinstated under any circumstances and the firm or individual must meet all current entry requirements and apply as a new applicant.
- D. Any regulated activity conducted subsequent to the license expiration date may constitute unlicensed activity and be subject to prosecution under Chapter 1 ([§ 54.1-100](#) et seq.) of Title 54.1 of the Code of Virginia.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-120. Status of license or certificate during the period prior to reinstatement.

A regulant who applies for reinstatement of a license or certificate shall be subject to all laws and regulations as if the regulant had been continuously licensed or certified. The regulant shall remain under and be subject to the disciplinary authority of the board during this entire period.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-130. Board discretion to deny renewal or reinstatement.

The board may deny renewal or reinstatement of a license or certificate for the same reasons as the board may refuse initial licensure or certification, or discipline a regulant.

The board may deny renewal or reinstatement of a license or certificate if the regulant has been subject to a disciplinary proceeding and has not met the terms of an agreement for licensure or certification, has not satisfied all sanctions, or has not fully paid any monetary penalties and costs imposed by the board.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

DRAFT AGENDA
Materials contained in this agenda are proposed for discussion
and are not to be construed as regulation or official Board position.
DRAFT AGENDA

Part V

Standards of Conduct and Practice

18VAC48-50-140. Grounds for disciplinary action.

The board may place a regulant on probation, impose a monetary penalty in accordance with [§ 54.1-202 A](#) of the Code of Virginia, or revoke, suspend or refuse to renew any license or certificate when the regulant has been found to have violated or cooperated with others in violating any provisions of the regulations of the board or Chapter 23.3 ([§ 54.1-2345](#) et seq.) of Title 54.1 of the Code of Virginia.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 26, Issue 18, eff. July 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-150. Maintenance of license or certificate.

- A. No license or certificate issued by the board shall be assigned or otherwise transferred.
- B. A regulant shall report, in writing, all changes of address to the board within 30 days of the change and shall return the license or certificate to the board. In addition to the address of record, a physical address is required for each license or certificate. If the regulant holds more than one license, certificate, or registration, the regulant shall inform the board of all licenses, certificates, and registrations affected by the address change.
- C. Any change in any of the qualifications for licensure or certification found in 18VAC48-50-30 or 18VAC48-50-35 shall be reported to the board within 30 days of the change.
- D. Notwithstanding the provisions of subsection C of this section, a licensee shall report the cancellation, amendment, expiration, or any other change of any bond or insurance policy submitted in accordance with 18VAC48-50-30 E within five days of the change.
- E. A licensee shall report to the board the discharge or termination of active status of an employee holding a certificate within 30 days of the discharge or termination of active status.
- F. A certified principal or supervisory employee shall report a change in employing common interest community manager within 30 days of the change.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-160. Maintenance and management of accounts.

Licensed firms shall maintain all funds from associations in accordance with [§ 54.1-2353 A](#) of the Code of Virginia. Funds that belong to others that are held as a result of the fiduciary relationship shall be labeled as such to clearly distinguish funds that belong to others from those funds of the common interest community manager.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-170. Change of business entity requires a new license.

A. Licenses are issued to firms as defined in this chapter and are not transferable. Whenever the legal business entity holding the license is dissolved or altered to form a new business entity, the license becomes void and shall be returned to the board within 30 days of the change. Such changes include but are not limited to:

1. Cessation of the business or the voluntary termination of a sole proprietorship or general partnership;
2. Death of a sole proprietor;
3. Formation, reformation, or dissolution of a general partnership, limited partnership, corporation, limited liability company, association, or any other business entity recognized under the laws of the Commonwealth of Virginia; or
4. The suspension or termination of the corporation's existence by the State Corporation Commission.

B. When a new firm is formed, the new firm shall apply for a new license on a form provided by the board before engaging in any activity regulated by Chapter 23.3 ([§ 54.1-2345](#) et seq.) of Title 54.1 of the Code of Virginia or the regulations of the board.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-180. Notice of adverse action.

A. Licensed firms shall notify the board of the following actions against the firm, the responsible person, and any principals of the firm:

- DRAFT AGENDA
Materials contained in this agenda are proposed for discussion
and are not to be considered an official Board position.
DRAFT AGENDA
1. Any disciplinary action taken by any jurisdiction, board, or administrative body of competent jurisdiction, including but not limited to any reprimand, license or certificate revocation, suspension or denial, monetary penalty, or requirement for remedial education or other corrective action.
 2. Any voluntary surrendering of a license, certificate, or registration done in connection with a disciplinary action in another jurisdiction.
 3. Any conviction, finding of guilt, or plea of guilty, regardless of adjudication or deferred adjudication, in any jurisdiction of the United States of any misdemeanor involving moral turpitude, sexual offense, drug distribution, or physical injury, or any felony, there being no appeal pending therefrom or the time for appeal having lapsed. Review of convictions shall be subject to the requirements of [§ 54.1-204](#) of the Code of Virginia. Any plea of nolo contendere shall be considered a conviction for the purpose of this section.
- B. Certified principal or supervisory employees shall notify the board, and the responsible person of the employing firm, if applicable, of the following actions against the certified principal or supervisory employee:

1. Any disciplinary action taken by any jurisdiction, board, or administrative body of competent jurisdiction, including but not limited to any reprimand, license or certificate revocation, suspension or denial, monetary penalty, requirement for remedial education, or other corrective action.
2. Any voluntary surrendering of a license, certificate, or registration done in connection with a disciplinary action in another jurisdiction.
3. Any conviction, finding of guilt, or plea of guilty, regardless of adjudication or deferred adjudication, in any jurisdiction of the United States of any misdemeanor involving moral turpitude, sexual offense, drug distribution, or physical injury, or any felony, there being no appeal pending therefrom or the time for appeal having lapsed. Review of convictions shall be subject to the requirements of [§ 54.1-204](#) of the Code of Virginia. Any plea of nolo contendere shall be considered a conviction for the purpose of this section.

The notice must be made to the board in writing within 30 days of the action. A copy of the order or other supporting documentation must accompany the notice. The record of conviction, finding, or case decision shall be considered prima facie evidence of a conviction or finding of guilt.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-190. Prohibited acts.

The following acts are prohibited and any violation may result in disciplinary action by the board:

1. Violating, inducing another to violate, or cooperating with others in violating any of the provisions of any of the regulations of the board; Chapter 23.3 ([§ 54.1-2345](#) et seq.) of Title 54.1 of the Code of Virginia; or Chapter 18 ([§ 55.1-1800](#) et seq.) of Title 55.1 of the Code of Virginia, Chapter 19 ([§ 55.1-1900](#) et seq.) of the Code of Virginia, or Chapter 21 ([§ 55.1-2100](#) et seq.) of the Code of Virginia, or engaging in any acts enumerated in §§ [54.1-102](#) and [54.1-111](#) of the Code of Virginia.
2. Allowing a license or certificate issued by the board to be used by another.
3. Obtaining or attempting to obtain a license or certificate by false or fraudulent representation, or maintaining, renewing, or reinstating a license or certificate by false or fraudulent representation.
4. A regulant having been convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18VAC48-50-180.
5. 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 18VAC48-50-180.
6. Failing to report a change as required by 18VAC48-50-150 or 18VAC48-50-170.
7. The intentional and unjustified failure to comply with the terms of the management contract, operating agreement, or association governing documents.
8. Engaging in dishonest or fraudulent conduct in providing management services.
9. Failing to satisfy any judgments or restitution orders entered by a court or arbiter of competent jurisdiction.
10. Egregious or repeated violations of generally accepted standards for the provision of management services.
11. Failing to handle association funds in accordance with the provisions of [§ 54.1-2353 A](#) of the Code of Virginia or 18VAC48-50-160.

- DRAFT AGENDA
Materials combined from agenda and proposed amendments for discussion
and are not to be considered official for discussion.
DRAFT AGENDA
Materials combined from agenda and proposed amendments for discussion
and are not to be considered official for discussion.
12. 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.
 13. 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.
 14. 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.
 15. Failing upon written request of the association to provide books and records such that the association can perform pursuant to §§ [55.1-1815](#) (Property Owners' Association Act), [55.1-1945](#) (Virginia Condominium Act), and [55.1-2151](#) (Virginia Real Estate Cooperative Act) of the Code of Virginia.
 16. 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.
 17. Failing to act in providing management services in a manner that safeguards the interests of the public.
 18. Advertising in any name other than the name in which licensed.
 19. 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 the following:
 - a. Beginning and ending dates of the contract;
 - b. Cancellation rights of the parties;
 - c. Record retention and distribution policy;
 - d. A general description of the records to be kept and the bookkeeping system to be used; and
 - e. The common interest community manager's license number.
 20. Performing management services or accepting payments prior to the signing of the contract by an authorized official of the licensed firm and the client or the client's authorized agent.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 36, Issue 3, eff. November 1, 2019.

18VAC48-50-200. Establishment of code of conduct.

The firm shall establish and distribute to the firm's employees, principals, and agents a written code of conduct to address business practices including the appropriateness of giving and accepting gifts, bonuses, or other remuneration to and from common interest communities or providers of services to common interest communities. In accordance with clause (ii) of [§ 54.1-2346 E](#) of the Code of Virginia, the code of conduct for officers, directors, and employees shall also address disclosure of relationships with other firms that provide services to common interest communities and that may give rise to a conflict of interest.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-210. Establishment of internal accounting controls.

The firm shall establish written internal accounting controls to provide adequate checks and balances over the financial activities and to manage the risk of fraud and illegal acts. The internal accounting controls shall be in accordance with generally accepted accounting practices.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-220. Response to inquiry and provision of records.

- A. A regulant must respond within 10 days to a request by the board or any of its agents regarding any complaint filed with the department.
- B. Unless otherwise specified by the board, a regulant of the board shall produce to the board or any of its agents within 10 days of the request any document, book, or record concerning any transaction pertaining to a complaint filed in which the regulant was involved, or for which the regulant is required to maintain records for inspection and copying by the board or its agents. The board may extend such time frame upon a showing of extenuating circumstances prohibiting delivery within such 10-day period.
- C. A regulant shall not provide a false, misleading, or incomplete response to the board or any of its agents seeking information in the investigation of a complaint filed with the board.
- D. With the exception of the requirements of subsections A and B of this section, a regulant must respond to an inquiry by the board or its agent within 21 days.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

Part VI

Training Programs and Examination

18VAC48-50-230. Training programs generally.

All training programs proposed for the purposes of meeting the requirements of this chapter must be approved by the board. Any or all of the approved training programs can be met using distance or online education technology. Training programs may be approved retroactively; however, no applicant will receive credit for the training program until such approval is granted by the board.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-240. Approval of common interest community manager training programs.

Each provider of a training program shall submit an application for program approval on a form provided by the board. In addition to the appropriate fee provided in 18VAC48-50-60, the application shall include but is not limited to:

1. The name of the provider;
2. Provider contact person, address, and telephone number;
3. Program contact hours;
4. Schedule of training program, if established, including dates, times, and locations;
5. Instructor information, including name, license or certificate number(s), if applicable, and a list of trade-appropriate designations, as well as a professional resume with a summary of teaching experience and subject-matter knowledge and qualifications acceptable to the board;
6. A summary of qualifications and experience in providing training under this chapter;
7. Training program and material fees; and
8. Training program syllabus.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-250. Introductory and comprehensive training program requirements.

- A. In order to qualify as an introductory training program under 18VAC48-50-30 or 18VAC48-50-35, the introductory training program must include a minimum of 16 contact hours and the syllabus shall encompass all of the subject areas set forth in subsection C of this section.
- B. In order to qualify as a comprehensive training program under 18VAC48-50-30 or 18VAC48-50-35, 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 subsection C of this section and may also include up to 40 contact hours in other subject areas approved by the board.
- C. The following subject areas as they relate to common interest communities and associations shall be included in all comprehensive and introductory training programs. The time allocated to each subject area must be sufficient to ensure adequate coverage of the subject as determined by the board.
1. Governance, legal matters, and communications;
 2. Financial matters, including budgets, reserves, investments, internal controls, and assessments;
 3. Contracting;
 4. Risk management and insurance;
 5. Management ethics for common interest community managers;
 6. Facilities maintenance; and
 7. Human resources.
- D. All training programs are required to have a final, written examination.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-253. Virginia common interest community law and regulation training program requirements.

In order to qualify as a Virginia common interest community law and regulation training program for renewal of certificates issued by the board, the common interest community law and regulation program must include a minimum of two contact hours and the syllabus shall encompass updates to Virginia laws and regulations directly related to common interest

communities.

Historical Notes:

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 33, Issue 20, eff. July 1, 2017.

18VAC48-50-255. Fair housing training program requirements.

In order to qualify as a fair housing training program for renewal of certificates issued by the board, the fair housing training program must include a minimum of two contact hours and the syllabus shall encompass Virginia fair housing laws and any updates related to common interest communities.

Historical Notes:

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012; Volume 33, Issue 20, eff. July 1, 2017.

18VAC48-50-257. Documentation of training program completion required.

All training program providers must provide each student with a certificate of training program completion or other documentation that the student may use as proof of training program completion. Such documentation shall contain the contact hours completed.

Historical Notes:

Derived from Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

18VAC48-50-260. Maintenance of records.

All providers must establish and maintain a record for each student. The record shall include the student's name and address, the training program name and hours attended, the training program syllabus or outline, the name or names of the instructors, the date of successful completion, and the board's approved training program code. Records shall be available for inspection during normal business hours by authorized representatives of the board. Providers must maintain these records for a minimum of five years.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-270. Reporting of changes.

Any change in the information provided in 18 VAC 48-50-240 must be reported to the board within 30 days of the change with the exception of changes in the schedule of training program offerings, which must be reported within 10 days of the change. Any change in information submitted will be reviewed to ensure compliance with the provisions of this chapter.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-280. Withdrawal of approval.

The board may withdraw approval of any training program for the following reasons:

1. The training program being offered no longer meets the standards established by the board.
2. The provider, through an agent or otherwise, advertises its services in a fraudulent or deceptive way.
3. The provider, instructor, or designee of the provider falsifies any information relating to the application for approval, training program information, or student records or fails to produce records required by 18 VAC 48-50-260.
4. A change in the information provided that results in noncompliance with 18 VAC 48-50-240, except for subdivision 4 of 18 VAC 48-50-240.
5. Failure to comply with 18 VAC 48-50-270.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010.

18VAC48-50-290. Examinations.

All examinations required for licensure or certification shall be approved by the board and administered by the board, a testing service acting on behalf of the board, or another governmental agency or organization.

Historical Notes:

Derived from Virginia Register Volume 26, Issue 11, eff. April 1, 2010; amended Virginia Register Volume 28, Issue 11, eff. March 1, 2012.

NOTICE

Included in this booklet are relevant excerpts from the Code of Virginia. Please note that the Virginia General Assembly is responsible for creating and amending the Code, not the Common Interest Community Board. The version contained herein contains all changes, if any, that have been made by the General Assembly through the 2019 session. Any changes made during the 2019 session became effective on July 1, 2019, or October 1, 2019, unless otherwise noted. It is your responsibility to stay informed of revisions to the regulations and the statutes governing Virginia common interest communities. Please consult the General Assembly or your local library for annual changes.

You can access the Code of Virginia online at <http://law.lis.virginia.gov/vacode>

Code of Virginia

Title 54.1, Chapter 23.3

Article 1. Common Interest Community Board

§ 54.1-2345. (Effective October 1, 2019) Definitions.

As used in this chapter, unless the context requires a different meaning:

"Association" includes condominium, cooperative, or property owners' associations.

"Board" means the Common Interest Community Board.

"Common interest community" means real estate subject to a declaration with respect to which a person, by virtue of the person's ownership of a lot subject to that declaration, is a member of the association and is obligated to pay assessments of common expenses, provided that for the purposes of this chapter only, a common interest community does not include any time-share project registered pursuant to the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.) or any additional land that is a part of such registration. "Common interest community" does not include an arrangement described in § [54.1-2345.1](#).

"Common interest community manager" means a person or business entity, including a partnership, association, corporation, or limited liability company, that, for compensation or valuable consideration, provides management services to a common interest community.

"Declaration" means any instrument, however denominated, recorded among the land records of the county or city in which the development or any part thereof is located, that either (i) imposes on the association maintenance or operational responsibilities for the common area as a regular annual assessment or (ii) creates the authority in the association to impose on lots, or on the owners or occupants of such lots, or on any other entity any mandatory payment of money as a regular annual assessment in connection with the provision of maintenance or services or both for the benefit of some or all of the lots, the owners or occupants of the lots, or the common area. "Declaration" includes any amendment or supplement to the instruments described in this definition.

"Governing board" means the governing board of an association, including the executive organ of a condominium unit owners' association, the executive board of a cooperative proprietary lessees' association, and the board of directors or other governing body of a property owners' association.

"Lot" means (i) any plot or parcel of land designated for separate ownership or occupancy shown on a recorded subdivision plat for a development or the boundaries of which are described in the declaration or in a recorded instrument referred to or expressly contemplated by the declaration, other than a common area, and (ii) a unit in a condominium association or a unit in a real estate cooperative.

"Management services" means (i) acting with the authority of an association in its business, legal, financial, or other transactions with association members and nonmembers; (ii) executing the resolutions and decisions of an association or, with the authority of the association, enforcing the rights of the association secured by statute, contract, covenant, rule, or bylaw; (iii) collecting, disbursing, or otherwise exercising dominion or control over money or other property belonging to an association; (iv) preparing budgets, financial statements, or other financial reports for an association; (v) arranging, conducting, or coordinating meetings of an association or the governing body of an association; (vi) negotiating contracts or otherwise coordinating or arranging for services or the purchase of property and goods for or on behalf of an association; or (vii) offering or soliciting to perform any of the aforesaid acts or services on behalf of an association.

2008, cc. [851](#), [871](#); 2019, c. [712](#).

§ 54.1-2345.1. (Effective October 1, 2019) Certain real estate arrangements and covenants not deemed to constitute a common interest community.

A. An arrangement between the associations for two or more common interest communities to share the costs of real estate taxes, insurance premiums, services, maintenance, or improvements of real estate, or other activities specified in their arrangement or declarations does not create a separate common interest community, or an arrangement between an association and the owner of real estate that is not part of a common interest community to share the costs of real estate taxes, insurance premiums, services, maintenance, or improvements of real estate, or other activities specified in their arrangement does not create a separate common interest community. Assessments against the lots in the common interest community required by such arrangement shall be included in the periodic budget for the common interest community, and the arrangement shall be disclosed in all required public offering statements and disclosure packets.

B. A covenant requiring the owners of separately owned parcels of real estate to share costs or other obligations associated with a party wall, driveway, well, or other similar use does not create a common interest community unless the owners otherwise agree to create such community.

2019, c. [712](#).

§ 54.1-2346. (Effective October 1, 2019) License required; certification of employees; renewal; provisional license.

A. Unless exempted by § [54.1-2347](#), any person, partnership, corporation, or other entity offering

management services to a common interest community on or after January 1, 2009, shall hold a valid license issued in accordance with the provisions of this article prior to engaging in such management services.

B. Unless exempted by § [54.1-2347](#), any person, partnership, corporation, or other entity offering management services to a common interest community without being licensed in accordance with the provisions of this article shall be subject to the provisions of § [54.1-111](#).

C. On or after July 1, 2012, it shall be a condition of the issuance or renewal of the license of a common interest community manager that 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 shall, within two years after employment with the common interest community manager, hold a certificate issued by the Board certifying the person possesses the character and minimum skills to engage properly in the provision of management services to a common interest community or shall be under the direct supervision of a certified employee of such common interest community manager. A common interest community manager shall notify the Board if a certificated employee is discharged or in any way terminates his active status with the common interest community manager.

D. It shall be a condition of the issuance or renewal of the license of a common interest community manager that the common interest community manager shall obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the common interest community manager against losses resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall include coverage for losses of clients of the common interest community manager resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall provide coverage in an amount equal to the lesser of \$2 million or the highest aggregate amount of the operating and reserve balances of all associations under the control of the common interest community manager during the prior fiscal year. The minimum coverage amount shall be \$10,000.

E. It shall be a condition of the issuance or renewal of the license of a common interest community manager that the common interest community manager certifies to the Board (i) that the common interest community manager is in good standing and authorized to transact business in Virginia; (ii) that the common interest community manager has established a code of conduct for the officers, directors, and persons employed by the common interest community manager to protect against conflicts of interest; (iii) that the common interest community manager provides all management services pursuant to written contracts with the associations to which such services are provided; (iv) that the common interest community manager has established a system of internal accounting controls to manage the risk of fraud or illegal acts; and (v) that an independent certified public accountant reviews or audits the financial statements of the common interest community manager at least annually in accordance with standards established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

2008, cc. [851](#), [871](#); 2011, cc. [334](#), [605](#); 2019, c. [712](#).

§ 54.1-2347. (Effective October 1, 2019) Exceptions and exemptions generally.

A. The provisions of this article shall not be construed to prevent or prohibit:

1. An employee of a duly licensed common interest community manager from providing management services within the scope of the employee's employment by the duly licensed common interest community manager;
2. An employee of an association from providing management services for that association's common interest community;
3. A resident of a common interest community acting without compensation from providing management services for that common interest community;
4. A resident of a common interest community from providing bookkeeping, billing, or recordkeeping services for that common interest community for compensation, provided the blanket fidelity bond or employee dishonesty insurance policy maintained by the association insures the association against losses resulting from theft or dishonesty committed by such person;
5. A member of the governing board of an association acting without compensation from providing management services for that association's common interest community;
6. A person acting as a receiver or trustee in bankruptcy in the performance of his duties as such or any person acting under order of any court from providing management services for a common interest community;
7. A duly licensed attorney-at-law from representing an association or a common interest community manager in any business that constitutes the practice of law;
8. A duly licensed certified public accountant from providing bookkeeping or accounting services to an association or a common interest community manager;
9. A duly licensed real estate broker or agent from selling, leasing, renting, or managing lots within a common interest community; or
10. An association, exchange agent, exchange company, managing agent, or managing entity of a time-share project registered pursuant to the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.) from providing management services for such time-share project.

B. A licensee of the Board shall comply with the Board's regulations, notwithstanding the fact that the licensee would be otherwise exempt from licensure under subsection A. Nothing in this subsection shall be construed to require a person to be licensed in accordance with this article if he would be otherwise exempt from such licensure.

2008, cc. [851](#), [871](#); 2010, c. [511](#); 2011, cc. [334](#), [605](#); 2019, c. [712](#).

§ 54.1-2348. (Effective October 1, 2019) Common Interest Community Board; membership; meetings; quorum.

There is hereby created the Common Interest Community Board (the Board) as a policy board, within the meaning of § [2.2-2100](#), in the executive branch of state government. Members of the Board shall be appointed by the Governor and consist of 11 members as follows: three shall be representatives of Virginia common interest community managers, one shall be a Virginia attorney whose practice includes the representation of associations, one shall be a representative of a Virginia certified public accountant whose practice includes providing attest services to associations, one shall be a representative of the Virginia time-share industry, two shall be representatives of developers of Virginia common interest communities, and three shall be Virginia citizens, one of whom serves or who has served on the governing board of an association that is not professionally managed at the time of appointment and two of whom reside in a common interest community. Of the initial appointments, one representative of Virginia common interest community managers and one representative of developers of Virginia common interest communities shall serve terms of two years and one representative of Virginia common interest community managers and one representative of developers of Virginia common interest communities shall serve terms of three years; the Virginia attorney shall serve a term of three years; the Virginia certified public accountant shall serve a term of one year; the Virginia citizen who serves or who has served on the governing board of an association shall serve a term of two years, and the two Virginia citizens who reside in a common interest community shall serve terms of one year. All other initial appointments and all subsequent appointments shall be for terms for four years, except that vacancies may be filled for the remainder of the unexpired term. Each appointment of a representative of a Virginia common interest community manager to the Board may be made from nominations submitted by the Virginia Association of Community Managers, who may nominate no more than three persons for each manager vacancy. In no case shall the Governor be bound to make any appointment from such nominees. No person shall be eligible to serve for more than two successive four-year terms.

The Board shall meet at least once each year and at other such times as it deems necessary. The Board shall elect from its membership a chairman and a vice-chairman to serve for a period of one year. A majority of the Board shall constitute a quorum. The Board is vested with the powers and duties necessary to execute the purposes of this article.

2008, cc. [851](#), [871](#); 2010, c. [511](#); 2012, c. [522](#); 2019, c. [712](#).

§ 54.1-2349. (Effective October 1, 2019) Powers and duties of the Board.

A. The Board shall administer and enforce the provisions of this article. In addition to the provisions of §§ [54.1-201](#) and [54.1-202](#), the Board shall:

1. Promulgate regulations necessary to carry out the requirements of this article in accordance with the provisions of the Administrative Process Act (§ [2.2-4000](#) et seq.), including the prescription of fees, procedures, and qualifications for the issuance and renewal of common interest community manager licenses. Upon application for license and each renewal thereof, the applicant shall pay a fee established by the Board, which shall be placed to the credit of the Common Interest Community Management Information Fund established pursuant to § [54.1-2354.2](#);
2. Establish criteria for the licensure of common interest community managers to ensure the

appropriate training and educational credentials for the provision of management services to common interest communities. Such criteria may include experiential requirements and shall include designation as an Accredited Association Management Company by the Community Associations Institute. As an additional alternative to such designation, the Board shall have authority, by regulation, to include one of the following: (i) successful completion of another Board-approved training program and certifying examination or (ii) successful completion of a Virginia testing program to determine the quality of the training and educational credentials for and competence of common interest community managers;

3. Establish criteria for the certification of the employees of common interest community managers 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 to ensure the person possesses the character and minimum skills to engage properly in the provision of management services to a common interest community. Such criteria shall include designation as a Certified Manager of Community Associations by the Community Association Managers International Certification Board, designation as an Association Management Specialist by the Community Associations Institute, or designation as a Professional Community Association Manager by the Community Associations Institute. As an additional alternative to such designations, the Board shall have authority, by regulation, to include one of the following: (i) successful completion of another Board-approved training program as developed by the Virginia Association of Realtors or other organization, and certifying examination, or (ii) successful completion of a Virginia testing program to determine the quality of the training and educational credentials for and competence of the employees of common interest community managers who participate directly in the provision of management services to a common interest community. The fee paid to the Board for the issuance of such certificate shall be paid to the Common Interest Community Management Information Fund established pursuant to § [54.1-2354.2](#);

4. Approve the criteria for accredited common interest community manager training programs;

5. Approve accredited common interest community manager training programs;

6. Establish, by regulation, standards of conduct for common interest community managers and for employees of common interest community managers certified in accordance with the provisions of this article;

7. Establish, by regulation, an education-based certification program for persons who are involved in the business or activity of providing management services for compensation to common interest communities. The Board shall have the authority to approve training courses and instructors in furtherance of the provisions of this article;

8. Issue a certificate of registration to each association that has properly filed in accordance with this chapter; and

9. Develop and publish best practices for the content of declarations consistent with the requirements of the Property Owners' Association Act (§ [55.1-1800](#) et seq.).

B. 1. The Board shall have the sole responsibility for the administration of this article and for the

promulgation of regulations to carry out the requirements thereof.

2. The Board shall also be responsible for the enforcement of this article, provided that the Real Estate Board shall have the sole responsibility for the enforcement of this article with respect to a real estate broker, real estate salesperson, or real estate brokerage firm licensed in accordance with Chapter 21 (§ [54.1-2100](#) et seq.) who is also licensed as a common interest community manager.

3. For purposes of enforcement of this article or the Property Owners' Association Act (§ [55.1-1800](#) et seq.), the Virginia Condominium Act (§ [55.1-1900](#) et seq.), the Virginia Real Estate Cooperative Act (§ [55.1-2100](#) et seq.), or the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.), any requirement for the conduct of a hearing shall be satisfied by an informal fact-finding proceeding convened and conducted pursuant to § [2.2-4019](#) of the Administrative Process Act (§ [2.2-4000](#) et seq.).

C. The Board is authorized to obtain criminal history record information from any state or federal law-enforcement agency relating to an applicant for licensure or certification. Any information so obtained is for the exclusive use of the Board and shall not be released to any other person or agency except in furtherance of the investigation of the applicant or with the authorization of the applicant or upon court order.

D. Notwithstanding the provisions of subsection A of § [54.1-2354.4](#), the Board may receive a complaint directly from any person aggrieved by an association's failure to deliver a resale certificate or disclosure packet within the time period required under § [55.1-1809](#), [55.1-1810](#), [55.1-1811](#), [55.1-1900](#), [55.1-1992](#), or [55.1-2161](#).

2008, cc. [851](#), [871](#); 2009, c. [557](#); 2010, cc. [511](#), [615](#); 2011, c. [334](#); 2012, cc. [481](#), [797](#); 2015, c. [268](#); 2017, cc. [387](#), [393](#), [405](#), [406](#); 2019, cc. [391](#), [712](#).

§ 54.1-2350. (Effective October 1, 2019) Annual report; form to accompany resale certificates and disclosure packets.

In addition to the provisions of § [54.1-2349](#), the Board shall:

1. Administer the provisions of Article 2 (§ [54.1-2354.1](#) et seq.);
2. Develop and disseminate an association annual report form for use in accordance with §§ [55.1-1836](#), [55.1-1980](#), and [55.1-2182](#); and
3. Develop and disseminate a form to accompany resale certificates required pursuant to § [55.1-1990](#) and association disclosure packets required pursuant to § [55.1-1809](#), which form shall summarize the unique characteristics of common interest communities generally that may affect a prospective purchaser's decision to purchase a lot or unit located in a common interest community. The form shall include information on the following, which may or may not be applicable to a particular common interest community: (i) the obligation on the part of an owner to pay regular annual or special assessments to the association; (ii) the penalty for failure or refusal to pay such assessments; (iii) the purposes for which such assessments, if any, may be used, including for the construction or maintenance of stormwater management facilities; (iv) the importance the declaration of restrictive covenants or condominium instruments, as applicable, and other governing documents play in

association living; (v) limitations on an owner's ability to rent his lot or unit; (vi) limitations on an owner's ability to park or store certain types of motor vehicles or boats within the common interest community; (vii) limitations on an owner's ability to maintain an animal as a pet within the lot or unit, or in common areas or common elements; (viii) architectural guidelines applicable to an owner's lot or unit; (ix) limitations on an owner's ability to operate a business within a dwelling unit on a lot or within a unit; (x) the period or length of declarant control; and (xi) that the purchase contract for a lot within an association is a legally binding document once it is signed by the prospective purchaser where the purchaser has not elected to cancel the purchase contract in accordance with law. The form shall also provide that (a) the purchaser remains responsible for his own examination of the materials that constitute the resale certificate or disclosure packet and of any table of contents that may be contained therein; (b) the purchaser shall carefully review the entire resale certificate or disclosure packet; and (c) the contents of the resale certificate or disclosure packet shall control to the extent that there are any inconsistencies between the form and the resale certificate or disclosure packet.

2008, cc. [851](#), [871](#); 2017, c. [257](#); 2018, cc. [70](#), [733](#); 2019, cc. [390](#), [712](#).

§ 54.1-2351. (Effective October 1, 2019) General powers and duties of Board concerning associations.

A. The Board may adopt, amend, and repeal rules and regulations and issue orders consistent with and in furtherance of the objectives of this article, but the Board may not intervene in the internal activities of an association except to the extent necessary to prevent or cure violations of this article or of the chapter pursuant to which the association is created. The Board may prescribe forms and procedures for submitting information to the Board.

B. If it appears that any governing board has engaged, is engaging, or is about to engage in any act or practice in violation of this article, the Property Owners' Association Act (§ [55.1-1800](#) et seq.), the Virginia Condominium Act (§ [55.1-1900](#) et seq.), the Virginia Real Estate Cooperative Act (§ [55.1-2100](#) et seq.), or the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.), or any of the Board's regulations or orders, the Board without prior administrative proceedings may bring an action in the appropriate court to enjoin that act or practice or for other appropriate relief. The Board is not required to post a bond or prove that no adequate remedy at law exists.

C. The Board may intervene in any action involving a violation by a declarant or a developer of a time-share project of this article, the Property Owners' Association Act (§ [55.1-1800](#) et seq.), the Virginia Condominium Act (§ [55.1-1900](#) et seq.), the Virginia Real Estate Cooperative Act (§ [55.1-2100](#) et seq.), or the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.), or any of the Board's regulations or orders.

D. The Board may accept grants-in-aid from any governmental source and may contract with agencies charged with similar functions in this or other jurisdictions in furtherance of the objectives of this article.

E. The Board may cooperate with agencies performing similar functions in this and other jurisdictions to develop uniform filing procedures and forms, uniform disclosure standards, and uniform administrative practices, and may develop information that may be useful in the discharge of the Board's duties.

F. In issuing any cease and desist order, the Board shall state the basis for the adverse determination and the underlying facts.

G. Without limiting the remedies that may be obtained under this article, the Board, without compliance with the Administrative Process Act (§ [2.2-4000](#) et seq.), shall have the authority to enforce the provisions of this section and may institute proceedings in equity to enjoin any person, partnership, corporation, or any other entity violating this article, the Property Owners' Association Act (§ [55.1-1800](#) et seq.), the Virginia Condominium Act (§ [55.1-1900](#) et seq.), the Virginia Real Estate Cooperative Act (§ [55.1-2100](#) et seq.), or the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.), or any of the Board's regulations or orders. Such proceedings shall be brought in the name of the Commonwealth by the Board in the circuit court or general district court of the city or county in which the unlawful act occurred or in which the defendant resides.

H. The Board may assess a monetary penalty to be paid to the Common Interest Community Management Information Fund of not more than \$1,000 per violation against any governing board that violates any provision of this article, the Property Owners' Association Act (§ [55.1-1800](#) et seq.), the Virginia Condominium Act (§ [55.1-1900](#) et seq.), the Virginia Real Estate Cooperative Act (§ [55.1-2100](#) et seq.), or the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.), or any of the Board's regulations or orders. In determining the amount of the penalty, the Board shall consider the degree and extent of harm caused by the violation. No monetary penalty may be assessed under this article, the Property Owners' Association Act (§ [55.1-1800](#) et seq.), the Virginia Condominium Act (§ [55.1-1900](#) et seq.), the Virginia Real Estate Cooperative Act (§ [55.1-2100](#) et seq.), or the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.), or any of the Board's regulations or orders unless the governing board has been given notice and an opportunity to be heard pursuant to the Administrative Process Act (§ [2.2-4000](#) et seq.). The penalty may be sued for and recovered in the name of the Commonwealth.

2008, cc. [851](#), [871](#); 2009, c. [557](#); 2010, c. [615](#); 2019, c. [712](#).

§ 54.1-2352. (Effective October 1, 2019) Cease and desist orders.

A. The Board may issue an order requiring the governing board of the association to cease and desist from the unlawful practice and to take such affirmative action as in the judgment of the Board will carry out the purposes of this article, if the Board determines after notice and hearing that the governing board of an association has:

1. Violated any statute or regulation of the Board governing the association regulated pursuant to this article, including engaging in any act or practice in violation of this article, the Property Owners' Association Act (§ [55.1-1800](#) et seq.), the Virginia Condominium Act (§ [55.1-1900](#) et seq.), the Virginia Real Estate Cooperative Act (§ [55.1-2100](#) et seq.), or the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.), or any of the Board's regulations or orders;
2. Failed to register as an association or to file an annual report as required by statute or regulation;
3. Materially misrepresented facts in an application for registration or an annual report; or
4. Willfully refused to furnish the Board information or records required or requested pursuant to statute or regulation.

B. If the Board makes a finding of fact in writing that the public interest will be irreparably harmed by delay in issuing an order, it may issue a temporary order to cease and desist or to take such affirmative action as may be deemed appropriate by the Board. Prior to issuing the temporary order, the Board shall give notice of the proposal to issue a temporary order to the person. Every temporary order shall include in its terms a provision that upon request a hearing will be held promptly to determine whether or not it becomes permanent.

2008, cc. [851](#), [871](#); 2009, c. [557](#); 2019, cc. [467](#), [712](#).

§ 54.1-2353. (Effective October 1, 2019) Protection of the interests of associations; appointment of receiver for common interest community manager.

A. A common interest community manager owes a fiduciary duty to the associations to which it provides management services with respect to the manager's handling the funds or the records of each association. All funds deposited with the common interest community manager shall be handled in a fiduciary capacity and shall be kept in a separate fiduciary trust account or accounts in an FDIC-insured financial institution separate from the assets of the common interest community manager. The funds shall be the property of the association and shall be segregated for each depository in the records of the common interest community manager in a manner that permits the funds to be identified on an association basis. All records having administrative or fiscal value to the association that a common interest community manager holds, maintains, compiles, or generates on behalf of a common interest community are the property of the association. A common interest community manager may retain and dispose of association records in accordance with a policy contained in the contract between the common interest community manager and the association. Within a reasonable time after a written request for any such records, the common interest community manager shall provide copies of the requested records to the association at the association's expense. The common interest community manager shall return all association records that it retains and any originals of legal instruments or official documents that are in the possession of the common interest community manager to the association within a reasonable time after termination of the contract for management services without additional cost to the association. Records maintained in electronic format may be returned in such format.

B. If the Board has reasonable cause to believe that a common interest community manager is unable to properly discharge its fiduciary responsibilities to an association to which it provides management services, the Board may submit an ex parte petition to the circuit court of the city or county wherein the common interest community manager maintains an office or is doing business for the issuance of an order authorizing the immediate inspection by and production to representatives of the petitioner of any records, documents, and physical or other evidence belonging to the subject common interest community manager. The court may issue such order without notice to the common interest community manager if the petition, supported by affidavit of the petitioner and such other evidence as the court may require, shows reasonable cause to believe that such action is required to prevent immediate loss of property of one or more of the associations to which the subject common interest community manager provides management services. The court may also temporarily enjoin further activity by the common interest community manager and take such further action as shall be necessary to conserve, protect, and disburse the funds involved, including the appointment of a receiver. The papers filed with the court pursuant to this subsection shall be placed under seal.

C. If the Board has reasonable cause to believe that a common interest community manager is unable to properly discharge its fiduciary responsibilities to an association to which it provides management services, the Board may file a petition with the circuit court of the county or city wherein the subject common interest community manager maintains an office or is doing business. The petition may seek the following relief: (i) an injunction prohibiting the withdrawal of any bank deposits or the disposition of any other assets belonging to or subject to the control of the subject common interest community manager and (ii) the appointment of a receiver for all or part of the funds or property of the subject common interest community manager. The subject common interest community manager shall be given notice of the time and place of the hearing on the petition and an opportunity to offer evidence. The court, in its discretion, may require a receiver appointed pursuant to this section to post bond, with or without surety. The papers filed with the court under this subsection shall be placed under seal until such time as the court grants an injunction or appoints a receiver. The court may issue an injunction, appoint a receiver, or provide such other relief as the court may consider proper if, after a hearing, the court finds that such relief is necessary or appropriate to prevent loss of property of one or more of the associations to which the subject common interest community manager provides management services.

D. In any proceeding under subsection C, any person or entity known to the Board to be indebted to or having in his possession property, real or personal, belonging to or subject to the control of the subject common interest community manager's business and which property the Board reasonably believes may become part of the receivership assets shall be served with a copy of the petition and notice of the time and place of the hearing.

E. The court shall describe the powers and duties of the receiver in its appointing order, which may be amended from time to time. The receiver shall, unless otherwise ordered by the court in the appointing order, (i) prepare and file with the Board a list of all associations managed by the subject common interest community manager; (ii) notify in writing all of the associations to which the subject common interest community manager provides management services of the appointment and take whatever action the receiver deems appropriate to protect the interests of the associations until such time as the associations have had an opportunity to obtain a successor common interest community manager; (iii) facilitate the transfer of records and information to such successor common interest community manager; (iv) identify and take control of all bank accounts, including without limitation trust and operating accounts, over which the subject common interest community manager had signatory authority in connection with its management business; (v) prepare and submit an accounting of receipts and disbursements and account balances of all funds under the receiver's control for submission to the court within four months of the appointment and annually thereafter until the receivership is terminated by the court; (vi) attempt to collect any accounts receivable related to the subject common interest community manager's business; (vii) identify and attempt to recover any assets wrongfully diverted from the subject common interest community manager's business, or assets acquired with funds wrongfully diverted from the subject common interest community manager's business; (viii) terminate the subject common interest community manager's business; (ix) reduce to cash all of the assets of the subject common interest community manager; (x) determine the nature and amount of all claims of creditors of the subject common interest community manager, including associations to which the subject common interest community manager provided management services; and (xi) prepare and file with the court a report of such assets and claims proposing a plan for the distribution of funds in the receivership to such creditors in accordance with the provisions of subsection F.

F. Upon the court's approval of the receiver's report referenced in subsection E, at a hearing after such notice as the court may require to creditors, the receiver shall distribute the assets of the common interest community manager and funds in the receivership first to clients whose funds were or ought to have been held in a fiduciary capacity by the subject common interest community manager, then to the receiver for fees, costs, and expenses awarded pursuant to subsection G, and thereafter to the creditors of the subject common interest community manager, and then to the subject common interest community manager or its successors in interest.

G. A receiver appointed pursuant to this section shall be entitled, upon proper application to the court in which the appointment was made, to recover an award of reasonable fees, costs, and expenses. If there are not sufficient nonfiduciary funds to pay the award, then the shortfall shall be paid by the Common Interest Community Management Recovery Fund as a cost of administering the Fund pursuant to § [54.1-2354.5](#), to the extent that the said Fund has funds available. The Fund shall have a claim against the subject common interest community manager for the amount paid.

H. The court may determine whether any assets under the receiver's control should be returned to the subject common interest community manager.

I. If the Board shall find that any common interest community manager is insolvent, that its merger into another common interest community manager is desirable for the protection of the associations to which such common interest community manager provides management services, and that an emergency exists, and, if the board of directors of such insolvent common interest community manager shall approve a plan of merger of such common interest community manager into another common interest community manager, compliance with the requirements of § [13.1-718](#) shall be dispensed with as to such insolvent common interest community manager and the approval by the Board of such plan of merger shall be the equivalent of approval by the holders of more than two-thirds of the outstanding shares of such insolvent common interest community manager for all purposes of Article 12 (§ [13.1-715.1](#) et seq.) of Chapter 9 of Title 13.1. If the Board finds that a common interest community manager is insolvent, that the acquisition of its assets by another common interest community manager is in the best interests of the associations to which such common interest community manager provides management services, and that an emergency exists, it may, with the consent of the boards of directors of both common interest community managers as to the terms and conditions of such transfer, including the assumption of all or certain liabilities, enter an order transferring some or all of the assets of such insolvent common interest community manager to such other common interest community manager, and no compliance with the provisions of §§ [13.1-723](#) and [13.1-724](#) shall be required, nor shall §§ [13.1-730](#) through [13.1-741](#) be applicable to such transfer. In the case either of such a merger or of such a sale of assets, the Board shall provide that prompt notice of its finding of insolvency and of the merger or sale of assets be sent to the stockholders of record of the insolvent common interest community manager for the purpose of providing such shareholders an opportunity to challenge the finding that the common interest community manager is insolvent. The relevant books and records of such insolvent common interest community manager shall remain intact and be made available to such shareholders for a period of 30 days after such notice is sent. The Board's finding of insolvency shall become final if a hearing before the Board is not requested by any such shareholder within such 30-day period. If, after such hearing, the Board finds that such common interest community manager was solvent, it shall rescind its order entered pursuant to this subsection and the merger or transfer of assets shall be rescinded. But if, after such hearing, the Board finds that such common interest community manager was insolvent, its order shall be final.

J. The provisions of this article are declared to be remedial. The purpose of this article is to protect the interests of associations adversely affected by common interest community managers who have breached their fiduciary duty. The provisions of this article shall be liberally administered in order to protect those interests and thereby the public's interest in the quality of management services provided by Virginia common interest community managers.

2008, cc. [851](#), [871](#); 2011, cc. [334](#), [605](#); 2019, c. [712](#).

§ 54.1-2354. (Effective October 1, 2019) Variation by agreement.

Except as expressly provided in this article, provisions of this article may not be varied by agreement, and rights conferred by this article may not be waived. All management agreements entered into by common interest community managers shall comply with the terms of this article and the provisions of the Property Owners' Association Act (§ [55.1-1800](#) et seq.), the Virginia Condominium Act (§ [55.1-1900](#) et seq.), the Virginia Real Estate Cooperative Act (§ [55.1-2100](#) et seq.), or the Virginia Real Estate Time-Share Act (§ [55.1-2200](#) et seq.), as applicable.

2008, cc. [851](#), [871](#); 2019, c. [712](#).

Article 2. Common Interest Community Management Information Fund; Common Interest Community Ombudsman; Common Interest Community Management Recovery Fund

§ 54.1-2354.1. (Effective October 1, 2019) Definitions.

As used in this article, unless the context requires a different meaning:

"Balance of the fund" means cash, securities that are legal investments for fiduciaries under the provisions of subdivisions A 1, 2, and 4 of § [2.2-4519](#), and repurchase agreements secured by obligations of the United States government or any agency thereof, and shall not mean accounts receivable, judgments, notes, accrued interest, or other obligations to the fund.

"Claimant" means, upon proper application to the Director, a receiver for a common interest community manager appointed pursuant to § [54.1-2353](#) in those cases in which there are not sufficient funds to restore all funds that were or ought to have been held in a fiduciary capacity by the subject common interest community manager or to pay an award of reasonable fees, costs, and expenses to the receiver.

"Director" means the Director of the Department of Professional and Occupational Regulation.

1993, c. 958; 2008, cc. [851](#), [871](#), § 55-528; 2019, c. [712](#).

§ 54.1-2354.2. (Effective October 1, 2019) Common Interest Community Management Information Fund.

A. There is hereby created the Common Interest Community Management Information Fund, referred to in this section as "the Fund," to be used in the discretion of the Board to promote the improvement

and more efficient operation of common interest communities through research and education. The Fund shall be established on the books of the Comptroller. The Fund shall consist of money paid into it pursuant to §§ [54.1-2349](#), [55.1-1835](#), [55.1-1980](#), and [55.1-2182](#), and such money shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but, at the discretion of the Board, shall remain in the Fund or shall be transferred to the Common Interest Community Management Recovery Fund established pursuant to § [54.1-2354.5](#).

B. Expenses for the operations of the Office of the Common Interest Community Ombudsman, including the compensation paid to the Common Interest Community Ombudsman, shall be paid first from interest earned on deposits constituting the Fund and the balance from the moneys collected annually in the Fund. The Board may use the remainder of the interest earned on the balance of the Fund and of the moneys collected annually and deposited in the Fund for financing or promoting the following:

1. Information and research in the field of common interest community management and operation;
2. Expedient and inexpensive procedures for resolving complaints about an association from members of the association or other citizens;
3. Seminars and educational programs designed to address topics of concern to community associations; and
4. Other programs deemed necessary and proper to accomplish the purpose of this article.

C. Following the close of any biennium, when the Common Interest Community Management Information Fund shows expenses allocated to it for the past biennium to be more than 10 percent greater or less than moneys collected on behalf of the Board, the Board shall revise the fees levied by it for placement into the Fund so that the fees are sufficient but not excessive to cover expenses. A fee established pursuant to § [55.1-1835](#), [55.1-1980](#), or [55.1-2182](#) shall not exceed \$25 unless such fee is based on the number of units or lots in the association.

1993, c. 958, § 55-529; 2008, cc. [851](#), [871](#); 2019, cc. [391](#), [712](#).

§ 54.1-2354.3. (Effective October 1, 2019) Common Interest Community Ombudsman; appointment; powers and duties.

A. The Director in accordance with § [54.1-303](#) shall appoint a Common Interest Community Ombudsman (the Ombudsman) and shall establish the Office of the Common Interest Community Ombudsman (the Office). The Ombudsman shall be a member in good standing in the Virginia State Bar. All state agencies shall assist and cooperate with the Office in the performance of its duties under this article.

B. The Office shall:

1. Assist members in understanding rights and the processes available to them according to the laws and regulations governing common interest communities and respond to general inquiries;

2. Make available, either separately or through an existing website, information concerning common interest communities and such additional information as may be deemed appropriate;

3. Receive notices of final adverse decisions;

4. Upon request, assist members in understanding the rights and processes available under the laws and regulations governing common interest communities and provide referrals to public and private agencies offering alternative dispute resolution services, with a goal of reducing and resolving conflicts among associations and their members;

5. Ensure that members have access to the services provided through the Office and that the members receive timely responses from the representatives of the Office to the inquiries;

6. Maintain data on inquiries received, types of assistance requested, notices of final adverse decisions received, actions taken, and the disposition of each such matter;

7. Upon request to the Director by (i) any of the standing committees of the General Assembly having jurisdiction over common interest communities or (ii) the Housing Commission, provide to the Director for dissemination to the requesting parties assessments of proposed and existing common interest community laws and other studies of common interest community issues;

8. Monitor changes in federal and state laws relating to common interest communities;

9. Provide information to the Director that will permit the Director to report annually on the activities of the Office of the Common Interest Community Ombudsman to the standing committees of the General Assembly having jurisdiction over common interest communities and to the Housing Commission. The Director's report shall be filed by December 1 of each year and shall include a summary of significant new developments in federal and state laws relating to common interest communities each year; and

10. Carry out activities as the Board determines to be appropriate.

1993, c. 958, § 55-530; 1997, c. [222](#); 1998, c. [463](#); 2001, c. [816](#); 2008, cc. [851](#), [871](#); 2010, cc. [59](#), [208](#); 2012, cc. [481](#), [797](#); 2019, c. [712](#).

§ 54.1-2354.4. (Effective October 1, 2019) Association complaint procedures; final adverse decisions.

A. The Board shall establish by regulation a requirement that each association shall establish reasonable procedures for the resolution of written complaints from the members of the association and other citizens. Each association shall adhere to the written procedures established pursuant to this subsection when resolving association member and citizen complaints. The procedures shall include the following:

1. A record of each complaint shall be maintained for no less than one year after the association acts upon the complaint.

2. Such association shall provide complaint forms or written procedures to be given to persons who wish to register written complaints. The forms or procedures shall include the address and telephone number of the association or its common interest community manager to which complaints shall be directed and the mailing address, telephone number, and electronic mailing address of the Office. The forms and written procedures shall include a clear and understandable description of the complainant's right to give notice of adverse decisions pursuant to this section.

B. A complainant may give notice to the Board of any final adverse decision in accordance with regulations promulgated by the Board. The notice shall be filed within 30 days of the final adverse decision, shall be in writing on forms prescribed by the Board, shall include copies of all records pertinent to the decision, and shall be accompanied by a \$25 filing fee. The fee shall be collected by the Director and paid directly into the state treasury and credited to the Common Interest Community Management Information Fund pursuant to § [54.1-2354.2](#). The Board may, for good cause shown, waive or refund the filing fee upon a finding that payment of the filing fee will cause undue financial hardship for the member. The Director shall provide a copy of the written notice to the association that made the final adverse decision.

C. The Director or his designee may request additional information concerning any notice of final adverse decision from the association that made the final adverse decision. The association shall provide such information to the Director within a reasonable time upon request. If the Director upon review determines that the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the Board, the Director may, in his sole discretion, provide the complainant and the association with information concerning such laws or regulations governing common interest communities or interpretations thereof by the Board. The determination of whether the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the Board shall be a matter within the sole discretion of the Director, whose decision is final and not subject to further review. The determination of the Director shall not be binding upon the complainant or the association that made the final adverse decision.

1993, c. 958, § 55-530; 1997, c. [222](#); 1998, c. [463](#); 2001, c. [816](#); 2008, cc. [851](#), [871](#); 2010, cc. [59](#), [208](#); 2012, cc. [481](#), [797](#); 2019, c. [712](#).

§ 54.1-2354.5. (Effective October 1, 2019) Common Interest Community Management Recovery Fund.

A. There is hereby created the Common Interest Community Management Recovery Fund, referred to in this section as "the Fund," to be used in the discretion of the Board to protect the interests of associations.

B. Each common interest community manager, at the time of initial application for licensure, and each association filing its first annual report after the effective date shall be assessed \$25, which shall be specifically assigned to the Fund. Initial payments may be incorporated in any application fee payment or annual filing fee and transferred to the Fund by the Director within 30 days.

All assessments, except initial assessments, for the Fund shall be deposited within three business days after their receipt by the Director, in one or more federally insured banks, savings and loan associations, or savings banks located in the Commonwealth. Funds deposited in banks, savings

institutions, or savings banks in excess of insurance afforded by the Federal Deposit Insurance Corporation or other federal insurance agency shall be secured under the Virginia Security for Public Deposits Act (§ [2.2-4400](#) et seq.). The deposit of these funds in federally insured banks, savings and loan associations, or savings banks located in the Commonwealth shall not be considered investment of such funds for purposes of this section. Funds maintained by the Director may be invested in securities that are legal investments for fiduciaries under the provisions of § [64.2-1502](#).

Interest earned on the deposits constituting the Fund shall be used for administering the Fund. The remainder of this interest, at the discretion of the Board, may be transferred to the Common Interest Community Management Information Fund, established pursuant to § [54.1-2354.2](#), or accrue to the Fund.

C. On and after July 1, 2011, the minimum balance of the Fund shall be \$150,000. Whenever the Director determines that the principal balance of the Fund is or will be less than such minimum principal balance, the Director shall immediately inform the Board. At the same time, the Director may recommend that the Board transfer a fixed amount from the Common Interest Community Management Information Fund to the Fund to bring the principal balance of the Fund to the amount required by this subsection. Such transfer shall be considered by the Board within 30 days of the notification of the Director.

D. If any such transfer of funds is insufficient to bring the principal balance of the Fund to the minimum amount required by this section, or if a transfer to the Fund has not occurred, the Board shall assess each association and each common interest community manager, within 30 days of notification by the Director, a sum sufficient to bring the principal balance of the Fund to the required minimum amount. The amount of such assessment shall be allocated among the associations and common interest community managers in proportion to each payor's most recently paid annual assessment, or if an association or common interest community manager has not paid an annual assessment previously, in proportion to the average annual assessment most recently paid by associations or common interest community managers, respectively. The Board may order an assessment at any time in addition to any required assessment. Assessments made pursuant to this subsection may be issued by the Board (i) after a determination made by it or (ii) at the time of license renewal.

Notice to common interest community managers and the governing boards of associations of these assessments shall be by first-class mail, and payment of such assessments shall be made by first-class mail addressed to the Director within 45 days after the mailing of such notice.

E. If any common interest community manager fails to remit the required payment within 45 days of the mailing, the Director shall notify the common interest community manager by first-class mail at the latest address of record filed with the Board. If no payment has been received by the Director within 30 days after mailing the second notice, the license shall be automatically suspended. The license shall be restored only upon the actual receipt by the Director of the delinquent assessment.

F. If any association fails to remit the required payment within 45 days of the mailing, the Director shall notify the association by first-class mail at the latest address of record filed with the Board. If no payment has been received by the Director within 30 days after mailing the second notice, it shall be deemed a knowing and willful violation of this section by the governing board of the association.

G. At the close of each fiscal year, whenever the balance of the Fund exceeds \$5 million, the amount in excess of \$5 million shall be transferred to the Virginia Housing Trust Fund established pursuant to Chapter 9 (§ [36-141](#) et seq.) of Title 36. Except for payments of costs as set forth in this article and transfers pursuant to this subsection, there shall be no transfers out of the Fund, including transfers to the general fund, regardless of the balance of the Fund.

H. A claimant may seek recovery from the Fund subject to the following conditions:

1. A claimant may file a verified claim in writing to the Director for a recovery from the Fund.
2. Upon proper application to the Director, in those cases in which there are not sufficient funds to pay an award of reasonable fees, costs, and expenses to the receiver or to restore all funds that were or ought to have been held in a fiduciary capacity by the subject common interest community manager, the Director shall report to the Board the amount of any shortfall to the extent that there are not sufficient funds (i) to pay any award of fees, costs, and expenses pursuant to subsection G of § [54.1-2353](#) by the court appointing the receiver; or (ii) to restore all funds that were or ought to have been held in a fiduciary capacity by the subject common interest community manager, as certified by the court appointing the receiver.
3. If the Board finds there has been compliance with the required conditions, the Board shall issue a directive ordering payment of the amount of such shortfall to the claimant from the Fund, provided that in no event shall such payment exceed the balance in the Fund. When the Fund balance is not sufficient to pay the aggregate amount of such shortfall, the Board shall direct that payment be applied first in satisfaction of any award of reasonable fees, costs, and expenses to the receiver and second to restore the funds that were or ought to have been held in a fiduciary capacity by the subject common interest community manager. If the Board has reason to believe that there may be additional claims against the Fund, the Board may withhold any payment from the Fund for a period of not more than one year. After such one-year period, if the aggregate of claims received exceeds the Fund balance, the Fund balance shall be prorated by the Board among the claimants and paid in the above payment order from the Fund in proportion to the amounts of claims remaining unpaid.
4. The Director shall, subject to the limitations set forth in this subsection, pay to the claimant from the Fund such amount as shall be directed by the Board upon the execution and delivery to the Director by such claimant of an assignment to the Board of the claimant's rights on its behalf and on behalf of the associations receiving distributions from the Fund against the common interest community manager to the extent that such rights were satisfied from the Fund.
5. The claimant shall be notified in writing of the findings of the Board. The Board's findings shall be considered a case decision as defined in § [2.2-4001](#), and judicial review of these findings shall be in accordance with § [2.2-4025](#) of the Administrative Process Act (§ [2.2-4000](#) et seq.).
6. Notwithstanding any other provision of law, the Board shall have the right to appeal a decision of any court that is contrary to any distribution recommended or authorized by it.
7. Upon payment by the Director to a claimant from the Fund as provided in this subsection, the Board shall immediately revoke the license of the common interest community manager whose actions resulted in payment from the Fund. The common interest community manager whose license was so revoked shall not be eligible to apply for a license as a common interest community manager

until he has repaid in full the amount paid from the Fund on his account, plus interest at the judgment rate of interest from the date of payment from the Fund.

8. Nothing contained in this subsection shall limit the authority of the Board to take disciplinary action against any common interest community manager for any violation of statute or regulation, nor shall the repayment in full by a common interest community manager of the amount paid from the Fund on such common interest community manager's account nullify or modify the effect of any disciplinary proceeding against such common interest community manager for any such violation.

2008, cc. [851](#), [871](#), § 55-530.1; 2009, c. [557](#); 2013, c. [754](#); 2019, c. [712](#).

DRAFT AGENDA
Materials contained in this agenda are proposed for discussion
and are not to be construed as regulatory or official public position
DRAFT AGENDA

Code of Virginia
Title 54.1. Professions and Occupations
Chapter 3. Department of Professional and Occupational Regulation

§ 54.1-311. Degrees of regulation.

A. Whenever the Board determines that a particular profession or occupation should be regulated, or that a different degree of regulation should be imposed on a regulated profession or occupation, it shall consider the following degrees of regulation in the order provided in subdivisions 1 through 5. The Board shall regulate only to the degree necessary to fulfill the need for regulation and only upon approval by the General Assembly.

1. Private civil actions and criminal prosecutions. -- Whenever existing common law and statutory causes of civil action or criminal prohibitions are not sufficient to eradicate existing harm or prevent potential harm, the Board may first consider the recommendation of statutory change to provide more strict causes for civil action and criminal prosecution.

2. Inspection and injunction. -- Whenever current inspection and injunction procedures are not sufficient to eradicate existing harm, the Board may promulgate regulations consistent with the intent of this chapter to provide more adequate inspection procedures and to specify procedures whereby the appropriate regulatory board may enjoin an activity which is detrimental to the public well-being. The Board may recommend to the appropriate agency of the Commonwealth that such procedures be strengthened or it may recommend statutory changes in order to grant to the appropriate state agency the power to provide sufficient inspection and injunction procedures.

3. Registration. -- Whenever it is necessary to determine the impact of the operation of a profession or occupation on the public, the Board may implement a system of registration.

4. Certification. -- When the public requires a substantial basis for relying on the professional services of a practitioner, the Board may implement a system of certification.

5. Licensing. -- Whenever adequate regulation cannot be achieved by means other than licensing, the Board may establish licensing procedures for any particular profession or occupation.

B. In determining the proper degree of regulation, if any, the Board shall determine the following:

1. Whether the practitioner, if unregulated, performs a service for individuals involving a hazard to the public health, safety or welfare.

2. The opinion of a substantial portion of the people who do not practice the particular profession, trade or occupation on the need for regulation.

3. The number of states which have regulatory provisions similar to those proposed.

4. Whether there is sufficient demand for the service for which there is no regulated substitute and this service is required by a substantial portion of the population.

5. Whether the profession or occupation requires high standards of public responsibility, character and performance of each individual engaged in the profession or occupation, as evidenced by established and published codes of ethics.

6. Whether the profession or occupation requires such skill that the public generally is not qualified to select a competent practitioner without some assurance that he has met minimum qualifications.

7. Whether the professional or occupational associations do not adequately protect the public from incompetent, unscrupulous or irresponsible members of the profession or occupation.

8. Whether current laws which pertain to public health, safety and welfare generally are ineffective or inadequate.
9. Whether the characteristics of the profession or occupation make it impractical or impossible to prohibit those practices of the profession or occupation which are detrimental to the public health, safety and welfare.
10. Whether the practitioner performs a service for others which may have a detrimental effect on third parties relying on the expert knowledge of the practitioner.

1979, c. 408, § 54-1.26; 1988, c. 765.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board position.
DRAFT AGENDA

COMPARISON OF STATE COMMON INTEREST COMMUNITY MANAGER LICENSING REQUIREMENTS

STATE	CREDENTIAL DESIGNATION	EDUCATION REQUIREMENT(S)	EXPERIENCE REQUIREMENT(S)	EXAM REQUIREMENT	RENEWAL REQUIREMENT	OTHER
Alaska	<ul style="list-style-type: none"> Real Estate Broker Association Real Estate Broker 	15 hours approved education	24 months real estate experience in last 36 months	Real estate exam	<ul style="list-style-type: none"> 2 year license 20 hours CPE and 30 hours training within one year of license 	<ul style="list-style-type: none"> Fidelity insurance bond¹
	<ul style="list-style-type: none"> Real Estate Salesperson 	40 hours approved education	None	Real estate test, but less difficult than broker test		
California	<ul style="list-style-type: none"> “Certified Common Interest Development Manager” (title act)² 	30 hours approved education; CMCA qualifies ³	None	None	<ul style="list-style-type: none"> CMCA renewal and CA application 	None
Connecticut	<ul style="list-style-type: none"> Registration required to provide management services 	Nationally-recognized course within 12 months of registration ⁴	None	Yes, CMCA or state-approved	<ul style="list-style-type: none"> 1 year license (annual) Proof of bond 16 hours CPE 	<ul style="list-style-type: none"> Fidelity bond State and national criminal background check
Florida	<ul style="list-style-type: none"> Licensed Community Association Manager⁵ 	18 hours approved pre-license course	None	State exam	<ul style="list-style-type: none"> 2 year license 20 hours CPE: 4 hrs legal update; 4 hrs financial/insurance; 4 hrs community association operations; 4 hrs 	<ul style="list-style-type: none"> Fingerprinting required

¹ Can be waived if licensee has equivalent insurance or insurance is unavailable

² Anyone can perform duties, but must be licensed/certified to use title

³ CAMICB created additional requirements for CMCA to meet education requirements in CA law

⁴ M-100 qualifies

⁵ Required if managing association with more than 10 units or budget of \$100,000 or greater, and compensated

					human resources; 4 hrs any combination of above	
	<ul style="list-style-type: none"> Community Association Management Firms 	NA	NA	NA	<ul style="list-style-type: none"> 2 year license 	
Georgia	<ul style="list-style-type: none"> Community Association Manager 	25 hour approved course or 2 semester hours of classes in a real estate major or law	None	Commission-approved exam ⁶	<ul style="list-style-type: none"> 4 years 24 hours approved CPE 	<ul style="list-style-type: none"> Criminal history report required
Illinois	<ul style="list-style-type: none"> 2010-Community Association Manager License⁷ 2013-licensing of supervisory community association manager and firm⁸ 	<ul style="list-style-type: none"> M-100 or CMCA 	Or 5 years of experience in the last 10 years	None	<ul style="list-style-type: none"> 2 years No CPE determined 	<ul style="list-style-type: none"> Bond⁹
		<ul style="list-style-type: none"> 20 hours pre-license courses 	None	<ul style="list-style-type: none"> CMCA or IREM COMEXM 		
Nevada	<ul style="list-style-type: none"> Community Association Manager 	60 hours approved education ¹⁰	12 months experience	State exam	<ul style="list-style-type: none"> 2 years 18 hours CPE 	<ul style="list-style-type: none"> Errors and omissions insurance <u>and</u> Liability insurance Fingerprinting required

⁶ CAI notes the exam is more oriented to real estate issues than community association issues

⁷ Not required for real estate brokers or salespeople

⁸ 2013 changes to the law have not been put in place because there are currently no regulations

⁹ Only if regulations are approved to implement 2013 changes

¹⁰ M-100 qualifies

Virginia	<ul style="list-style-type: none"> Common Interest Community Manager (firm) 	<ul style="list-style-type: none"> AAMC <u>or</u> 	<ul style="list-style-type: none"> None 	None	<ul style="list-style-type: none"> Annual license Proof of bond/insurance 	<ul style="list-style-type: none"> Employee dishonesty bond <u>or</u> Fidelity insurance policy
		Qualifying Individual with ¹¹	<ul style="list-style-type: none"> 3 years' experience 			
		<ul style="list-style-type: none"> PCAM 	<ul style="list-style-type: none"> 3 years' experience 			
		<ul style="list-style-type: none"> 80 hour approved course 	<ul style="list-style-type: none"> 3 years' experience 			
		<ul style="list-style-type: none"> 16 hour approved course 	<ul style="list-style-type: none"> 5 years' experience 			
	<ul style="list-style-type: none"> Certified Principal or Supervisory Employee 	<ul style="list-style-type: none"> PCAM 	<ul style="list-style-type: none"> 3 months immediately preceding application 	None	<ul style="list-style-type: none"> 2 year license 4 hours approved CPE; 2 hours fair housing law related to associations; 2 hours CIC legal/regulation update 	
	<ul style="list-style-type: none"> CMCA 	<ul style="list-style-type: none"> 2 years, 6 months immediately preceding application 				
	<ul style="list-style-type: none"> AMS 	<ul style="list-style-type: none"> 2 years, 3 months immediately preceding application 				
	<ul style="list-style-type: none"> 16 hours or 80 hours approved course 	<ul style="list-style-type: none"> 2 years, 6 months immediately preceding application 				

¹¹ Qualifying individual is a supervisory employee, manager, officer, owner, or principal of the firm

	w/ PCAM	w/ Comprehensive Training Program	w/ Introductory Training Program	w/ Equivalency
Current	Education: M-100, M-201 through M-206 (required for PCAM)	Education: 80 hour board-approved course work (Example: CAI PCAM coursework)	Education: 16 hour board-approved course work (Examples: M-100; IREM CID-201)	Education: Training equivalent to 80-hour training program
	Experience: at least 5 years direct community association management (required for PCAM)	Experience: at least 3 years' experience providing management services	Experience: at least 5 years' experience providing management services	Experience: at least 10 years' experience providing management services
	Exam: Passed CMCA exam (Required for PCAM)	Exam: Passed exam in approved courses	Exam: Passed exam in approved course	Exam: ??

	w/ PCAM	w/ DPOR CPSE	w/ Comprehensive Training	w/ Introductory Training	w/ Equivalency
Option #1 (add CPSE)	Education: M-100, M-201 through M-206 (required for PCAM)	Education: Minimum of Introductory Training Program or equivalent	Education: 80 hour board-approved course work (Example: CAI PCAM coursework)	Education: 16 hour board-approved course work (Examples: M-100; IREM CID-201)	Education: Training equivalent to 80-hour training program
	Experience: At least 5 years direct community association management (required for PCAM)	Experience: At least 4 years' experience providing management services	Experience: At least 3 years' experience providing management services	Experience: At least 5 years' experience providing management services	Experience: At least 10 years' experience providing management services
	Exam: Passed CMCA exam (required for PCAM)	Exam: Passed exam(s) in Board-approved training program; or exam for PCAM; AMS, or CMCA	Exam: Passed exam in approved courses	Exam: Passed exam in approved course	Exam: ??

	w/ PCAM	w/ DPOR CPSE	w/ Comprehensive Training	w/ Introductory Training	w/ Equivalency
Option #2 (add VA Exam)	Education: M-100, M-201 through M-206 (required for PCAM)	Education: Minimum of Introductory Training Program or equivalent	Education: 80 hour board-approved course work (Example: CAI PCAM coursework)	Education: 16 hour board-approved course work (Examples: M-100; IREM CID-201)	Education: Training equivalent to 80-hour training program
	Experience: At least 5 years direct community association management (required for PCAM)	Experience: At least 4 years' experience providing management services	Experience: At least 3 years' experience providing management services	Experience: At least 5 years' experience providing management services	Experience: At least 10 years' experience providing management services
	Exam: Passed Virginia testing program	Exam: Passed Virginia testing program	Exam: Passed Virginia testing program	Exam: Passed Virginia testing program	Exam: Passed Virginia testing program

	w/ PCAM	w/ CMCA	w/ AMS	w/ Comprehensive Training Program	w/ Introductory Training Program
Current	Education: M-100, M-201 through M-206 (required for PCAM)	Education: CAMICB approved course (or 5 years exp.) (Example: M-100)	Complete M-100 and at least two (2) M-200 level courses.	Education: 80 hour board-approved course work (Example: CAI PCAM coursework)	Education: 16 hour board-approved course work (Examples: M-100; IREM CID-201)
	Experience: At least three (3) months experience immediately preceding application.	Experience: At least two (2) years providing management services of which six (6) months must be immediately preceding application.	Experience: At least two (2) years providing management services of which three (3) months must be immediately preceding application.	Experience: At least two (2) years providing management services of which six (6) months must be immediately preceding application.	Experience: At least two (2) years providing management services of which six (6) months must be immediately preceding application.
	Exam: Passed CMCA exam (Required for PCAM)	Exam: Passed CMCA exam	Exam: Passed CMCA exam (Required for AMS)	Exam: Passed exam in approved courses	Exam: Passed exam in approved courses

Credential Name	<u>Professional Community Association Manager (PCAM)</u>	<u>Association Management Specialist (AMS)</u>	<u>Certified Manager of Community Associations (CMCA)</u>	<u>Accredited Association Management Company (AAMC)</u>
Type	Individual Credential	Individual Credential	Individual Credential	Company Credential
Issuer	CAI	CAI	CAMICB	CAI
Training	Complete M-100, M-201 through M-206.	Complete M-100 and at least two (2) M-200 level courses.	CAMICB approved course (e.g. M-100). (May be waived w/ min. experience.) Must pass exam on first try.	N/A Senior manager must have PCAM; 50% of staff must have professional credential w/in two years of employment.
Experience	At least five (5) years direct community association management.	Two (2) years of direct community association management experience.	Five (5) years as community manager (if waiving req. course).	Three (3) years of verified experience providing community association management services.
Examination	Pass Certified Manager of Community Associations (CMCA) exam.	Pass CMCA exam.	Pass CMCA exam.	N/A Credentialed staff must have passed CMCA exam.
Maintenance	Redesignate every three (3) years. Meet continuing education requirements.	Redesignate every three (3) years. Meet continuing education requirements. <ul style="list-style-type: none"> • One M-200 level course. • Eight (8) hours other industry related education. 	Recertify every two (2) years. Continue to practice association management. Meet continuing education requirements. <ul style="list-style-type: none"> • Sixteen (16) hours continuing education. 	Redesignate every three (3) years. Provide proof of insurance.

Introductory (48-50-250.A)	Current	#1: Current + Virginia Module	#2: Enhanced
Comprehensive (48-50-250.B)	<ul style="list-style-type: none"> • 80 hours <ul style="list-style-type: none"> ○ Min. 40 hours on subjects + up to 40 hours in other approved subject areas • Written examination • Subject Areas: <ul style="list-style-type: none"> ➤ 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 ➤ Human resources • Example: CAI PCAM Coursework (M-100, M-201, M-202, M-203, M-204, M-205 AND M-206) 	<ul style="list-style-type: none"> • 84 hours <ul style="list-style-type: none"> ○ Min. 40 hours on subjects + up to 40 hours in other approved subject areas + 4 hour Virginia module • Written examination • Subject Areas: <ul style="list-style-type: none"> ➤ 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 ➤ Human resources • Virginia Module: <ul style="list-style-type: none"> ○ Covers Virginia CIC laws and regulations; resale requirements; CIC complaint procedure; Virginia fair housing for CICs ○ No examination for module 	<ul style="list-style-type: none"> • 88 hours <ul style="list-style-type: none"> ○ Min. 48 hours on subjects + up to 40 hours in other approved subject areas • Written examination • Subject Areas: <ul style="list-style-type: none"> ➤ 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 ➤ Human resources ➤ Fair housing laws (Fed. + state) ➤ Virginia CIC laws and regulations ➤ Virginia resale requirements ➤ Virginia CIC complaint procedure

Current CE	#1: Virginia CIC Law Updates CE	#2: Current + Extra CE	#3: Virginia CIC Law Updates + Extra CE	#4: Current + Expanded CE
<ul style="list-style-type: none"> • 4 hours <ul style="list-style-type: none"> ○ 2 hours CIC Law and Regulation (48-50-253) <ul style="list-style-type: none"> ▪ updates to Virginia laws and regulations directly related to common interest communities ○ 2 hours Fair Housing (48-50-255) <ul style="list-style-type: none"> ▪ Virginia fair housing laws and any updates, all as related to common interest communities 	<ul style="list-style-type: none"> • Eliminate Fair Housing specific course • 2 hours <ul style="list-style-type: none"> ○ Updates to Virginia CIC laws and regulations ○ Fair housing legal updates related to CIC ○ Recent CIC case law ○ Recent CIC Ombudsman determinations 	<ul style="list-style-type: none"> • Current + additional subjects • 8 hours <ul style="list-style-type: none"> ○ 2 hours CIC Law and Regulation ○ 2 hours Fair Housing ○ 4 hours on Board-approved subjects 	<ul style="list-style-type: none"> • Eliminate Fair Housing specific course • 6 hours <ul style="list-style-type: none"> ○ Virginia CIC Law Updates (2 hours) (see #1) ○ 4 hours on topics covered in 48-50-250.C 	<ul style="list-style-type: none"> • 16 hours <ul style="list-style-type: none"> ○ 2 hours CIC Law and Regulation ○ 2 hours Fair Housing ○ Min. 8 hours on topics covered in 48-50-250.C ○ 4 hours on Board-approved subjects

DRAFT AGENDA
 Materials contained in this document are proposed topics for discussion and are not to be construed as regulation or official Board position
 DRAFT AGENDA

Code of Virginia

Title 54.1. Professions and Occupations

Chapter 21. Real Estate Brokers, Sales Persons and Rental Location Agents

§ 54.1-2105. General powers of Real Estate Board; regulations; educational and experience requirements for licensure.

A. The Board may do all things necessary and convenient for carrying into effect the provisions of this chapter and may promulgate necessary regulations.

B. The Board shall adopt regulations establishing minimum educational requirements as conditions for licensure. Board regulations relating to initial licensure shall include the following requirements:

1. Every applicant for an initial license as a real estate salesperson shall have:

a. At a minimum, a high school diploma or its equivalent; and

b. Completed a course in the principles of real estate that carried an academic credit of at least four semester hours, but not less than 60 hours of classroom, correspondence, or other distance learning instruction, offered by an accredited institution of higher education, high school offering adult distributive education courses, or other school or educational institution offering an equivalent course.

2. Every applicant for an initial license as a real estate broker shall have:

a. At a minimum, a high school diploma or its equivalent; and

b. Completed not less than 12 semester hours of classroom or correspondence or other distance learning instruction in real estate courses offered by an accredited institution of higher education or other school or educational institution offering equivalent courses.

3. Every applicant for a license by reciprocity as a real estate salesperson or real estate broker shall have:

a. Completed a course in the principles of real estate that is comparable in content and duration and scope to that required in subdivision 1 or 12 semester hours of classroom or correspondence or other distance learning instruction in real estate courses that are comparable in content and duration and scope to that required in subdivision 2; and

b. If currently licensed by another state as a real estate salesperson or broker, passed Virginia's examination.

C. The Board may waive any requirement under the regulations relating to education or experience when the broker or salesperson is found to have education or experience equivalent to that required. No regulation imposing educational requirements for initial licensure beyond those specified by law shall apply to any person who was licensed prior to July 1, 1975, and who has been continuously licensed since that time, except that licensure as a salesperson prior to such time shall not exempt a salesperson who seeks to be licensed as a broker from the educational requirements established for brokers.

D. The Board shall establish criteria to ensure that prelicensure and broker licensure courses meet the standards of quality deemed by the Board to be necessary to protect the public interests. For correspondence and other distance learning instruction offered by an approved provider, such criteria may include appropriate testing procedures. The Board may establish procedures to ensure the quality of the courses.

Noncollegiate institutions shall not be authorized to grant collegiate semester hours for academic credit.

The specific content of the real estate courses shall be in real estate brokerage, real estate finance, real estate appraisal, real estate law, and such related subjects as are approved by the Board.

E. The Board may establish criteria delineating the permitted activities of unlicensed individuals employed by, or affiliated as an independent contractor with, real estate licensees or under the supervision of a real estate broker.

F. The Board may take a disciplinary case against a licensee under advisement, defer a finding in such case, and dismiss such action upon terms and conditions set by the Board.

Code 1950, § 54-740; 1974, c. 663; 1977, c. 3; 1980, c. 571; 1981, c. 117; 1984, cc. 201, 283; 1985, c. 116; 1988, cc. 9, 765; 1989, c. 244; 1991, c. 576; 1992, cc. 65, 446, 624, 717; 1995, c. [125](#); 1996, cc. [890](#), [903](#); 1997, c. [389](#); 1998, c. [268](#); 2000, c. [759](#); 2003, cc. [998](#), [1027](#); 2006, cc. [61](#), [627](#); 2007, c. [809](#); 2010, cc. [373](#), [637](#); 2012, c. [750](#); 2016, c. [334](#); 2019, cc. [179](#), [395](#).

DRAFT AGENDA
Materials contained in this agenda are proposed for public discussion
and are not to be construed as regulation or official Board position.
DRAFT AGENDA

Code of Virginia

Title 54.1. Professions and Occupations

Chapter 21. Real Estate Brokers, Sales Persons and Rental Location Agents

§ 54.1-2105.01. Educational requirements for all salespersons within one year of licensure.

A. The Board shall establish guidelines for a post-licensure educational curriculum of at least 30 hours of classroom, or correspondence or other distance learning, instruction, in specified areas, which shall be required of all salespersons within the initial year of licensure. Failure of a new licensee to complete the 30-hour post-licensure curriculum within one year from the last day of the month in which his license was issued shall result in the license being placed on inactive status by the Board until the curriculum has been completed.

B. To establish the guidelines required by this section, the Board shall establish an industry advisory group composed of representatives of the practices of (i) residential real estate, (ii) commercial real estate, and (iii) property management. The industry advisory group shall consist of licensed real estate salespersons and real estate brokers who shall be appointed by and shall meet at the direction of the Board to update the guidelines. The Board shall review and may approve educational curricula developed by an approved school or other provider of real estate education authorized by this chapter. The industry advisory group shall serve at no cost to the Board.

C. The curricula for new licensees shall include topics that new licensees need to know in their practices, including contract writing, handling customer deposits, listing property, leasing property, agency, current industry issues and trends, flood hazard areas and the National Flood Insurance Program, property owners' and condominium association law, landlord-tenant law, Board regulations, real estate-related finance, and such other topics as designated by the Board. The post-licensure education requirements of this section for new licensees shall be in lieu of the continuing education requirements otherwise specified in this chapter and Board regulations.

2007, c. [809](#); 2011, c. [461](#); 2015, c. [692](#); 2018, cc. [60](#), [86](#).

Code of Virginia
Title 54.1. Professions and Occupations
Chapter 21. Real Estate Brokers, Sales Persons and Rental Location Agents

§ 54.1-2105.03. Continuing education; relicensure of brokers and salespersons.

A. Board regulations shall include educational requirements as a condition for relicensure of brokers and salespersons to whom active licenses have been issued by the Board beyond those now specified by law as conditions for licensure.

1. Brokers to whom active licenses have been issued by the Board shall be required to satisfactorily complete courses of not less than 24 hours of classroom or correspondence or other distance learning instruction during each licensing term. Of the total 24 hours, the curriculum shall consist of:

- a. A minimum of eight required hours to include at least three hours of ethics and standards of conduct, two hours of fair housing, and the remaining three hours of legal updates and emerging trends, flood hazard areas and the National Flood Insurance Program, real estate agency, and real estate contracts;
- b. A minimum of eight hours of courses relating to supervision and management of real estate agents and the management of real estate brokerage firms as are approved by the Board, two hours of which shall include an overview of the broker supervision requirements under this chapter and the Board regulations; and
- c. Eight hours of general elective courses as are approved by the Board.

The Board may, on a year-by-year basis, adjust the required hours and course topics specified in this subdivision for the next succeeding year, applicable to a licensee in the next renewal period for his license, including the addition of topics deemed by the Board to be essential. Such designation or adjustment by the Board shall be made prior to September 1 of any given calendar year. The action of the Board in making such adjustment shall be subject to § [2.2-4012.1](#).

The fair housing requirements shall include an update on current cases and administrative decisions under fair housing laws. If the licensee submits a notarized affidavit to the Board that certifies that he does not practice residential real estate and shall not do so during the licensing term, training in fair housing shall not be required; instead, such licensee shall receive training in other applicable federal and state discrimination laws and regulations.

2. Salespersons to whom active licenses have been issued by the Board shall be required to satisfactorily complete courses of not less than 16 hours of classroom or correspondence or other distance learning instruction during each licensing term. Of the total 16 hours, the curriculum shall consist of:

- a. A minimum of eight required hours to include at least three hours of ethics and standards of conduct, two hours of fair housing, and the remaining three hours of legal updates and emerging trends, real estate agency, real estate contracts, and flood hazard areas and the National Flood Insurance Program; and
- b. Eight hours of general elective courses as are approved by the Board.

The Board may, on a year-by-year basis, readjust the required hours and course topics specified in this subdivision for the next succeeding year, applicable to a licensee in the next renewal period for his license, including the addition of topics deemed by the Board to be essential. Such designation or adjustment by the Board shall be made prior to September 1 of any given calendar year. The action of the Board in making such adjustment shall be subject to § [2.2-4012.1](#).

3. The Board shall approve a continuing education curriculum of not less than three hours, and as of July 1, 2012, every applicant for relicensure as an active broker or salesperson shall complete at a minimum one three-hour continuing education course on the changes to residential standard agency effective as of July 1, 2011, to Article 3 (§

[54.1-2130](#) et seq.) prior to renewal or reinstatement of his license. If the licensee submits a notarized affidavit to the Board that certifies that he does not practice residential real estate and shall not do so during the licensing term, training in residential representation shall not be required. A licensee who takes one three-hour continuing education class on residential representation shall satisfy the requirements for continuing education and may, but shall not be required to, take any further continuing education on residential standard agency.

The fair housing requirements shall include an update on current cases and administrative decisions under fair housing laws. If the licensee submits a notarized affidavit to the Board that certifies that he does not practice residential real estate and shall not do so during the licensing term, training in fair housing shall not be required; instead, such licensee shall receive training in other applicable federal and state discrimination laws and regulations.

4. For correspondence and other distance learning instruction offered by an approved provider, the Board shall establish the appropriate testing procedures to verify completion of the course and require the licensee to file a notarized affidavit certifying compliance with the course requirements. The Board may establish procedures to ensure the quality of the courses. The Board shall not require testing for continuing education courses completed through classroom instruction.

B. Every applicant for relicensure as an active salesperson or broker shall complete the continuing education requirements prior to each renewal or reinstatement of his license. The continuing education requirement shall also apply to inactive licensees who make application for an active license. Notwithstanding this requirement, military personnel called to active duty in the armed forces of the United States may complete the required continuing education within six months of their release from active duty.

C. The Board shall establish procedures for the carryover of continuing education credits completed by licensees from the licensee's current license period to the licensee's next renewal period.

D. The Board may grant exemptions or waive or reduce the number of continuing education hours required in cases of certified illness or undue hardship as demonstrated to the Board.

2007, c. [809](#); 2011, c. [461](#); 2012, c. [750](#); 2015, c. [692](#); 2016, c. [334](#); 2018, cc. [60](#), [86](#).

Virginia Administrative Code
Title 18. Professional And Occupational Licensing
Agency 135. Real Estate Board
Chapter 20. Virginia Real Estate Board Licensing Regulations

18VAC135-20-101. Qualification for renewal; continuing education requirements.

As a condition of renewal, and pursuant to § 54.1-2105.03 of the Code of Virginia, all active salespersons, resident or nonresident, except those called to active duty in the Armed Forces of the United States, shall be required to satisfactorily complete a course of not less than a total of 16 classroom, correspondence, or other distance learning instruction hours during each licensing term, except for salespersons who are renewing for the first time and are required to complete 30 hours of post-license education regardless of whether their licenses are active or inactive. All active brokers, resident or nonresident, except those called to active duty in the Armed Forces of the United States, shall be required to satisfactorily complete a course of not less than a total of 24 classroom, correspondence, or other distance learning instruction hours during each licensing term. Active licensees called to active duty in the Armed Forces of the United States may complete these courses within six months of their release from active duty. Inactive brokers and salespersons are not required to complete the continuing education course as a condition of renewal (see [18VAC135-20-70](#), Activation or transfer of license).

1. Providers shall be those as defined in [18VAC135-20-350](#);
2. For salespersons, eight of the required 16 hours shall include two hours in fair housing laws; three hours in ethics and standards of conduct; and a minimum of one hour each in legal updates and emerging trends, to include flood zone areas and the National Flood Insurance Program, real estate agency, and real estate contracts. For brokers, 16 of the 24 required hours shall include eight hours in supervision and management of real estate agents and the management of real estate brokerage firms, two hours of which shall include an overview of the broker supervision requirements under this chapter and Chapter 21 (§ [54.1-2100](#) et seq.) of Title 54.1 of the Code of Virginia; two hours in fair housing laws; three hours in ethics and standards of conduct; and a minimum of one hour each in legal updates and emerging trends, to include flood zone areas and the National Flood Insurance Program, real estate agency, and real estate contracts. If the licensee submits a notarized affidavit to the board that certifies that he does not practice residential real estate brokerage, residential management, or residential leasing and shall not do so during the licensing term, training in fair housing shall not be required; instead such licensee shall receive training in other applicable federal and state discrimination laws and regulations. The remaining hours shall be on subjects from the following list:
 - a. Property rights;
 - b. Contracts;
 - c. Deeds;
 - d. Mortgages and deeds of trust;
 - e. Types of mortgages;
 - f. Leases;
 - g. Liens;
 - h. Real property and title insurance;
 - i. Investment;
 - j. Taxes in real estate;

- k. Real estate financing;
- l. Brokerage and agency contract responsibilities;
- m. Real property management;
- n. Search, examination and registration of title;
- o. Title closing;
- p. Appraisal of real property;
- q. Planning subdivision developments and condominiums;
- r. Regulatory statutes;
- s. Housing legislation;
- t. Fair housing;
- u. Real Estate Board regulations;
- v. Land use;
- w. Business law;
- x. Real estate economics;
- y. Real estate investments;
- z. Federal real estate law;
- aa. Commercial real estate;
- bb. Americans With Disabilities Act;
- cc. Environmental issues impacting real estate;
- dd. Building codes and design;
- ee. Local laws and zoning;
- ff. Escrow requirements;
- gg. Ethics and standards of conduct; and
- hh. Common interest ownership.

3. Salespersons holding licenses in other jurisdictions must complete eight hours that shall include fair housing laws and legal updates and emerging trends, to include flood zone areas and the National Flood Insurance Program, ethics and standards of conduct, real estate agency, and real estate contracts and may substitute education completed in their jurisdiction for the remaining hours required by subdivision 2 of this section. Brokers holding licenses in other jurisdictions must complete 16 hours that shall include supervision and management of real estate agents and the management of real estate brokerage firms, two hours of which shall include an overview of the broker supervision requirements under this chapter and Chapter 21 (§ [54.1-2100](#) et seq.) of Title 54.1 of the Code of Virginia; fair housing laws; legal updates and emerging trends, to include flood zone areas and the National Flood Insurance Program; ethics and standards of conduct; and real estate agency and real estate contracts and may substitute education completed in their jurisdiction for the remaining hours required by subdivision 2 of this section.

4. The board may approve additional subjects at its discretion and in accordance with § [54.1-2105.03](#) of the Code of Virginia.
5. Credit for continuing education course completion is given for each class hour/clock hour as defined in [18VAC135-20-350](#).
6. Licensees are responsible for retaining for three years and providing proof of continuing education. Proof of course completion shall be made on a form prescribed by the board. Failure to provide documentation of completion as directed by the board may result in the license not being renewed, disciplinary action pursuant to this chapter, or both.
7. Instructors who are also licensees of the board may earn continuing education credit for teaching continuing education courses.
8. Any continuing education credits completed by the licensee in excess of that required in the current license term that are obtained in the six months immediately prior to the license expiration date shall carry over into the next two-year renewal period.

Statutory Authority

§§ [54.1-201](#) and [54.1-2105](#) of the Code of Virginia.

Historical Notes

Derived from Virginia Register [Volume 24, Issue 11](#), eff. April 1, 2008; amended, Virginia Register [Volume 31, Issue 26](#), eff. November 1, 2015; [Volume 35, Issue 17](#), eff. June 1, 2019.

Website addresses provided in the Virginia Administrative Code to documents incorporated by reference are for the reader's convenience only, may not necessarily be active or current, and should not be relied upon. To ensure the information incorporated by reference is accurate, the reader is encouraged to use the source document described in the regulation.

As a service to the public, the Virginia Administrative Code is provided online by the Virginia General Assembly. We are unable to answer legal questions or respond to requests for legal advice, including application of law to specific fact. To understand and protect your legal rights, you should consult an attorney.

Common Interest Community Board

Summary of Board Interpretations, Policies, and Guidance Documents

General

Board Interpretations (General)	
The Board discussed providing interpretations of statutes related to its programs. The Board considered whether it would entertain requests for interpretations that go beyond those interpretations necessary to administer its programs, enforce the regulations, and make case decisions. The Board agreed by consensus to limit its review to those interpretations that fall within the scope of the Board's authority.	10/13/09

Associations/Association Registration

Reserve Balance	
The Board discussed "reserve balance" as it is used in § 55-514.2(B) (now § 55.1-1827(B)) of the Property Owners Association Act and § 55-79.81(B) (now § 55.1-1963(B)) of the Virginia Condominium Act. The Board agreed by consensus this would be the amount in reserves at the end of the fiscal year, plus what they plan to add to the reserve balance, plus one-fourth of the planned assessment income for the coming year. The bond must cover the highest amount that the reserve balance could be during the year, plus one-fourth in accordance with the Code requirements.	9/15/08
Final Adverse Decisions and Associations with No Governing Boards	
The Board discussed the applicability of the final adverse decision process to members of associations with no governing boards. This is a concern because there would be no governing board to consider complaints, thus there could be no final adverse decision. The Board determined that these complaints would have to go through the Department's regular complaint process and a remedy to these situations could only be handled by a change in the statute.	10/26/09
Applicability of the Common Interest Community Ombudsman Regulations on Solely Commercial Condominiums	
The Board adopted a guidance document on September 20, 2012, regarding whether the Common Interest Community Ombudsman Regulations apply to solely commercial condominiums. The Guidance Document is available on Town Hall.	9/20/12
Requests for Waiver of Filing Fee for Notice of Final Adverse Decision	
The Board adopted a guidance document on September 17, 2013 regarding the waiver of filing fees for filing a Notice of Final Adverse Decision (NFAD). The Guidance Document is available on Town Hall.	9/17/13

Maximum Allowable Fees	
The Board adopted a guidance document on June 27, 2013, regarding specific maximum allowable fees set by the Virginia Condominium Act and Property Owners Association Act that may be charged by the preparer of disclosure packets and resale certificates. The Guidance Document is available on Town Hall. Bulletins on these maximum fees are also available on Town Hall.	6/26/14
Best Practices for Property Owners' Associations' Declarations	
The Board adopted this document on December 10, 2015, to offer guidance on the best practices for the content of property owners' association declarations. Best Practices for the Content of Property Owners' Associations' Declarations is available on Town Hall.	12/10/15
Guidelines for the Development of Reserve Studies for Capital Components	
The Board adopted this document on September 5, 2019, to provide guidelines for associations in the development of reserve studies for capital components. Guidelines for the Development of Reserve Studies for Capital Components is available on Town Hall.	9/5/19
CIC Manager Licensure	
Reserve Balance	
The Board discussed "reserve balance" as referenced in Section 54.1-2346(D) of the <i>Code of Virginia</i> . It was stated that the reserve balance should be calculated based on the last fiscal year, the date of the application, and the highest aggregate amount of each association managed by the Common Interest Community Manager during the last fiscal year. The amount of the bond or insurance for the manager is to maintain maximum coverage.	10/15/08
Blanket Fidelity Bond or Employee Dishonesty Insurance Policy	
The Board adopted a guidance document on March 2, 2010, regarding the requirement in § 54.1-2346(D) of the <i>Code of Virginia</i> that a Common Interest Community Manager obtain and maintain a blanket fidelity bond or employee dishonest insurance policy. The Guidance Document is available on Town Hall.	3/2/10
Definition of "Employee" as Used in Statutory Exemption from Licensure	
The Board adopted a guidance document on December 2, 2010, regarding the definition of "Employee" as used in § 54.1-2347(A) of the <i>Code of Virginia</i> . The Guidance Document is available on Town Hall.	12/2/10
CIC Manager License Requirements for Association Debt Collections	
The Board considered whether a common interest community manager license is required for a company that is only responsible for the collection of past-due assessments on behalf of an association. The Board responded by referencing the definition of "management services" in § 54.1-2345 of the <i>Code of Virginia</i> , which includes "(iii)	6/9/11

collecting, disbursing, or otherwise exercising dominion or control over money or other property belonging to an association.” Thus, based on the current statutory language, a license would be required for an entity performing any of the functions in the definition of management services, unless an exemption in § 54.1-2347 of the Code of Virginia applied.	
CIC Managers with Disciplinary Action as a Provisional Licensee	
An applicant for a common interest community manager license who held a provisional common interest community manager license issued by the Board and had a consent order entered by the Board will not have the previous consent order adversely affect the common interest community manager license application as long as all terms of the consent order were met as stipulated in the applicable consent order. All other requirements of the Common Interest Community Manager Regulations regarding convictions, adverse financial history, or administrative discipline are not affected by this policy statement.	6/7/12
Requirement to Obtain and Maintain Separate Fidelity Bond or Insurance Policy	
The Board adopted a guidance document on September 20, 2012, regarding the requirement for common interest community managers to obtain and maintain a fidelity bond or employee dishonest insurance policy. The Guidance Document is available on Town Hall.	9/20/12
Certified Principal/Supervisory Employee Personal Adverse Financial History	
The Board adopted a guidance document on December 3, 2014, regarding what applicants for a principal/supervisory employee certificate must submit when certain personal adverse financial history is disclosed. The Guidance Document is available on Town Hall.	12/03/14

Condominium Registration

Completion Bonds for Commercial Condos	
The Board considered whether a commercial condominium needs to file a completion bond with the Board for incomplete common elements since commercial condominiums are exempt from registration. It was determined that § 55-79.87 (now § 55.1-1972) <u>does not</u> exempt commercial condominiums from filing a completion bond and that Board staff will retain these bonds, if applicable.	1/26/09
Ownership of Condo Unit by POA	
The Board reviewed a request for an interpretation on ownership of condominium units by a property owners association. The Board declined to provide an interpretation as it is outside the Board’s authority.	10/13/09
Meaning of “Substantial Completion”	
The Board considered a request to provide an interpretation of the meaning of “substantial completion.” The Board agreed by consensus	10/26/09

that it could not provide an interpretation on this issue as it is outside the Board's authority.	
Registration Process for Condominiums in Foreclosure	
<p>The Board discussed a recurring issue that involves the foreclosure of condominiums wherein there are unsold units. Upon learning of a condominium foreclosure (the declarant's property has been foreclosed, not an individual unit owner's property), staff proceeds to ascertain the current status of the condominium and, if still owned by the foreclosing entity, the future plans for the condominium in order to ensure that the registration is compliant with the Virginia Condominium Act and the Condominium Regulations. Specifically, staff must know whether the financial institution plans to sell individual units or sell to a successor declarant. Upon learning this information, staff can then advise as to the appropriate steps to ensure the registration remains up-to-date and accurate. The problem arises in situations wherein staff is unable to make contact with the foreclosing financial institution or does not obtain cooperation from the financial institution and it proceeds with the sale of the units.</p> <p>The Board directed staff to i.) ensure that appropriate confirmation from the association is received before releasing the assessment bond or letter of credit; ii.) attempt to obtain a statement from the financial institution to determine the current status and the next course of action; and, iii.) if appropriate, prepare the registration file so that the Board can review the matter in consideration of entering a cease and desist order in accordance with § 55-79.100 (now § 55.1-1986) of the <i>Code of Virginia</i> if compliance is not obtained and/or sales proceed.</p>	12/1/11
Declarant and Developer Control Period	
<ol style="list-style-type: none"> 1. QUESTION: Section 55-79.54(c)(3) (now § 55.1-1916(C)(3)) of the <i>Code of Virginia</i> includes a provision for extending the time period for expanding an expandable condominium. Section 55-79.54(d)(3) (now § 55.1-1916(D)(3)) of the <i>Code of Virginia</i> regarding a contractible condominium does not contain a similar provision to allow for an amendment to the declaration to extend the time to contract a contractible condominium. Does the Board take the position that such an amendment is not allowed? BOARD RESPONSE: The statute does not address extending the time period to withdraw land; therefore, it would not be permitted. Such time period extension only applies to an expandable condominium. 2. QUESTION: The Property Owners' Association Act (Title 55, Chapter 26 of the <i>Code of Virginia</i>) (now Chapter 18 of Title 55.1) does not contain a provision covering the extension of a developer control period reserved by a 	3/14/13

<p>developer in a recorded declaration. Could an amendment adopted by two-thirds of the lot owners provide for an extension of the developer control period?</p> <p>BOARD RESPONSE: The Board does not have any purview over the extension of a developer control period in a property owners' association as it is determined by the declaration and not the Property Owners' Association Act.</p>	
<p>Bond Requirements for Commercial Condominiums</p>	
<p>The Board considered two questions regarding the applicability of § 55-79.58:1 (now § 55.1-1921) of the <i>Code of Virginia</i> to commercial condominiums and responded as follows.</p> <ol style="list-style-type: none"> 1. Does the Board have the authority to regulate commercial condominiums? <p>The Board does have the authority to regulate commercial condominiums, except as exempt pursuant to § 55-79.87(B) (now § 55.1-1972(B)) of the <i>Code of Virginia</i>.</p> <ol style="list-style-type: none"> 2. Does the Board accept and hold bonds posted pursuant to Virginia Code § 55-79.58:1 (now § 55.1-1921) on behalf of commercial condominium regimes? <p>If the declarant of a commercial condominium were to present to the Board a bond pursuant to § 55-79.58:1 (now § 55.1-1921) of the <i>Code of Virginia</i>, the Board would retain the bond in accordance with the Code. Because commercial condominiums are exempt from the application requirements, and therefore are not required to submit plats, plans, and other documentation regarding the condominium, Board staff may not be able to ensure compliance with § 55-79.58:1 (now § 55.1-1921). Therefore, it may be necessary for Board staff to request such documentation to ensure the bond is in compliance.</p>	<p>6/27/13</p>
<p>Letters of Credit May Be Accepted in Lieu of Assessment Bond</p>	
<p>The Board adopted a guidance document on June 27, 2013, regarding the requirement for a declarant to post an assessment bond for a condominium. The Guidance Document is located on Town Hall.</p>	<p>6/27/13</p>
<p>Required Amount of Assessment Bond/Letter of Credit</p>	
<p>The declarant of a condominium must file and maintain a bond or letter of credit in favor of the unit owner's association to insure the declarant's assessment obligations are fulfilled. It has been the registration practice to require that the bond or letter of credit is equal to \$1,000 per unit registered (minimum of \$10,000 and maximum of \$100,000), regardless of whether the declarant still owns the unit. After discussion, the Board agreed by consensus to continue the practice of requiring an assessment</p>	<p>12/3/13</p>

bond or letter of credit be filed for the total number of units registered with the Board.	
Withdrawal of Condominium Registrations	
The Board confirmed by consensus that the declarant is not obligated to maintain the condominium project registration, and may withdraw the registration, if the declarant is not selling units. As part of withdrawing the registration, the declarant will be required to certify that he has no plans to sell units, will continue to pay assessments on units owned by the declarant, and that he will re-register the condominium project and meet all current entry requirements of the <i>Code of Virginia</i> and Board's regulations should the declarant decide to sell units in the future. Release of the assessment bond or letter of credit is possible with withdrawing the registration with confirmation from the unit owners association that the declarant is current in the payment of assessments.	3/26/15

Time-Share Registration

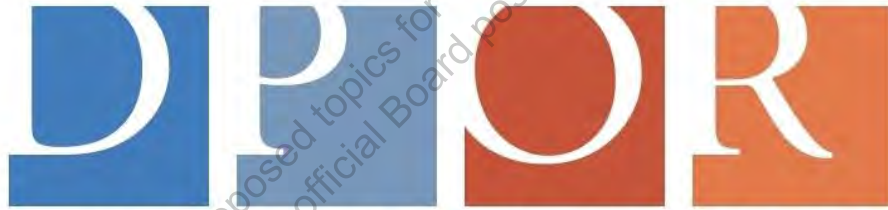
Procedure for Determination of Compliance with § 55.1-2220 and § 55.1-2234	
The Board has the obligation, pursuant to § 55-382(B) (now § 55.1-2230(B)) of the Code of Virginia, upon the request of an aggrieved owner to render a determination whether compliance with §§ 55-375 and 55-386 (now §§ 55.1-2220 or 55.1-2234) has occurred. The Board adopted procedural guidelines for handling determination requests. The determination procedure is available on Town Hall.	10/26/09
Definition of Alternative Purchase	
A program that in summary will not be sold during the visit to the resort but will be marketed to potential purchasers days after they have left the resort does not appear to meet the definition of alternative purchase.	9/17/13
Time-Share Public Offering Statement (§ 55.1-2217(A)(1)(d)) (Previously § 55-374(A)(1)(d))	
The Board was asked for an interpretation of what exactly is required from the time-share developer in the Public Offering Statement regarding unsatisfied judgments and the status of pending lawsuits. The Board declined to provide an interpretation as it is outside the Board's authority in that it goes beyond an interpretation necessary to administer its programs, enforce the regulations, or make case decisions. The Board further stated that it urges the developer and its counsel to seek full disclosure consistent with the <i>Code of Virginia</i> and Board's regulations.	3/26/15
Determining Value of Blanket Surety Bonds Filed by Developers in Lieu of Escrowing Deposits	
The Board adopted a guidance document on June 7, 2018, regarding changes to § 55-375 (now § 55.1-2220) of the Virginia Real Estate Time-Share Act resulting from legislation during the 2018 General Assembly session. The Guidance Document is available on Town Hall.	6/7/18

Time-Share Public Offering Statements Delivered by Way of Alternative Media; Purchaser Opportunity to Review Public Offering Statement Prior to Execution of a Contract

The Board adopted a guidance document on June 7, 2018, regarding the requirements for public offering statements under § 55-374 (now § 55.1-2217) of the Virginia Real Estate Time-Share Act. The Guidance Document is available on Town Hall.

[6/7/18](#)

DRAFT AGENDA
Materials contained in this agenda are proposed for discussion and are not to be construed as regulation or official action.
DRAFT AGENDA



Department of Professional and Occupational Regulation

Common Interest Community Board

Guidance Document: Regarding what Certified Principal/Supervisory Employee Applicants must submit when Certain Personal Adverse Financial History is Disclosed

Adopted December 3, 2014

I. Issue

The Common Interest Community Manager Regulations at 18VAC48-50-35 H require an applicant for certification to provide all relevant information for the seven years prior to application on any outstanding judgments, past-due tax assessments, defaults on bonds, or pending or past bankruptcies, all as related to providing management services as defined in § 54.1-2345 of the *Code of Virginia*.

II. Applicable Regulation and Statute

18VAC48-50-35 H

The applicant for certification shall provide all relevant information for the seven years prior to application on any outstanding judgments, past-due tax assessments, defaults on bonds, or pending or past bankruptcies, all as related to providing management services as defined in § 54.1-2345 of the *Code of Virginia*. The applicant for certification shall further disclose whether or not he was the subject of any adverse disciplinary action, including revocation of a license, certificate, or registration within the seven-year period immediately preceding the date of application.

§ 55.1-2345. Definitions.

"Management services" means (i) acting with the authority of an association in its business, legal, financial, or other transactions with association members and nonmembers; (ii) executing the resolutions

Guidance Document

Regarding what Certified Principal/Supervisory Employee Applicants must submit when Certain Personal Adverse Financial History is Disclosed

Adopted December 3, 2014

and decisions of an association or, with the authority of the association, enforcing the rights of the association secured by statute, contract, covenant, rule, or bylaw; (iii) collecting, disbursing, or otherwise exercising dominion or control over money or other property belonging to an association; (iv) preparing budgets, financial statements, or other financial reports for an association; (v) arranging, conducting, or coordinating meetings of an association or the governing body of an association; (vi) negotiating contracts or otherwise coordinating or arranging for services or the purchase of property and goods for or on behalf of an association; or (vii) offering or soliciting to perform any of the aforesaid acts or services on behalf of an association.

III. Policy

The Board authorizes staff to approve applicants for principal or supervisory employee certification who disclose personal adverse financial history in accordance with 18VAC48-50-35 H, provided all other entry requirements are met, as follows:

1. For past-due tax assessment, the applicant provides proof of an installment agreement or payment plan with the Internal Revenue Service or other applicable taxation authority. Such installment agreement or payment plan shall not be in default.
2. For an outstanding judgment, the applicant provides proof of an installment plan to satisfy the judgment and proof that payments pursuant to the established installment plan are current.
3. For an active bankruptcy, the applicant provides proof of a payment plan established by a bankruptcy court. Such payment plan shall not be in default.

An applicant unable to provide documentation in accordance with this policy that is acceptable, or discloses adverse financial history not related to a past-due tax assessment, outstanding judgment or bankruptcy shall be afforded the opportunity to have the application considered by the Board through an informal fact-finding conference pursuant to the Administrative Process Act (Chapter 40 of Title 2.2 of the *Code of Virginia*).



Department of Professional and Occupational Regulation

Common Interest Community Board

Guidance Document: Definition of "Employee" as used in § 54.1-2347(A) of the Code of Virginia

Adopted December 2, 2010

The exceptions and exemptions from common interest community manager licensure contained in Chapter 23.3 of Title 54.1 of the Code of Virginia include "an employee of an association from providing management services for that association's common interest community." As used in this context, the factors as contained in Internal Revenue Service Revenue Ruling 87-41 shall be used to determine whether an individual is an employee.

Internal Revenue Service Revenue Ruling 87-41 is attached and hereby incorporated into this guidance document.

Rev. Rul. 87-41, 1987-1 C.B. 296.**Internal Revenue Service
Revenue Ruling****EMPLOYMENT STATUS UNDER SECTION 530(D) OF THE REVENUE ACT OF 1978**

Published: 1987

Section 3121.-Definitions, 26 CFR 31.3121(d)-1: Who are employees.

(Also Sections 3306, 3401; 31.3306(i)-1, 31.3401(c)-1.)

Employment status under section 530(d) of the Revenue Act of 1978. Guidelines are set forth for determining the employment status of a taxpayer (technical service specialist) affected by section 530(d) of the Revenue Act of 1978, as added by section 1706 of the Tax Reform Act of 1986. The specialists are to be classified as employees under generally applicable common law standards.

[Click here to go directly to legal analysis of ruling](#)

ISSUE

In the situations described below, are the individuals employees under the common law rules for purposes of the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), and the Collection of Income Tax at Source on Wages (chapters 21, 23, and 24 respectively, subtitle C, Internal Revenue Code)? These situations illustrate the application of section 530(d) of the Revenue Act of 1978, 1978-3 (Vol. 1) C.B. xi, 119 (the 1978 Act), which was added by section 1706(a) of the Tax Reform Act of 1986, 1986-3 (Vol. 1) C.B. ____ (the 1986 Act) (generally effective for services performed and remuneration paid after December 31, 1986).

FACTS

In each factual situation, an individual worker (Individual), pursuant to an arrangement between one person (Firm) and another person (Client), provides services for the Client as an engineer, designer, drafter, computer programmer, systems analyst, or other similarly skilled worker engaged in a similar line of work.

SITUATION 1

The Firm is engaged in the business of providing temporary technical services to its clients. The Firm maintains a roster of workers who are available to provide technical services to prospective clients. The Firm does not train the workers but determines the services that the workers are qualified to perform based on information submitted by the workers.

The Firm has entered into a contract with the Client. The contract states that the Firm is to provide the Client with workers to perform computer programming services meeting specified qualifications for a particular project. The Individual, a computer programmer, enters into a contract with the Firm to perform services as a computer programmer for the Client's project, which is expected to last less than one year. The Individual is one of several programmers provided by the Firm to the Client. The Individual has not been an employee of or performed services for the Client (or any predecessor or affiliated corporation of the Client) at any time preceding the time at which the Individual begins performing services for the Client. Also, the Individual has not been an employee of or performed services for or on behalf of the Firm at any time preceding the time at which the Individual begins performing services for the Client. The Individual's contract with the Firm states that the Individual is an independent contractor with respect to services performed on behalf of the Firm for the Client.

The Individual and the other programmers perform the services under the Firm's contract with the Client. During the time the Individual is performing services for the Client, even though the Individual retains the right to perform services for other persons, substantially all of the Individual's working time is devoted to performing services for the

Client. A significant portion of the services are performed on the Client's premises. The Individual reports to the Firm by accounting for time worked and describing the progress of the work. The Firm pays the Individual and regularly charges the Client for the services performed by the Individual. The Firm generally does not pay individuals who perform services for the Client unless the Firm provided such individuals to the Client.

The work of the Individual and other programmers is regularly reviewed by the Firm. The review is based primarily on reports by the Client about the performance of these workers. Under the contract between the Individual and the Firm, the Firm may terminate its relationship with the Individual if the review shows that he or she is failing to perform the services contracted for by the Client. Also, the Firm will replace the Individual with another worker if the Individual's services are unacceptable to the Client. In such a case, however, the Individual will nevertheless receive his or her hourly pay for the work completed.

Finally, under the contract between the Individual and the Firm, the Individual is prohibited from performing services directly for the Client and, under the contract between the Firm and the Client, the Client is prohibited from receiving services from the Individual for a period of three months following the termination or services by the Individual for the Client on behalf of the Firm.

SITUATION 2

The Firm is a technical services firm that supplies clients with technical personnel. The Client requires the services of a systems analyst to complete a project and contacts the Firm to obtain such an analyst. The Firm maintains a roster of analysts and refers such an analyst, the Individual, to the Client. The Individual is not restricted by the Client or the Firm from providing services to the general public while performing services for the Client and in fact does perform substantial services for other persons during the period the Individual is working for the Client. Neither the Firm nor the Client has priority on the services of the Individual. The Individual does not report, directly or indirectly, to the Firm after the beginning of the assignment to the Client concerning (1) hours worked by the Individual, (2) progress on the job, or (3) expenses incurred by the Individual in performing services for the Client. No reports (including reports of time worked or progress on the job) made by the Individual to the Client are provided by the Client to the Firm.

If the Individual ceases providing services for the Client prior to completion of the project or if the Individual's work product is otherwise unsatisfactory, the Client may seek damages from the Individual. However, in such circumstances, the Client may not seek damages from the Firm, and the Firm is not required to replace the Individual. The Firm may not terminate the services of the Individual while he or she is performing services for the Client and may not otherwise affect the relationship between the Client and the Individual. Neither the Individual nor the Client is prohibited for any period after termination of the Individual's services on this job from contracting directly with the other. For referring the Individual to the Client, the Firm receives a flat fee that is fixed prior to the Individual's commencement of services for the Client and is unrelated to the number of hours and quality of work performed by the Individual. The Individual is not paid by the Firm either directly or indirectly. No payment made by the Client to the Individual reduces the amount of the fee that the Client is otherwise required to pay the Firm. The Individual is performing services that can be accomplished without the Individual's receiving direction or control as to hours, place of work, sequence, or details of work.

SITUATION 3

The Firm, a company engaged in furnishing client firms with technical personnel, is contacted by the Client, who is in need of the services of a drafter for a particular project, which is expected to last less than one year. The Firm recruits the Individual to perform the drafting services for the Client. The Individual performs substantially all of the services for the Client at the office of the Client, using materials and equipment of the Client. The services are performed under the supervision of employees of the Client. The Individual reports to the Client on a regular basis. The Individual is paid by the Firm based on the number of hours the Individual has worked for the Client, as reported to the Firm by the Client or as reported by the Individual and confirmed by the Client. The Firm has no obligation to pay the Individual if the Firm does not receive payment for the Individual's services from the Client. For recruiting the Individual for the Client, the Firm receives a flat fee that is fixed prior to the Individual's commencement of services for the Client and is unrelated to the number of hours and quality of work performed by the Individual. However, the Firm does receive a reasonable fee for performing the payroll function. The Firm may

not direct the work of the Individual and has no responsibility for the work performed by the Individual. The Firm may not terminate the services of the Individual. The Client may terminate the services of the Individual without liability to either the Individual or the Firm. The Individual is permitted to work for another firm while performing services for the Client, but does in fact work for the Client on a substantially full-time basis.

LAW AND ANALYSIS

This ruling provides guidance concerning the factors that are used to determine whether an employment relationship exists between the Individual and the Firm for federal employment tax purposes and applies those factors to the given factual situations to determine whether the Individual is an employee of the Firm for such purposes. The ruling does not reach any conclusions concerning whether an employment relationship for federal employment tax purposes exists between the Individual and the Client in any of the factual situations.

Analysis of the preceding three fact situations requires an examination of the common law rules for determining whether the Individual is an employee with respect to either the Firm or the Client, a determination of whether the Firm or the Client qualifies for employment tax relief under section 530(a) of the 1978 Act, and a determination of whether any such relief is denied the Firm under section 530(d) of the 1978 Act (added by Section 1706 of the 1986 Act).

An individual is an employee for federal employment tax purposes if the individual has the status of an employee under the usual common law rules applicable in determining the employer-employee relationship. Guides for determining that status are found in the following three substantially similar sections of the Employment Tax Regulations: sections 31.3121(d)-1(c); 31.3306(i)-1; and 31.3401(c)-1.

These sections provide that generally the relationship of employer and employee exists when the person or persons for whom the services are performed have the right to control and direct the individual who performs the services, not only as to the result to be accomplished by the work but also as to the details and means by which that result is accomplished. That is, an employee is subject to the will and control of the employer not only as to what shall be done but as to how it shall be done. In this connection, it is not necessary that the employer actually direct or control the manner in which the services are performed; it is sufficient if the employer has the right to do so.

Conversely, these sections provide, in part, that individuals (such as physicians, lawyers, dentists, contractors, and subcontractors) who follow an independent trade, business, or profession, in which they offer their services to the public, generally are not employees.

Finally, if the relationship of employer and employee exists, the designation or description of the relationship by the parties as anything other than that of employer and employee is immaterial. Thus, if such a relationship exists, it is of no consequence that the employee is designated as a partner, coadventurer, agent, independent contractor, or the like.

As an aid to determining whether an individual is an employee under the common law rules, twenty factors or elements have been identified as indicating whether sufficient control is present to establish an employer-employee relationship. The twenty factors have been developed based on an examination of cases and rulings considering whether an individual is an employee. The degree of importance of each factor varies depending on the occupation and the factual context in which the services are performed. The twenty factors are designed only as guides for determining whether an individual is an employee; special scrutiny is required in applying the twenty factors to assure that formalistic aspects of an arrangement designed to achieve a particular status do not obscure the substance of the arrangement (that is, whether the person or persons for whom the services are performed exercise sufficient control over the individual for the individual to be classified as an employee). The twenty factors are described below:

1. **INSTRUCTIONS.** A worker who is required to comply with other persons' instructions about when, where, and how he or she is to work is ordinarily an employee. This control factor is present if the person or persons for whom the services are performed have the **RIGHT** to require compliance with instructions. See, for example, Rev. Rul. 68-598, 1968-2 C.B. 464, and Rev. Rul. 66-381, 1966-2 C.B. 449.
2. **TRAINING.** Training a worker by requiring an experienced employee to work with the worker, by corresponding with the worker, by requiring the worker to attend meetings, or by using other methods, indicates that the person or

persons for whom the services are performed want the services performed in a particular method or manner. See Rev. Rul. 70-630, 1970-2 C.B. 229.

3. INTEGRATION. Integration of the worker's services into the business operations generally shows that the worker is subject to direction and control. When the success or continuation of a business depends to an appreciable degree upon the performance of certain services, the workers who perform those services must necessarily be subject to a certain amount of control by the owner of the business. See *United States v. Silk*, 331 U.S. 704 (1947), 1947-2 C.B. 167.

4. SERVICES RENDERED PERSONALLY. If the Services must be rendered personally, presumably the person or persons for whom the services are performed are interested in the methods used to accomplish the work as well as in the results. See Rev. Rul. 55-695, 1955-2 C.B. 410.

5. HIRING, SUPERVISING, AND PAYING ASSISTANTS. If the person or persons for whom the services are performed hire, supervise, and pay assistants, that factor generally shows control over the workers on the job. However, if one worker hires, supervises, and pays the other assistants pursuant to a contract under which the worker agrees to provide materials and labor and under which the worker is responsible only for the attainment of a result, this factor indicates an independent contractor status. Compare Rev. Rul. 63-115, 1963-1 C.B. 178, with Rev. Rul. 55-593 1955-2 C.B. 610.

6. CONTINUING RELATIONSHIP. A continuing relationship between the worker and the person or persons for whom the services are performed indicates that an employer-employee relationship exists. A continuing relationship may exist where work is performed at frequently recurring although irregular intervals. See *United States v. Silk*.

7. SET HOURS OF WORK. The establishment of set hours of work by the person or persons for whom the services are performed is a factor indicating control. See Rev. Rul. 73-591, 1973-2 C.B. 337.

8. FULL TIME REQUIRED. If the worker must devote substantially full time to the business of the person or persons for whom the services are performed, such person or persons have control over the amount of time the worker spends working and impliedly restrict the worker from doing other gainful work. An independent contractor on the other hand, is free to work when and for whom he or she chooses. See Rev. Rul. 56-694, 1956-2 C.B. 694.

9. DOING WORK ON EMPLOYER'S PREMISES. If the work is performed on the premises of the person or persons for whom the services are performed, that factor suggests control over the worker, especially if the work could be done elsewhere. Rev. Rul. 56-660, 1956-2 C.B. 693. Work done off the premises of the person or persons receiving the services, such as at the office of the worker, indicates some freedom from control. However, this fact by itself does not mean that the worker is not an employee. The importance of this factor depends on the nature of the service involved and the extent to which an employer generally would require that employees perform such services on the employer's premises. Control over the place of work is indicated when the person or persons for whom the services are performed have the right to compel the worker to travel a designated route, to canvass a territory within a certain time, or to work at specific places as required. See Rev. Rul. 56-694.

10. ORDER OR SEQUENCE SET. If a worker must perform services in the order or sequence set by the person or persons for whom the services are performed, that factor shows that the worker is not free to follow the worker's own pattern of work but must follow the established routines and schedules of the person or persons for whom the services are performed. Often, because of the nature of an occupation, the person or persons for whom the services are performed do not set the order of the services or set the order infrequently. It is sufficient to show control, however, if such person or persons retain the right to do so. See Rev. Rul. 56-694.

11. ORAL OR WRITTEN REPORTS. A requirement that the worker submit regular or written reports to the person or persons for whom the services are performed indicates a degree of control. See Rev. Rul. 70-309, 1970-1 C.B. 199, and Rev. Rul. 68-248, 1968-1 C.B. 431.

12. PAYMENT BY HOUR, WEEK, MONTH. Payment by the hour, week, or month generally points to an employer-employee relationship, provided that this method of payment is not just a convenient way of paying a lump sum agreed upon as the cost of a job. Payment made by the job or on a straight commission generally indicates that the worker is an independent contractor. See Rev. Rul. 74-389, 1974-2 C.B. 330.

13. PAYMENT OF BUSINESS AND/OR TRAVELING EXPENSES. If the person or persons for whom the services are performed ordinarily pay the worker's business and/or traveling expenses, the worker is ordinarily an employee. An employer, to be able to control expenses, generally retains the right to regulate and direct the worker's business activities. See Rev. Rul. 55-144, 1955-1 C.B. 483.

14. FURNISHING OF TOOLS AND MATERIALS. The fact that the person or persons for whom the services are performed furnish significant tools, materials, and other equipment tends to show the existence of an employer-employee relationship. See Rev. Rul. 71-524, 1971-2 C.B. 346.

15. SIGNIFICANT INVESTMENT. If the worker invests in facilities that are used by the worker in performing services and are not typically maintained by employees (such as the maintenance of an office rented at fair value

from an unrelated party), that factor tends to indicate that the worker is an independent contractor. On the other hand, lack of investment in facilities indicates dependence on the person or persons for whom the services are performed for such facilities and, accordingly, the existence of an employer-employee relationship. See Rev. Rul. 71-524. Special scrutiny is required with respect to certain types of facilities, such as home offices.

16. **REALIZATION OF PROFIT OR LOSS.** A worker who can realize a profit or suffer a loss as a result of the worker's services (in addition to the profit or loss ordinarily realized by employees) is generally an independent contractor, but the worker who cannot is an employee. See Rev. Rul. 70-309. For example, if the worker is subject to a real risk of economic loss due to significant investments or a bona fide liability for expenses, such as salary payments to unrelated employees, that factor indicates that the worker is an independent contractor. The risk that a worker will not receive payment for his or her services, however, is common to both independent contractors and employees and thus does not constitute a sufficient economic risk to support treatment as an independent contractor.

17. **WORKING FOR MORE THAN ONE FIRM AT A TIME.** If a worker performs more than de minimis services for a multiple of unrelated persons or firms at the same time, that factor generally indicates that the worker is an independent contractor. See Rev. Rul. 70-572, 1970-2 C.B. 221. However, a worker who performs services for more than one person may be an employee of each of the persons, especially where such persons are part of the same service arrangement.

18. **MAKING SERVICE AVAILABLE TO GENERAL PUBLIC.** The fact that a worker makes his or her services available to the general public on a regular and consistent basis indicates an independent contractor relationship. See Rev. Rul. 56-660.

19. **RIGHT TO DISCHARGE.** The right to discharge a worker is a factor indicating that the worker is an employee and the person possessing the right is an employer. An employer exercises control through the threat of dismissal, which causes the worker to obey the employer's instructions. An independent contractor, on the other hand, cannot be fired so long as the independent contractor produces a result that meets the contract specifications. Rev. Rul. 75-41, 1975-1 C.B. 323.

20. **RIGHT TO TERMINATE.** If the worker has the right to end his or her relationship with the person for whom the services are performed at any time he or she wishes without incurring liability, that factor indicates an employer-employee relationship. See Rev. Rul. 70-309.

Rev. Rul. 75-41 considers the employment tax status of individuals performing services for a physician's professional service corporation. The corporation is in the business of providing a variety of services to professional people and firms (subscribers), including the services of secretaries, nurses, dental hygienists, and other similarly trained personnel. The individuals who are to perform the services are recruited by the corporation, paid by the corporation, assigned to jobs, and provided with employee benefits by the corporation. Individuals who enter into contracts with the corporation agree they will not contract directly with any subscriber to which they are assigned for at least three months after cessation of their contracts with the corporation. The corporation assigns the individual to the subscriber to work on the subscriber's premises with the subscriber's equipment. Subscribers have the right to require that an individual furnished by the corporation cease providing services to them, and they have the further right to have such individual replaced by the corporation within a reasonable period of time, but the subscribers have no right to affect the contract between the individual and the corporation. The corporation retains the right to discharge the individuals at any time. Rev. Rul. 75-41 concludes that the individuals are employees of the corporation for federal employment tax purposes.

Rev. Rul. 70-309 considers the employment tax status of certain individuals who perform services as oil well pumpers for a corporation under contracts that characterize such individuals as independent contractors. Even though the pumpers perform their services away from the headquarters of the corporation and are not given day-to-day directions and instructions, the ruling concludes that the pumpers are employees of the corporation because the pumpers perform their services pursuant to an arrangement that gives the corporation the right to exercise whatever control is necessary to assure proper performance of the services; the pumpers' services are both necessary and incident to the business conducted by the corporation; and the pumpers are not engaged in an independent enterprise in which they assume the usual business risks, but rather work in the course of the corporation's trade or business. See also Rev. Rul. 70-630, 1970-2 C.B. 229, which considers the employment tax status of sales clerks furnished by an employee service company to a retail store to perform temporary services for the store.

Section 530(a) of the 1978 Act, as amended by section 269(c) of the Tax Equity and Fiscal Responsibility Act of 1982, 1982-2 C.B. 462, 536, provides, for purposes of the employment taxes under subtitle C of the Code, that if a

taxpayer did not treat an individual as an employee for any period, then the individual shall be deemed not to be an employee, unless the taxpayer had no reasonable basis for not treating the individual as an employee. For any period after December 31, 1978, this relief applies only if both of the following consistency rules are satisfied: (1) all federal tax returns (including information returns) required to be filed by the taxpayer with respect to the individual for the period are filed on a basis consistent with the taxpayer's treatment of the individual as not being an employee ('reporting consistency rule'), and (2) the taxpayer (and any predecessor) has not treated any individual holding a substantially similar position as an employee for purposes of the employment taxes for periods beginning after December 31, 1977 ('substantive consistency rule').

The determination of whether any individual who is treated as an employee holds a position substantially similar to the position held by an individual whom the taxpayer would otherwise be permitted to treat as other than an employee for employment tax purposes under section 530(a) of the 1978 Act requires an examination of all the facts and circumstances, including particularly the activities and functions performed by the individuals. Differences in the positions held by the respective individuals that result from the taxpayer's treatment of one individual as an employee and the other individual as other than an employee (for example, that the former individual is a participant in the taxpayer's qualified pension plan or health plan and the latter individual is not a participant in either) are to be disregarded in determining whether the individuals hold substantially similar positions.

Section 1706(a) of the 1986 Act added to section 530 of the 1978 Act a new subsection (d), which provides an exception with respect to the treatment of certain workers. Section 530(d) provides that section 530 shall not apply in the case of an individual who, pursuant to an arrangement between the taxpayer and another person, provides services for such other person as an engineer, designer, drafter, computer programmer, systems analyst, or other similarly skilled worker engaged in a similar line of work. Section 530(d) of the 1978 Act does not affect the determination of whether such workers are employees under the common law rules. Rather, it merely eliminates the employment tax relief under section 530(a) of the 1978 Act that would otherwise be available to a taxpayer with respect to those workers who are determined to be employees of the taxpayer under the usual common law rules. Section 530(d) applies to remuneration paid and services rendered after December 31, 1986.

The Conference Report on the 1986 Act discusses the effect of section 530(d) as follows:

The Senate amendment applies whether the services of [technical service workers] are provided by the firm to only one client during the year or to more than one client, and whether or not such individuals have been designated or treated by the technical services firm as independent contractors, sole proprietors, partners, or employees of a personal service corporation controlled by such individual. The effect of the provision cannot be avoided by claims that such technical service personnel are employees of personal service corporations controlled by such personnel. For example, an engineer retained by a technical services firm to provide services to a manufacturer cannot avoid the effect of this provision by organizing a corporation that he or she controls and then claiming to provide services as an employee of that corporation.

* * * [T]he provision does not apply with respect to individuals who are classified, under the generally applicable common law standards, as employees of a business that is a client of the technical services firm.

2 H. R. Rep. No. 99-841 (Conf. Rep.), 99th Cong., 2d Sess. II-834 to 835 (1986).

Under the facts of Situation 1 the legal relationship is between the Firm and the Individual, and the Firm retains the right of control to insure that the services are performed in a satisfactory fashion. The fact that the Client may also exercise some degree of control over the Individual does not indicate that the Individual is not an employee. Therefore, in Situation 1, the Individual is an employee of the Firm under the common law rules. The facts in Situation 1 involve an arrangement among the Individual, Firm, and Client, and the services provided by the Individual are technical services. Accordingly, the Firm is denied section 530 relief under section 530(d) of the 1978 Act (as added by section 1706 of the 1986 Act), and no relief is available with respect to any employment tax liability incurred in Situation 1. The analysis would not differ if the acts of Situation 1 were changed to state that the Individual provided the technical services through a personal service corporation owned by the Individual.

In Situation 2, the Firm does not retain any right to control the performance of the services by the Individual and, thus, no employment relationship exists between the Individual and the Firm.

In Situation 3, the Firm does not control the performance of the services of the Individual, and the Firm has no right to affect the relationship between the Client and the Individual. Consequently, no employment relationship exists between the Firm and the Individual.

HOLDINGS

SITUATION 1. The Individual is an employee of the Firm under the common law rules. Relief under section 530 of the 1978 Act is not available to the Firm because of the provisions of section 530(d).

SITUATION 2. The Individual is not an employee of the Firm under the common law rules.

SITUATION 3. The Individual is not an employee of the Firm under the common law rules.

Because of the application of section 530(b) of the 1978 Act, no inference should be drawn with respect to whether the Individual in Situations 2 and 3 is an employee of the Client for federal employment tax purposes.

DRAFT AGENDA
Materials contained in this agenda are proposed for discussion
and are not to be construed as regulation or official Board position.
DRAFT AGENDA



Department of Professional and Occupational Regulation

Common Interest Community Board

Guidance Document: Evidence of Proper Fidelity Bond or Dishonesty Insurance and Sufficient Coverage Obtained by CIC Manager Applicant

Adopted March 2, 2010

As a condition for licensure, applicants for a Common Interest Community Manager license shall submit evidence of a blanket fidelity bond or employee dishonesty insurance policy that insures the Common Interest Community Manager against losses resulting from theft or dishonesty committed by the officers, directors, and persons employed by the Common Interest Community Manager. The bond or insurance policy shall also include coverage for losses of clients of the Common Interest Community Manager resulting from theft or dishonesty committed by the officers, directors, and persons employed by the Common Interest Community Manager.

The bond or insurance policy shall provide coverage in an amount equal to the lesser of \$2 million or the highest aggregate amount of the operating and reserve balances of all associations under the control of the Common Interest Community Manager during the prior fiscal year. The minimum coverage amount shall be \$10,000. The surety company or insurance company shall be authorized to do business in Virginia.

To fulfill the blanket fidelity bond or employee dishonesty insurance requirement, applicants for Common Interest Community Manager shall submit evidence that proper and sufficient coverage has been obtained to comply with § 54.1-2346(D) of the Code of Virginia. Such documentation must include:

- The name of the surety company or insurance carrier;
- The dollar amount of the bond or insurance policy;
- A description of coverage as it applies to the requirements of § 54.1-2346(D); and

Guidance Document
Evidence of Proper Fidelity Bond or
Dishonesty Insurance and Sufficient Coverage Obtained by CIC Manager Applicant
Adopted March 2, 2010

- The expiration date of the bond or insurance policy.

Staff may require a certified statement from the surety company or insurance carrier that the applicant has sufficient coverage to comply with § 54.1-2346(D) of the Code of Virginia.

DRAFT AGENDA
Materials contained in this agenda are proposed for discussion
and are not to be construed as regulation or official Board position.
DRAFT AGENDA



Common Interest Community Board

Guidance Document: Regarding the Requirement to Obtain and Maintain a Separate Fidelity Bond or Insurance Policy Required for Common Interest Community Managers to Comply with § 54.1-2346(D) of the Code of Virginia and 18 VAC 48-50-30.E of the Board's Regulations

Adopted September 20, 2012

Revised September 3, 2020

Effective December 10, 2020

I. Issue

Applicants for licensure as a common interest community manager must provide proof of compliance with the bond/insurance policy provisions in 18 VAC 48-50-30.E of the Board's Regulations and § 54.1-2346(D) of the Code of Virginia. Some applications have included the certificate of insurance for the association's policy, which is required for compliance with §§ 55.1-1827(B) (property owners' associations) or 55.1-1963(B) (condominium unit owners' associations) of the Code of Virginia, with the common interest community manager listed as "additional insured."

II. Applicable Regulations and Statutes

18 VAC 48-50-30.E of the Common Interest Community Manager Regulations states:

"The applicant for a common interest community manager license shall submit evidence of a blanket fidelity bond or employee dishonesty

insurance policy in accordance with § 54.1-2346 D of the Code of Virginia. Proof of current bond or insurance policy with the firm as the named bondholder or insured must be submitted in order to obtain or renew the license. The bond or insurance policy must be in force no later than the effective date of the license and shall remain in effect through the date of expiration of the license.”

§ 54.1-2346(D) of the Code of Virginia states:

“It shall be a condition of the issuance or renewal of the license of a common interest community manager that the common interest community manager shall obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the common interest community manager against losses resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall include coverage for losses of clients of the common interest community manager resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall provide coverage in an amount equal to the lesser of \$2 million or the highest aggregate amount of the operating and reserve balances of all associations under the control of the common interest community manager during the prior fiscal year. The minimum coverage amount shall be \$10,000.”

§ 55.1-1827(B) of the Code of Virginia states:

“Any association collecting assessments for common expenses shall obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the association against losses resulting from theft or dishonesty committed by the officers, directors, or persons employed by the association, or committed by any managing agent or employees of the managing agent. Such bond or insurance policy shall provide coverage in an amount equal to the lesser of \$1 million or the amount of the reserve balances of the association plus one-fourth of the aggregate annual assessment income of such association. The minimum coverage amount shall be \$10,000. The board of directors or managing agent may obtain such bond or insurance on behalf of the association.”

§ 55.1-1963(B) of the Code of Virginia states:

“Any unit owners' association collecting assessments for common expenses shall obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the unit owners' association against losses resulting from theft or dishonesty committed by the officers, directors, or persons employed by the unit owners' association, or

committed by any common interest community manager or employees of the common interest community manager. Such bond or insurance policy shall provide coverage in an amount equal to the lesser of \$1 million or the amount of reserve balances of the unit owners' association plus one-fourth of the aggregate annual assessment of such unit owners' association. The minimum coverage amount shall be \$10,000. The executive board or common interest community manager may obtain such bond or insurance on behalf of the unit owners' association."

III. Board Policy

The statutes and regulations clearly require a bond or insurance policy in compliance with the provisions of 18 VAC 48-50-30.E of the Board's Regulations and § 54.1-246(D) of the Code of Virginia to be obtained and maintained by the common interest community manager separate from the association's policy required in compliance with §§ 55.1-1827(B) (property owners' associations) and 55.1-1963(B) (condominium unit owners' associations).

INFORMATION ON CASES CLOSED
ADMINISTRATIVELY

DRAFT AGENDA
Materials contained in this agenda are proposed for Board discussion
and are not to be construed as regulation or official Board action
DRAFT AGENDA

Common Interest Community Board

Common Interest Community Manager Regulatory Review Committee

Committee Summary as of December 2, 2021

Overall

- Committee has performed review of Parts I (Definitions), II (Entry), III (Fees), and IV (Renewal and Reinstatement).

Regulatory Items

- Reviewed and discussed proposed new section outlining requirements for blanket fidelity bond/employee dishonesty insurance required for licensure.
- Reviewed and discussed qualifications for principal or supervisory employee certificates.
- Committee agreed to revise training requirements to require a Virginia training module covering Virginia CIC laws and regulations, resale requirements, CIC complaint procedure, and Virginia fair housing laws for those who attempt to qualify with introductory or comprehensive training program.
- Reviewed and discussed increasing the period of licensure for CIC managers from one year to two years, and increasing the period for reinstatement of licenses and certificates from six months to one year.
- Reviewed and discussed adjustment to application and renewal fees for common interest community managers to correspond to increase in term of licensure.
- Reviewed and discussed requirements for renewal of principal or supervisory employee certificates, and training requirements for renewal. Discussed increasing training requirement to six contact hours per certificate cycle. Minimum requirement of one contact hour for each training program.
- Discussed adding provisions in the regulation pertaining to audits of regulants.

Items for Legislative Consideration

- Recommend to the Board a change to the requirements for fidelity bonds/employee dishonesty insurance coverage so that calculation of association reserves is based on all cash, certificates of deposit, and investments held by the association at the end of the most recent fiscal year.

To: Regulatory Review Committee

Fm: Drew R. Mulhare

Re: CICB regulations requiring management companies to have a Review or Audit annually

Dt: November 10, 2021

I know we got into an extension conversation about requiring audits for management companies. I was able to look closer at the AAMC designation (CAI). The AAMC designation emphasizes the support provided by fidelity (crime or employee dishonesty) insurance. Secondly, the AAMC requires one of four additional protective measures. In my opinion, separating the Client's reserve funds from the sole control of the management company is the most important, but also each Client having their own fidelity insurance seems very practical and probably widespread. The annual review/audit option is actually the least informing to protect the Client because 1) it is private and not shared with the Clients and 2) it simply must be accurate, "fairly stated", not necessary net positive or not necessary without auditor's notes/concerns.

Also, as we discussed, there are three categories of managing associations. The association that is self-managed by volunteers; the association that employs a manager/staff; and the association that contracts with a management company. For some of our regulation, CICB concerns itself only with contracted management companies. Regarding annual financial statements, CICB does not require 2 of the 3 categories of associations to be audited or reviewed by a CPA. I contend that the requirement for an audit/review is an unnecessary financial burden on management companies and not of much value in actually protecting the client (which I assume was the original intent years ago). Financial recovery from fidelity insurance is most important. I do not disagree with the CAI AAMC approach of adding one of four additional provisions. In my opinion, a management company would be strongly advised to not have sole control of a Client's reserve funds. A second signature on a check or a board authorization on an electronic transfer is prudent. A Board Resolution to transfer reserve funds is also prudent business and keeps all board members informed.

I wanted to share this with the Committee. This subject has bother me for some time. I see no reason to be more restrictive than AAMC. We use AAMC as a passport qualification for CICB licensure. This Committee's work is timely.

Unfortunately, my time is very limited on December 2. However, I do look forward to seeing you.

RECOMMENDATION:

Amend § 54.1-2346.E. (v) to read:

(v) that the common interest community manager must provide at least one of the following practices for all its Clients:

- a. Client's reserve funds are not in sole control of the common interest community manager.
- b. Each client of the common interest community manager has fidelity insurance that extends coverage to the common interest community manager.

- c. An independent certified public accountant reviews or audits the financial statements of the common interest community manager at least annually in accordance with standards established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

BENEFITS:

- Provides alternatives to the unnecessary financial burden of a review or audit, which is an extra expense and may be a barrier to entry for potential common interest community managers
- Encourages actual financial protection for the client when the manager does not have sole control of reserve funds. Reserve funds are typically held separately from operating funds, may have significant monetary value, and should be handled with a higher degree of immediate accountability
- Provides alternatives for more meaningful protection for clients
- May result in cost savings to clients
- Insurance protection and reserve fund management are timely. Review/audit of year-end financial statements are not timely to a fraud event

ALTERNATE RECOMMENDATION:

Eliminate § 54.1-2346.E. (v)

- Paragraph D and E (i) – (iv) are sufficient requirements. The review/audit (v) is not meaningful or timely financial protection for the clients of the common interest community manager.

BACKGROUND:

From the CAI Website...

What are the requirements of the AAMC accreditation?

- A minimum of three years of experience providing community association management services, based on client verification.
- A Professional Community Association Manager (PCAM) designee as the company's senior manager.
- A staff of which 50% of managers who have been at the company for at least two years hold a [professional manager credential](#) (CMCA, AMS, LSM, or PCAM).
- Maintain fidelity, general liability, and worker's compensation insurance in addition to meeting federal, state and local laws. A *Certificate of Insurance Liability* showing the required insurance must be included with the application which should list CAI Headquarters as the *Certificate Holder*.
- Comply with the [CAI Professional Manager Code of Ethics](#).

Excerpted from the AAMC Application:

Company: For the purpose of this application, in order to qualify for the AAMC accreditation, a company must conform to ALL of the following criteria:

1. Has provided and continues to provide community association management services as delineated in (8 & 9 below) for at least the three years immediately preceding the submission of this application.
2. Has at least three full-time employees, one of whom is a manager whose primary function is to manage community associations.
3. At least 50% of the applicant's qualifying managers (employed 2 years or more) hold one of the following credentials: PCAM, LSM, AMS or CMCA.
4. Meets or exceeds these standards for all of its client associations: a. Reconciles client's bank and trust accounts monthly, ensuring that no client and applicant funds are co-mingled; b. Has its client boards acknowledge investments and disbursement of reserve funds.
5. **Maintains fidelity bond insurance (crime or employee dishonesty)** in the name of the company that provides coverage to the company with a minimum coverage of \$100,000 and has provided a certificate of insurance to CAI delineating these policies and showing CAI as a certificate holder.
In addition, provides at least one of the following (circle applicable selection(s)):
 - a. Applicant's fidelity insurance covers applicant's principals (must be indicated on Certificate of Insurance included in this application).
 - b. Client's reserve funds are not in sole control of applicant.
 - c. Each client has fidelity insurance that extends coverage to applicant.
 - d. Applicant has an annual audit conducted by a CPA

From the CICB Regulation

§ 54.1-2346. License required; certification of employees; renewal; provisional license

D. It shall be a condition of the issuance or renewal of the license of a common interest community manager that the common interest community manager shall **obtain and maintain a blanket fidelity bond or employee dishonesty insurance policy insuring the common interest community manager against losses resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall include coverage for losses of clients of the common interest community manager resulting from theft or dishonesty committed by the officers, directors, and persons employed by the common interest community manager. Such bond or insurance policy shall provide coverage in an amount equal to the lesser of \$2 million or the highest aggregate amount of the operating and reserve balances of all associations under the control of the common interest community manager during the prior fiscal year.** The minimum coverage amount shall be \$10,000.

E. It shall be a condition of the issuance or renewal of the license of a common interest

community manager that the common interest community manager certifies to the Board (i) that the common interest community manager is in good standing and authorized to transact business in Virginia; (ii) that the common interest community manager has established a code of conduct for the officers, directors, and persons employed by the common interest community manager to protect against conflicts of interest; (iii) that the common interest community manager provides all management services pursuant to written contracts with the associations to which such services are provided; (iv) that the common interest community manager has established a system of internal accounting controls to manage the risk of fraud or illegal acts; and (v) that an independent certified public accountant reviews or audits the financial statements of the common interest community manager at least annually in accordance with standards established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

1 **Common Interest Community Board**

2 **General Review**

3 Chapter 50

4 COMMON INTEREST COMMUNITY MANAGER REGULATIONS

5 Part I

6 General

7 **18VAC48-50-10. Definitions.**

8 A. Section 54.1-2345 of the Code of Virginia provides definitions of the following terms and
9 phrases as used in this chapter:

10 "Association"

11 "Board"

12 "Common interest community"

13 "Common interest community manager"

14 "Declaration"

15 "Governing board"

16 "Lot"

17 "Management services"

18 B. The following words, terms, and phrases when used in this chapter shall have the following
19 meanings unless the context clearly indicates otherwise:

20 "Active status" means the status of for a certificated person who is in the employ of a common
21 interest community manager.

22 "Address of record" means the mailing address designated by the regulant to receive notices
23 and correspondence from the board. Notice mailed to the address of record by certified mail,
24 return receipt requested, ~~shall~~ will be deemed valid notice.

25 "Applicant" means a common interest community manager who has submitted an application
26 for licensure or an individual who has submitted an application for certification.

27 "Application" means a completed, board-prescribed form submitted with the appropriate fee
28 and other required documentation.

29 "Certified principal or supervisory employee" refers to any individual who has principal
30 responsibility for management services provided to a common interest community or who has
31 supervisory responsibility for employees who participate directly in the provision of management
32 services to a common interest community, and who holds a certificate issued by the board.

33 "Contact hour" means 50 minutes of instruction.

34 "Department" means the ~~Virginia~~ Department of Professional and Occupational Regulation.

35 "Direct supervision" means exercising oversight and direction of, and control over, the work
36 of another.

37 "Firm" means a sole proprietorship, association, partnership, corporation, limited liability
38 company, limited liability partnership, or any other form of business organization recognized under
39 the laws of the Commonwealth of Virginia and properly registered, as may be required, with the
40 ~~Virginia~~ State Corporation Commission.

41 "Principal responsibility" means having the primary obligation for the direct provision of
42 management services provided to a common interest community.

43 "Qualifying individual" means the supervisory employee, officer, owner, manager, or principal,
44 howsoever denominated, involved in all aspects of the management services offered and

45 provided by the firm who is designated by the firm to qualify for licensure as a common interest
46 community manager as permitted under 18VAC48-50-30 K.

47 "Regulant" means a common interest community manager ~~as defined in § 54.1-2345 of the~~
48 ~~Code of Virginia~~ who holds a license issued by the board or an individual who holds a certificate
49 issued by the board.

50 "Reinstatement" means the process and requirements through which an expired license or
51 certificate can be made valid without the regulant having to apply as a new applicant.

52 "Renewal" means the process and requirements for periodically approving the continuance of
53 a license or certificate.

54 "Responsible person" means the employee, officer, manager, owner, or principal, howsoever
55 denominated, of the firm who shall be designated by each firm to ensure compliance with Chapter
56 23.3 (§ 54.1-2345 et seq.) of Title 54.1 of the Code of Virginia, and all regulations of the board,
57 and to receive communications and notices from the board that may affect the firm. ~~In the case~~
58 ~~of a sole proprietorship, the sole proprietor shall have the responsibilities of the responsible~~
59 ~~person.~~

60 "Sole proprietor" means any individual, not a corporation or other registered business entity,
61 who is trading under his own name, or under an assumed or fictitious name pursuant to the
62 provisions of Chapter 5 of Title 59.1 (§ 59.1-69 et seq.) of the Code of Virginia.

63 "Supervisory responsibility" means providing formal supervision of the work of at least one
64 other person. The individual who has supervisory responsibility directs the work of another
65 employee or other employees, has control over the work performed, exercises examination and
66 evaluation of the employee's performance, or has the authority to make decisions personally that
67 affect the management services provided.

68 **18VAC48-50-15. Necessity for licensure of firms and certification of employees.**

69 A. Unless exempted by § 54.1-2347 of the Code of Virginia, any firm offering management
70 services to a common interest community must hold a license as a common interest community
71 manager.

72 B. In accordance with § 54.1-2346 C of the Code of Virginia, all employees of a licensed
73 common interest community manager who have principal responsibility for management services
74 provided to a common interest community or who have supervisory responsibility for employees
75 who participate directly in the provision of management services to a common interest community
76 must, within two years after employment with the common interest community manager, hold a
77 certificate issued by the board certifying the person possesses the character and minimum skills
78 to engage properly in the provision of management services to a common interest community or
79 must be under the direct supervision of a certified employee of the common interest community
80 manager.

81

82 Part II

83 Entry

84 **18VAC48-50-20. Application procedures.**

85 A. All applicants firms or individuals seeking licensure or certification shall must submit an
86 application with the appropriate fee specified in 18VAC48-50-60. Application shall will be made
87 on forms provided by the board or its agent.

88 1. By submitting the application to the department, the applicant certifies that the applicant
89 has read and understands the applicable statutes and the board's regulations.

90 2. The receipt of an application and the deposit of fees by the board does not indicate
91 approval by the board.

92 B. The board may make further inquiries and investigations with respect to the applicant's
93 qualifications to confirm or amplify information supplied. All applications ~~shall~~ must be completed
94 in accordance with the instructions contained ~~herein~~ in this section and on the application.
95 Applications will not be considered complete until all required documents are received by the
96 board.

97 C. ~~An individual or firm~~ The applicant will be notified within 30 days of the board's receipt of
98 an initial application if the application is incomplete. ~~An individual or firm~~ A firm or individual that
99 fails to complete the application process within 12 months of receipt of the application in the
100 board's office must submit a new application and fee.

101 D. The applicant must immediately report, in writing, all changes in information supplied with
102 the application prior to issuance of the license or certificate or expiration of the application.

103 **18VAC48-50-30. Qualifications for licensure as a common interest community manager.**

104 ~~A. Firms that provide common interest community management services shall submit an~~
105 ~~application on a form prescribed by the board and shall~~ Each firm applying for a common interest
106 community manager license must meet the requirements set forth in § 54.1-2346 of the Code of
107 Virginia, as well as the additional qualifications of this section.

108 ~~B. Any firm offering management services as defined in § 54.1-2345 of the Code of Virginia~~
109 ~~shall hold a license as a common interest community manager. All names under which the~~
110 ~~common interest community manager conducts business shall be disclosed on the application.~~
111 ~~The name under which the firm conducts business and holds itself out to the public (i.e., the trade~~
112 ~~or fictitious name) shall also be disclosed on the application. Firms shall~~ must be organized as
113 business entities under the laws of the Commonwealth of Virginia or otherwise authorized to
114 transact business in Virginia. ~~Firms shall register any trade or fictitious names with the State~~

115 Corporation Commission in accordance with Chapter 5 of Title 59.1 (§ 59.1-69 et seq.) of the
116 Code of Virginia before submitting an application to the board.

117 C. The applicant for a common interest community manager license must disclose the name
118 under which the firm conducts business and holds itself out to the public. The firm must register
119 any trade or fictitious names with the State Corporation Commission in accordance with Chapter
120 5 of Title 59.1 (§ 59.1-69 et seq.) of the Code of Virginia before submitting an application to the
121 board.

122 ~~C. D.~~ The applicant for a common interest community manager license ~~shall~~ must disclose
123 the firm's mailing address, and the firm's physical address, ~~and the address of the office from~~
124 ~~which the firm provides management services to Virginia common interest communities.~~ A post
125 office box is only acceptable as a mailing address when a physical address is also provided.

126 ~~D. E.~~ In accordance with § 54.1-204 of the Code of Virginia, each applicant for a common
127 interest community manager license ~~shall~~ must disclose the following information about the firm,
128 the responsible person, the qualifying individual, and any of the principals of the firm:

129 1. All felony convictions.

130 2. All misdemeanor convictions, except marijuana convictions, ~~in any jurisdiction that~~
131 ~~occurred~~ within three years of the date of application.

132 ~~3. Any plea of nolo contendere or finding of guilt regardless of adjudication or deferred~~
133 ~~adjudication shall be considered a conviction for the purposes of this section. The record~~
134 ~~of conviction certified or authenticated in such form as to be admissible in evidence under~~
135 ~~the laws of the jurisdiction where convicted shall be admissible as prima facie evidence of~~
136 ~~such guilt.~~

137 The board, in its discretion, may deny licensure to an applicant in accordance with § 54.1-204
138 of the Code of Virginia.

139 E. ~~F.~~ The applicant for a common interest community manager license shall must submit
140 evidence acceptable to the board of having obtained a blanket fidelity bond or employee
141 dishonesty insurance policy in accordance with § 54.1-2346 D of the Code of Virginia and
142 18VAC48-50-33. Proof of current bond or insurance policy with the firm as the named bondholder
143 or insured must be submitted in order to obtain or renew the license. The bond or insurance policy
144 must be in force no later than the effective date of the license and shall remain in effect through
145 the date of expiration of the license.

146 F. ~~G.~~ The applicant for a common interest community manager license shall must be in
147 compliance with the standards of conduct and practice set forth in Part V (18VAC48-50-140 et.
148 seq.) of this chapter at the time of application, while the application is under review by the board,
149 and at all times when the license is in effect.

150 G. ~~The applicant for a common interest community manager license, the responsible person,~~
151 ~~and any principals of the firm shall be in good standing in Virginia and in every jurisdiction and~~
152 ~~with every board or administrative body where licensed, certified, or registered and the board, in~~
153 ~~its discretion, may deny licensure to any applicant who has been subject to, or whose principals~~
154 ~~have been subject to, or any firm in which the principals of the applicant for a common interest~~
155 ~~community manager license hold a 10% or greater interest have been subject to, any form of~~
156 ~~adverse disciplinary action, including reprimand, revocation, suspension or denial, imposition of~~
157 ~~a monetary penalty, required to complete remedial education, or any other corrective action, in~~
158 ~~any jurisdiction or by any board or administrative body or surrendered a license, certificate, or~~
159 ~~registration in connection with any disciplinary action in any jurisdiction prior to obtaining licensure~~
160 ~~in Virginia.~~

161 H. The applicant for a common interest community manager license must report any
162 disciplinary action taken by any board or administrative body in any jurisdiction against a
163 professional or occupational license, certificate, or registration issued to the firm, its principals,

164 the qualifying individual, and the responsible person, to include any reprimand, suspension,
165 revocation, or surrender of a license, certification, or registration, imposition of a monetary penalty
166 or requirement to take remedial education or other corrective action. The board, in its discretion,
167 may deny licensure to any applicant based on disciplinary action taken by any board or
168 administrative body in any jurisdiction.

169 H. I. The applicant for a common interest community manager license ~~shall~~ must provide all
170 ~~relevant~~ information about the firm, the responsible person, the qualifying individual, and any of
171 the principals of the firm for the seven years prior to application on any outstanding judgments,
172 past-due tax assessments, defaults on bonds, or pending or past bankruptcies and specifically
173 ~~shall~~ must provide all relevant financial information related to providing management services as
174 defined in § 54.1-2345 of the Code of Virginia. ~~The applicant for a common interest community~~
175 ~~manager license shall further disclose whether or not one or more of the principals who~~
176 ~~individually or collectively own more than a 50% equity interest in the firm are or were equity~~
177 ~~owners holding, individually or collectively, a 10% or greater interest in any other entity licensed~~
178 ~~by any agency of the Commonwealth of Virginia that was the subject of any adverse disciplinary~~
179 ~~action, including revocation of a license, within the seven year period immediately preceding the~~
180 ~~date of application.~~

181 ~~I. An~~ J. The applicant for a common interest community manager license ~~shall~~ must hold an
182 active designation as an Accredited Association Management Company by the Community
183 Associations Institute.

184 ~~J. Prior to July 1, 2012, in lieu of the provisions of subsection I of this section, an application~~
185 ~~for a common interest community manager license may be approved provided the applicant~~
186 ~~certifies to the board that the applicant has:~~

187 4. At least one supervisory employee, officer, manager, owner, or principal of the firm who
188 is involved in all aspects of the management services offered and provided by the firm and
189 who has satisfied one of the following criteria:

190 a. Holds an active designation as a Professional Community Association Manager by
191 Community Associations Institute;

192 b. Has successfully completed a comprehensive training program as described in
193 18VAC48-50-250 B, as approved by the board, and has at least three years of
194 experience in providing management services, the quality of which demonstrates to
195 the board that the individual is competent to have supervisory responsibility or principal
196 responsibility for management services;

197 c. Has successfully completed an introductory training program as described in
198 18VAC48-50-250 A, as approved by the board, and has at least five years of
199 experience in providing management services, the quality of which demonstrates to
200 the board that the individual is competent to have supervisory responsibility or principal
201 responsibility for management services; or

202 d. Has not completed a board-approved training program but who, in the judgment of
203 the board, has obtained the equivalent of such training program by documented course
204 work that meets the requirements of a board-approved comprehensive training
205 program as described in Part VI (18VAC48-50-230 et seq.) of this chapter and has at
206 least 10 years of experience in providing management services, the quality of which
207 demonstrates to the board that the individual is competent to have supervisory
208 responsibility or principal responsibility for management services.

209 ~~2. At least 50% of persons in the firm with principal responsibility for management services~~
210 ~~to a common interest community in the Commonwealth of Virginia have satisfied one of~~
211 ~~the following criteria:~~

212 ~~a. Hold an active designation as a Professional Community Association Manager and~~
213 ~~certify having provided management services for a period of 12 months immediately~~
214 ~~preceding application;~~

215 ~~b. Hold an active designation as a Certified Manager of Community Associations by~~
216 ~~the National Board of Certification for Community Association Managers and certify~~
217 ~~having two years of experience in providing management services. Of the required~~
218 ~~two years of experience, a minimum of 12 months of experience must have been~~
219 ~~gained immediately preceding application;~~

220 ~~c. Hold an active designation as an Association Management Specialist and certify~~
221 ~~having two years of experience in providing management services. Of the required~~
222 ~~two years of experience, a minimum of 12 months of experience must have been~~
223 ~~gained immediately preceding application; or~~

224 ~~d. Have completed a comprehensive or introductory training program, as set forth in~~
225 ~~18VAC48-50-250 A or B, and passed a certifying examination approved by the board~~
226 ~~and certify having two years of experience in providing management services. Of the~~
227 ~~required two years of experience, a minimum of 12 months of experience must have~~
228 ~~been gained immediately preceding application.~~

229 ~~K. Effective July 1, 2012, the applicant for a common interest community manager license~~
230 ~~shall attest that all employees of the firm who have principal responsibility for management~~
231 ~~services provided to a common interest community or who have supervisory responsibility for~~
232 ~~employees who participate directly in the provision of management services to a common interest~~

233 ~~community shall, within two years after employment with the common interest community~~
234 ~~manager, hold a certificate as a certified principal or supervisory employee issued by the board~~
235 ~~or shall be under the direct supervision of a certified principal or supervisory employee.~~

236 ~~L. Effective July 1, 2012, in~~ In lieu of the provisions of subsection ~~†~~ ↓ of this section, an
237 application for a common interest community manager license may be approved provided the
238 applicant certifies to the board that the applicant has at least one supervisory employee, officer,
239 manager, owner, or principal of the firm who is involved in all aspects of the management services
240 offered and provided by the firm and applicant for a common interest community manager license
241 may designate a qualifying individual who has satisfied one of the following criteria:

242 1. Holds an active designation as a Professional Community Association Manager by
243 Community Associations Institute;

244 2. Has successfully completed a comprehensive training program as described in
245 18VAC48-50-250 B, and a Virginia common interest community laws and regulations
246 training module as described in 18VAC48-50-252, as approved by the board, and has at
247 least three years of experience in providing management services, the quality of which
248 demonstrates to the board that the individual is competent to have supervisory
249 responsibility or principal responsibility for management services;

250 3. Has successfully completed an introductory training program as described in 18VAC48-
251 50-250 A, and a Virginia common interest community laws and regulations training module
252 as described in 18VAC48-50-252, as approved by the board, and has at least five years
253 of experience in providing management services, the quality of which demonstrates to the
254 board that the individual is competent to have supervisory responsibility or principal
255 responsibility for management services; or

Commented [VP1]: Incorporates Virginia training module per committee's discussion on 12/2/21.

Commented [VP2]: Incorporates Virginia training module per committee's discussion on 12/2/21.

256 4. Has not completed a board-approved training program but, in the judgment of the board,
257 has obtained the equivalent of such training program by documented coursework that
258 meets the requirements of a board-approved comprehensive training program as
259 described in Part VI (18VAC48-50-230 et seq.) of this chapter and has at least 10 years
260 of experience in providing management services, the quality of which demonstrates to the
261 board that the individual is competent to have supervisory responsibility or principal
262 responsibility for management services.

263 The board, in its discretion, may consider other types of management experience that are
264 substantially equivalent in nature to management services as defined in § 54.1-2345 of the Code
265 of Virginia to fulfill the requirements of this subsection.

266 L. In accordance with § 54.1-2346 C of the Code of Virginia, the applicant for a common
267 interest community manager license must disclose and provide the dates of employment for all
268 employees of the firm who have principal responsibility for management services provided to a
269 common interest community or who have supervisory responsibility for employees who participate
270 directly in the provision of management services to a common interest community.

271 M. The firm ~~shall~~ must designate a responsible person.

272 **18VAC48-50-33. Blanket fidelity bond or employee dishonesty insurance policy to be**
273 **obtained by common interest community manager.**

274 A. In accordance with § 54.1-2346 D of the Code of Virginia, a common interest community
275 manager must obtain and maintain a blanket fidelity bond or employee dishonesty insurance
276 policy insuring the common interest community manager against losses resulting from theft or
277 dishonesty committed by the officers, directors, and persons employed by the common interest
278 community manager. The bond or insurance policy must include coverage for losses of clients of
279 the common interest community manager resulting from theft or dishonesty committed by the

Commented [VP3]: Revised to reflect changes per committee discussion on 12/2/21.

280 officers, directors, and persons employed by the common interest community manager. Such
281 bond or insurance policy must provide coverage in an amount equal to the lesser of \$2 million or
282 the highest aggregate amount of the operating and reserve balances of all associations under the
283 control of the common interest community manager during the prior fiscal year. The minimum
284 coverage amount must be \$10,000. The surety company or insurance company must be
285 authorized to do business in Virginia.

286 B. The amount of the bond or insurance policy must be based on the highest aggregate
287 amount of the operating and reserve balances for each association managed by the common
288 interest community manager during the prior fiscal year for the common interest community
289 manager.

290 C. A common interest community manager must provide the board with proof of current bond
291 or insurance policy with the firm named as the bondholder or insured in order to obtain or renew
292 a license. A bond or insurance policy complying with this chapter must be in force no later than
293 the effective date of the license and remain in force during the period of licensure. Such proof
294 must include (i) the name of the surety company or insurance carrier; (ii) the dollar amount of the
295 bond or insurance policy; (iii) a description of coverage as it applies to the requirements in § 54.1-
296 2346 D of the Code of Virginia; and (iv) the expiration date of the bond or insurance policy. The
297 board may require a certified statement from the surety company or insurance carrier that the
298 common interest community manager has sufficient coverage.

299 D. The bond or insurance policy obtained by the common interest community manager is
300 separate from any insurance policy required for associations under the Property Owners'
301 Association Act (§ 55.1-1800 et seq. of the Code of Virginia) or the Virginia Condominium Act (§
302 55.1-1900 et seq. of the Code of Virginia).

303 **18VAC48-50-35. Qualifications for certification as a certified principal or supervisory**
304 **employee effective July 1, 2012.**

305 A. ~~Principal or supervisory employees requiring certification pursuant to § 54.1-2346 of the~~
306 ~~Code of Virginia shall meet the requirements of this section and submit an application for~~
307 ~~certification on or after July 1, 2012. Each applicant for a principal or supervisory employee~~
308 ~~certificate must meet the requirements set forth in § 54.1-2346 of the Code of Virginia, and the~~
309 ~~additional qualifications of this section.~~

310 B. The applicant for certification ~~shall~~ must be at least 18 years of age.

311 C. The applicant for certification ~~shall~~ must have a high school diploma or its equivalent.

312 D. The applicant for certification ~~shall~~ must provide a mailing address. A post office box is only
313 acceptable as a mailing address when a physical address is also provided. The mailing address
314 provided ~~shall~~ will serve as the address of record.

315 E. In accordance with § 54.1-204 of the Code of Virginia, each applicant for certification ~~shall~~
316 must disclose the following information:

317 1. All felony convictions.

318 2. All misdemeanor convictions, except marijuana convictions, ~~that occurred in any~~
319 ~~jurisdiction~~ within three years of the date of application.

320 ~~3. Any plea of nolo contendere or finding of guilt regardless of adjudication or deferred~~
321 ~~adjudication shall be considered a conviction for the purposes of this section. The record~~
322 ~~of conviction certified or authenticated in such form as to be admissible in evidence under~~
323 ~~the laws of the jurisdiction where convicted shall be admissible as prima facie evidence of~~
324 ~~such guilt.~~

325 The board, in its discretion, may deny licensure to an applicant in accordance with § 54.1-204
326 of the Code of Virginia.

327 F. The applicant for certification ~~shall~~ must be in compliance with the standards of conduct
328 and practice set forth in Part V (18VAC48-50-140 et seq.) of this chapter at the time of application,
329 while the application is under review by the board, and at all times when the certificate is in effect.

330 ~~G. The applicant for certification shall be in good standing in Virginia and in every jurisdiction~~
331 ~~and with every board or administrative body where licensed, certified, or registered to provide~~
332 ~~management or related services; and the board, in its discretion, may deny certification to any~~
333 ~~applicant for certification who has been subject to any form of adverse disciplinary action,~~
334 ~~including reprimand, revocation, suspension or denial, imposition of a monetary penalty,~~
335 ~~requirement to complete remedial education, or any other corrective action, in any jurisdiction or~~
336 ~~by any board or administrative body or surrendered a license, certificate, or registration in~~
337 ~~connection with any disciplinary action in any jurisdiction prior to obtaining certification in Virginia.~~

338 G. The applicant for certification must report any disciplinary action taken by any board or
339 administrative body in any jurisdiction against a professional or occupational license, certification,
340 or registration issued to the applicant to include any reprimand, suspension, revocation, or
341 surrender of a license, certificate, or registration, imposition of a monetary penalty, or requirement
342 to take remedial education or other corrective action. The board, in its discretion, may deny
343 certification to any applicant based on disciplinary action taken by any board or administrative
344 body in any jurisdiction.

345 H. The applicant for certification ~~shall~~ must provide all ~~relevant~~ information for the seven years
346 prior to application on any outstanding judgments, past-due tax assessments, defaults on bonds,
347 or pending or past bankruptcies, all as related to providing management services as defined in §
348 54.1-2345 of the Code of Virginia. ~~The applicant for certification shall further disclose whether or~~
349 ~~not he was the subject of any adverse disciplinary action, including revocation of a license,~~

350 ~~certificate, or registration within the seven year period immediately preceding the date of~~
351 ~~application.~~

352 I. ~~An~~ The applicant for certification may be certified provided the applicant provides must
353 provide proof to the board that the applicant meets one of the following:

354 1. Holds an active designation as a Professional Community Association Manager by
355 Community Associations Institute ~~and certifies having provided management services for~~
356 ~~a period of three months immediately preceding application;~~

357 2. Holds an active designation as a Certified Manager of Community Associations by the
358 ~~National Board of Certification for Community Association Managers~~ Community
359 Association Managers International Certification Board and certifies having two years of
360 experience in providing management services. ~~Of the required two years of experience, a~~
361 ~~minimum of six months of experience must have been gained immediately preceding~~
362 ~~application;~~

363 3. Holds an active designation as an Association Management Specialist by Community
364 Associations Institute and certifies having two years of experience in providing
365 management services. ~~Of the required two years of experience, a minimum of three~~
366 ~~months of experience must have been gained immediately preceding application; or~~

367 4. Has completed an introductory or comprehensive training program as set forth in
368 18VAC48-50-250 A or B and a Virginia common interest community laws and regulations
369 training module as described in 18VAC48-50-252, and passed a certifying examination
370 approved by the board and certifies having two years of experience in providing
371 management services. ~~Of the required two years of experience, a minimum of six months~~
372 ~~of experience must have been gained immediately preceding application.~~

Commented [VP4]: Incorporates Virginia training module per committee's discussion on 12/2/21.

373 J. The applicant for certification shall ~~must~~ provide the name of his ~~the applicant's~~ employing
374 common interest community manager, if applicable.

375 **18VAC48-50-37. Licensure and certification by reciprocity. Firms or individuals licensed or**
376 **certified in another jurisdiction.**

377 A. The board may waive the requirements of ~~18VAC48-50-30 I, J, and L~~ 18VAC48-50-30 J
378 and K and issue a license as a common interest community manager to an applicant who holds
379 an active, current license, certificate, or registration in another state, the District of Columbia, or
380 any other territory or possession of the United States provided the requirements and standards
381 under which the license, certificate, or registration was issued are substantially equivalent to those
382 established in this chapter and related statutes.

383 B. ~~Effective July 1, 2012, the~~ The board may waive the requirements of 18VAC48-50-35 I and
384 issue a certificate as a certified employee to an applicant who holds an active, current license,
385 certificate, or registration in another state, the District of Columbia, or any other territory or
386 possession of the United States provided the requirements and standards under which the
387 license, certificate, or registration was issued are substantially equivalent to those established in
388 this chapter and related statutes.

389 **18VAC48-50-40. Application denial.**

390 A. The board may refuse initial licensure or certification due to an applicant's failure to comply
391 with entry requirements or for any of the reasons for which the board may discipline a regulant.

392 B. The applicant has the right to request further review of any such action by the board under
393 the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

394

Part III

395

Fees

396 **18VAC48-50-50. General fee requirements.**

397 All fees are nonrefundable and ~~shall will~~ not be prorated. The date on which the fee is received
398 by the department or its agent will determine whether the fee is on time. Checks or money orders
399 ~~shall must~~ be made payable to the Treasurer of Virginia.

400 **18VAC48-50-60. Fee schedule.**

Fee Type	Fee Amount	Recovery Fund Fee Assessment* (if applicable)	Total Amount Due	When Due
Initial Common Interest Community Manager Application	\$100 <u>\$200</u>	+ 25	\$125 <u>\$225</u>	With application
Common Interest Community Manager Renewal	\$100 <u>\$200</u>		\$100 <u>\$200</u>	With renewal application
Common Interest Community Manager Reinstatement (includes a \$200 reinstatement fee in addition to the regular \$100 renewal fee)	\$300		\$300	With renewal application
Certified Principal or Supervisory Employee Initial Application	\$75		\$75	With application
Certified Principal or Supervisory Employee Renewal	\$75		\$75	With renewal application
Certified Principal or Supervisory Employee Reinstatement (includes a \$75 reinstatement fee in addition to the regular \$75 renewal fee)	\$150		\$150	With renewal application

Training Program Provider Initial Application	\$100		\$100	With application
Training Program Provider Additional Program	\$50		\$50	With application
*In accordance with § 54.1-2354.5 of the Code of Virginia.				

401 **18VAC48-50-90. Renewal required.**

402 ~~A license~~ Licenses and certificates issued under this chapter shall ~~will~~ expire ~~one year~~ two
 403 ~~years~~ from the last day of the month in which it was issued. ~~A certificate issued under this chapter~~
 404 ~~shall expire two years from the last day of the month in which it was issued. A fee shall be required~~
 405 ~~for renewal.~~

406 **18VAC48-50-95. Training required for certified principal or supervisory employees.**

407 A. Each certified principal or supervisory employee must complete six contact hours of
 408 training, all as approved by the board pursuant to Part VI (18VAC48-50-230 et seq.) of this
 409 chapter, during each certificate renewal cycle in accordance with the requirements of this section.

410 B. Each certified principal or supervisory employee must complete two contact hours of
 411 common interest community legal updates training, and two contact hours of fair housing training.

412 C. In addition to the requirements of subsection B, each certified principal or supervisory
 413 employee must complete two contact hours of training on any of the following subject areas as
 414 they relate to common interest communities and associations:

415 1. Governance, legal matters, and communications;

416 2. Financial matters, including budgets, reserves, investments, internal controls, and
 417 assessments;

418 3. Contracting;

419 4. Risk management and insurance;

Commented [VP5]: New section added to reflect committee's discussion on 12/2/21 to require certificate holders to complete a total of six contact hours of training.

- Two (2) contact hours of Board-approved CIC legal updates (prev. CIC law and regulation)
- Two (2) contact hours of Board-approved Fair Housing.
- Two (2) contact hours of other training on Board-approved subjects.

420 5. Management ethics for common interest community managers;

421 6. Facilities maintenance; and

422 7. Human resources.

423 **18VAC48-50-97. Maintenance of training records.**

424 A. Each certificateholder must maintain evidence of the satisfactory completion of training for
425 at least three years following the end of the certificate renewal cycle for which the training was
426 taken. Such documentation must be provided to the board or its duly authorized agents upon
427 request. The following must be maintained by the certificate holder to document completion of the
428 hours of training specified in 18VAC48-50-95:

429 1. Evidence of completion that must contain the name, address, and contact information
430 of the training provider;

431 2. The dates the certificate holder participated in the training;

432 3. Descriptive material of the subject matter presented documenting that it covers the
433 subject areas described in 18VAC48-50-95; and

434 4. A statement from the provider verifying the number of contact hours completed.

435 **18VAC48-50-100. Expiration and Procedures for renewal.**

436 A. Prior to the expiration date shown on the license, ~~licenses shall be renewed upon a licensee~~
437 desiring to renew a common interest community manager license must return to the board (i)
438 ~~completion of the a completed~~ renewal application, (ii) ~~submittal of~~ proof of current bond or
439 insurance policy as ~~detailed in 18VAC48-50-30 E~~ required by 18VAC48-50-30 F and 18VAC48-
440 50-33, and (iii) ~~payment of the fees~~ the appropriate fee specified in 18VAC48-50-60.

441 B. Prior to the expiration date shown on the certificate, ~~certificates shall be renewed upon a~~
442 certificateholder desiring to renew a principal or supervisory employee certificate must return to

Commented [VP6]: New section to stipulate certificate holders must keep documentation of completing training.

443 the board (i) ~~completion of the a completed~~ renewal application; (ii) ~~submittal of proof of~~
444 ~~completion of two six hours of fair housing training as it relates to the management of common~~
445 ~~interest communities and two hours of Virginia common interest community law and regulation~~
446 ~~training in accordance with 18VAC48-50-95, both as approved by the board and completed within~~
447 ~~the two year certificate period immediately prior to the expiration date of the certificate; and (iii)~~
448 ~~payment of the fees the appropriate fee~~ specified in 18VAC48-50-60.

Commented [VP7]: Revised to require certificate holders to provide proof of completing six contact hours of training.

449 C. The board will mail a renewal notice to the regulant at the ~~last known mailing~~ address of
450 record. Failure to receive this notice ~~shall~~ does not relieve the regulant of the obligation to renew.
451 If the regulant fails to receive the renewal notice, a copy of the license or certificate may be
452 submitted with the required fees and any other required documentation as an application for
453 renewal. ~~By submitting an application for renewal, the regulant is certifying continued compliance~~
454 ~~with the Standards of Conduct and Practice in Part V (18VAC48-50-140 et seq.) of this chapter.~~

455 D. The date on which the renewal application is received by the department or its agent will
456 determine whether the renewal application was received on time. By submitting an application for
457 renewal, the regulant is certifying continued compliance with the Standards of Conduct and
458 Practice in Part V (18VAC48-50-140 et seq.) of this chapter.

459 ~~D. E.~~ E. Applicants for renewal ~~shall~~ must continue to meet all of the qualifications for licensure
460 and certification set forth in Part II (18VAC48-50-20 et seq.) of this chapter.

461 F. The board may conduct an audit of any regulant to ensure the regulant's continued
462 compliance with the requirements for licensure or certification, as applicable, established by
463 Chapter 23.3 of Title 54.1 of the Code of Virginia and this chapter.

Commented [VP8]: Added per committee discussion on 12/2/21.

464 **18VAC48-50-110. Reinstatement of common interest community manager license and**
465 **certified principal or supervisory employee certificate required.**

466 A. If all of the requirements for renewal of a license as specified in 18VAC48-50-100 A are not
467 completed within 30 days of ~~the license~~ after the expiration date on the license, the licensee ~~shall~~
468 will be required to reinstate the license by meeting all renewal requirements and by paying the
469 reinstatement fee specified in 18VAC48-50-60.

470 B. If all of the requirements for renewal of a certificate as specified in 18VAC48-50-100 B are
471 not completed within 30 days of ~~the certificate~~ after the expiration date on the certificate, the
472 certificateholder ~~shall~~ will be required to reinstate the certificate by meeting all renewal
473 requirements and by paying the reinstatement fee specified in 18VAC48-50-60.

474 C. A license or certificate may be reinstated for up to ~~six months~~ one year following the
475 expiration date. After ~~six months~~ one year, the license or certificate may not be reinstated under
476 any circumstances and the firm or individual must apply as a new applicant and meet all current
477 entry requirements ~~and apply as a new applicant~~ at the time of submittal of the new application.

478 ~~D. Any regulated activity conducted subsequent to the license expiration date may constitute~~
479 ~~unlicensed activity and be subject to prosecution under Chapter 1 (§ 54.1-100 et seq.) of Title~~
480 ~~54.1 of the Code of Virginia.~~

481 **18VAC48-50-120. Status of license or certificate during the period prior to reinstatement.**

482 A. A regulant who applies for reinstatement of a license or certificate ~~shall~~ will be subject to
483 all laws and regulations as if the regulant had been continuously licensed or certified. The regulant
484 ~~shall~~ will remain under and be subject to the disciplinary authority of the board during this entire
485 period.

486 B. Any regulated activity conducted subsequent to the license or certificate expiration date
487 may constitute unlicensed activity and be subject to prosecution under Chapter 1 (§ 54.1-100 et
488 seq.) of Title 54.1 of the Code of Virginia.

489 **18VAC48-50-130. Board discretion to deny renewal or reinstatement.**

490 A. The board may deny renewal or reinstatement of a license or certificate for the same
491 reasons as the board may refuse initial licensure or certification pursuant to 18VAC48-50-40, or
492 discipline a regulant pursuant to 18VAC48-50-140.

493 B. The board may deny renewal or reinstatement of a license or certificate if the regulant has
494 been subject to a disciplinary proceeding by the board and has not met the terms of an agreement
495 for licensure or certification, has not satisfied all sanctions, or has not fully paid any monetary
496 penalties and costs imposed by the board.

497 C. The regulant has the right to request further review of any such action by the board under
498 the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

Commented [VP9]: Revised per committee discussion on 12/2/21.

1 **Common Interest Community Board**

2 **General Review**

3 Chapter 50

4 COMMON INTEREST COMMUNITY MANAGER REGULATIONS

5 Part V

6 Standards of Conduct and Practice

7 **18VAC48-50-140. Grounds for disciplinary action.**

8 The board may place a regulant on probation, impose a monetary penalty in accordance with
9 § 54.1-202 A of the Code of Virginia, or revoke, suspend, or refuse to renew any license or
10 certificate when the regulant has been found to have violated or cooperated with others in violating
11 any provisions provision of the regulations of the board or Chapter 23.3 (§ 54.1-2345 et seq.) of
12 Title 54.1 of the Code of Virginia.

13 **18VAC48-50-150. Maintenance of license or certificate.**

14 A. No license or certificate issued by the board ~~shall~~ may be assigned or otherwise transferred.

15 B. A licensed common interest community manager must notify the board, in writing, of any
16 change in the firm's name or trade or fictitious name within 30 days of the change. A certified
17 principal or supervisory employee must notify the board, in writing, of any change in the
18 certificateholder's legal name within 30 days of the change. Such notification must be
19 accompanied by documentation acceptable to the board that verifies the name change.

20 C. A regulant ~~shall~~ must report, in writing, ~~all changes~~ any change of address, to include the
21 physical address, as applicable, to the board within 30 days of the change ~~and shall return the~~
22 ~~license or certificate to the board. In addition to the address of record, a physical address is~~
23 ~~required for each license or certificate. If the regulant holds more than one license, certificate, or~~

Commented [VP1]: Provisions added to make the regulation more consistent with other DPOR regulations regarding requirements to report changes.

Commented [VP2]: Provision added to clarify what address changes must be reported to the Board.

Commented [VP3]: Provision removed as it is unnecessary and does not align with current agency practice.

Commented [VP4]: Provision removed as it is not applicable. A physical address is only required if the regulant has a post office box for a mailing address.

24 registration, the regulant shall inform the board of all licenses, certificates, and registrations
25 affected by the address change. The board will not be responsible for the regulant's failure to
26 receive notices, communications, and correspondence caused by the regulant's failure to
27 promptly notify the board of any change of address.

Commented [VP5]: Provision removed as it is unnecessary and does not align with current agency practice.

28 ~~C. Any change in any of the qualifications for licensure or certification found in 18VAC48-50-~~
29 ~~30 or 18VAC48-50-35 shall be reported to the board within 30 days of the change.~~

Commented [VP6]: Provision added to make the regulation more consistent with other DPOR regulations.

30 D. A licensee must report, in writing, any change in the firm's principals, qualifying individual,
31 or responsible person within 30 days of the change.

Commented [VP7]: Provision is being moved to the end of this section, and revised.

32 ~~E. Notwithstanding the provisions of subsection C of this section, a A licensee shall must~~
33 ~~report the cancellation, amendment, expiration, or any other change of any bond or insurance~~
34 ~~policy submitted in accordance with 18VAC48-50-30 E within five days of the change.~~

Commented [VP8]: Provision added to clarify a licensee must report any change in qualifying individual, responsible person, and principals. Provision aligns the regulation to current agency practice.

35 F. A licensee that qualified for licensure pursuant to 18VAC48-50-30 J must report, in writing,
36 any change in status of the licensee's active designation as an Accredited Association
37 Management Company by Community Association's Institute, to include loss of such designation,
38 within 30 days of the change.

Commented [VP9]: Provision added to require a firm licensed by way of having an AAMC to report any change in the status of the credential. To the extent a licensee qualified with an AAMC, but may no longer meet requirements for an AAMC, the licensee may no longer meet requirements for licensure.

39 ~~E. G. A licensee shall must report, in writing, to the board the discharge or termination of active~~
40 ~~status of an employee holding a certificate within 30 days of the discharge or termination of active~~
41 ~~status.~~

42 F. H. A certified principal or supervisory employee shall must report, in writing, a change in
43 employing common interest community manager within 30 days of the change.

44 I. A licensed common interest community manager must report, in writing, any change in the
45 licensee's qualifications for licensure under 18VAC48-50-30 within 30 days of the change. A
46 certified principal or supervisory employee must report any change in the certificate holder's
47 qualifications for certification under 18VAC48-50-35 within 30 days of the change.

Commented [VP10]: Previously subsection C of this section. Provisions have been revised to clarify what a regulant must report.

48 **18VAC48-50-160. Maintenance and management of accounts.**

Commented [VP11]: Section revised to make clearer.

49 Licensed firms shall ~~A licensee must~~ maintain all funds ~~from associations~~ received and held
50 ~~on behalf of any association to which it provides management services~~ in accordance with § 54.1-
51 2353 A of the Code of Virginia. Funds that belong to such association or others that are held as
52 a result of the fiduciary relationship shall ~~must~~ be ~~labeled as such~~ accounted for to clearly
53 distinguish the funds that belong to others from those funds of belonging to the common interest
54 community manager.

55 **18VAC48-50-170. Change of business entity requires a new license.**

56 A. Licenses are issued to firms as defined in this chapter and are not transferable. Whenever
57 the legal business entity holding the license is dissolved or altered to form a new business entity,
58 the license becomes void and ~~shall~~ must be returned to the board within 30 days of the change.

59 Such changes include ~~but are not limited to:~~

- 60 1. Cessation of the business or the voluntary termination of a sole proprietorship or general
61 partnership;
- 62 2. Death of a sole proprietor;
- 63 3. Formation, reformation, or dissolution of a general partnership, limited partnership,
64 corporation, limited liability company, association, or any other business entity recognized
65 under the laws of the Commonwealth of Virginia; or

66 ~~4. The suspension or~~ Suspension, revocation, termination of the corporation's existence
67 or cancellation by the State Corporation Commission.

Commented [VP12]: Revised to make clearer, and include other avenues by which an entity may be made no longer valid by SCC.

68 ~~B. When a new firm is formed, the new firm shall apply for~~ must obtain a new license ~~on a~~
69 ~~form provided by~~ from the board before engaging in any activity regulated by Chapter 23.3 (§
70 54.1-2345 et seq.) of Title 54.1 of the Code of Virginia or the regulations of the board.

Commented [VP13]: Revised to make clear a new entity must become licensed in order to provide management services.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulatory or Official Board position.
DRAFT AGENDA

71 **18VAC48-50-180. Notice of adverse action.**

72 A. ~~Licensed firms shall~~ A licensee must notify the board, in writing, of the following actions
73 against the firm, the responsible person, the qualifying individual, and any principals of the firm:

74 1. Any disciplinary action taken by any jurisdiction, board, or administrative body of
75 competent jurisdiction, including any reprimand, ~~license or certificate~~ revocation,
76 suspension, or denial of a license, certificate, or registration, imposition of a monetary
77 penalty, or requirement ~~for~~ to take remedial education or other corrective action.

78 2. Any voluntary surrendering of a license, certificate, or registration done in connection
79 with a disciplinary action ~~in another~~ taken by any jurisdiction, board, or administrative body
80 of competent jurisdiction.

81 3. Any conviction, finding of guilt, or plea of guilty, regardless of adjudication or deferred
82 adjudication, in any jurisdiction of the United States of any misdemeanor, except
83 marijuana convictions involving moral turpitude, sexual offense, non-marijuana drug
84 distribution, or physical injury, or any felony, there being no appeal pending therefrom or
85 the time for appeal having lapsed. Review of convictions ~~shall~~ will be subject to the
86 requirements of § 54.1-204 of the Code of Virginia. ~~Any plea of nolo contendere shall be~~
87 ~~considered a conviction for the purpose of this section.~~

88 B. ~~Certified~~ A certified principal or supervisory ~~employees shall~~ employee must notify the
89 board, in writing, and must notify the responsible person of the employing firm, if applicable, of
90 the following actions against the certified principal or supervisory employee:

91 1. Any disciplinary action taken by any jurisdiction, board, or administrative body of
92 competent jurisdiction, including any reprimand, ~~license or certificate~~ revocation,
93 suspension or denial of a license, certificate, or registration, imposition of a monetary
94 penalty, or requirement ~~for~~ to take remedial education, or other corrective action.

Commented [VP14]: Provisions in this section revised to clarify disciplinary action includes action taken against a certificate or registration.

Provisions also removed to make the regulation consistent with changes in 18VAC48-50-30 and 18VAC48-50-35 pertaining to pleas of *nolo contendere* and requirements for certified record of conviction, which may be contrary to § 54.1-204 of the Code of Virginia.

Commented [VP15]: Added since action against the qualifying individual of a firm may have a bearing on the firm's fitness to be a licensee.

Commented [VP16]: Revised to clarify that any voluntary surrendering taken by any regulatory body (including Virginia) in connection with a disciplinary action.

Commented [VP17]: Revised to include any misdemeanor (except marijuana convictions), instead of categories of offenses.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion and are not to be printed in regulation or official Board position.

95 2. Any voluntary surrendering of a license, certificate, or registration done in connection
96 with a disciplinary action ~~in another taken by any jurisdiction, board, or administrative body~~
97 ~~of competent jurisdiction.~~

Commented [VP18]: Revised to clarify that any voluntary surrendering taken by any regulatory body (including Virginia) in connection with a disciplinary action.

98 3. Any conviction, finding of guilt, or plea of guilty, regardless of adjudication or deferred
99 adjudication, in any jurisdiction of the United States ~~of any misdemeanor, except~~
100 ~~marijuana convictions involving moral turpitude, sexual offense, non marijuana drug~~
101 ~~distribution, or physical injury,~~ or any felony, there being no appeal pending therefrom or
102 the time for appeal having lapsed. Review of convictions ~~shall~~ will be subject to the
103 requirements of § 54.1-204 of the Code of Virginia. ~~Any plea of nolo contendere shall be~~
104 ~~considered a conviction for the purpose of this section.~~

Commented [VP19]: Revised to include any misdemeanor (except marijuana convictions), instead of categories of offenses.

105 C. The notice must be ~~made~~ given to the board in writing within 30 days of the action. A copy
106 of the order or other supporting documentation must accompany the notice. ~~The record of~~
107 ~~conviction, finding, or case decision shall be considered prima facie evidence of a conviction or~~
108 ~~finding of guilt.~~

109 **18VAC48-50-190. Prohibited acts.**

Commented [VP20]: Most of the prohibited acts in the section are being re-ordered to group similar types of offenses together.

110 The following acts are prohibited and any violation may result in disciplinary action by the
111 board:

112 1. Violating, inducing another to violate, or cooperating with others in violating any of the
113 provisions of any of the regulations of the board; Chapter 23.3 (§ 54.1-2345 et seq.) of
114 Title 54.1 of the Code of Virginia; or Chapter 18 (§ 55.1-1800 et seq.), Chapter 19 (§ 55.1-
115 1900 et seq.), or Chapter 21 (§ 55.1-2100 et seq.) of Title 55.1 of the Code of Virginia or
116 engaging in any acts enumerated in §§ 54.1-102 and 54.1-111 of the Code of Virginia.

117 2. Allowing a license or certificate issued by the board to be used by another.

- 118 3. Obtaining or attempting to obtain a license or certificate by false or fraudulent
119 representation, or maintaining, renewing, or reinstating a license or certificate by false or
120 fraudulent representation; or furnishing substantially inaccurate or incomplete information
121 to the board in obtaining, renewing, reinstating, or maintaining a license or certificate.
- 122 4. A regulant having been convicted, found guilty, or disciplined in any jurisdiction of any
123 offense or violation enumerated in 18VAC48-50-180.
- 124 5. Failing to inform the board, and the responsible person of the employing firm, if
125 applicable, in writing within 30 days that the regulant was convicted, found guilty, or
126 disciplined in any jurisdiction of any offense or violation enumerated in 18VAC48-50-180.
- 127 6. Failing to report a change as required by 18VAC48-50-150 or 18VAC48-50-170.
- 128 7. ~~The intentional and unjustified failure to comply with the terms of the management~~
129 ~~contract, operating agreement, or association governing documents~~ Operating or
130 advertising in any name other than the name in which the license or certificate was issued.
- 131 8. ~~Engaging in dishonest or fraudulent conduct in providing management services~~ Failure
132 to use a contract that complies with 18VAC48-50-195.
- 133 9. ~~Failing to satisfy any judgments or restitution orders entered by a court or arbiter of~~
134 ~~competent jurisdiction~~ Failing to disclose to the association material facts related to the
135 association's property or concerning management services of which the regulant has
136 actual knowledge.
- 137 10. ~~Egregious or repeated violations of generally accepted standards for the provision of~~
138 ~~management services~~ Failing upon written request of the association to provide
139 association books and records such that the association can perform pursuant to §§ 55.1-
140 1815 (Property Owners' Association Act), 55.1-1945 (Virginia Condominium Act), and
141 55.1-2151 (Virginia Real Estate Cooperative Act) of the Code of Virginia.

Commented [VP21]: Added to include potential cases where a regulant's intent may not have been to deceive or misrepresent to the Board, but failure to provide accurate or complete information to the Board caused harm.

Commented [VP22]: Moved to #16 and revised.

Commented [VP23]: Moved from #18 and revised to include operating under a different name; and adding certificate.

Commented [VP24]: Moved to #17.

Commented [VP25]: New provision that replaces existing #19 and #20. Standards for management contracts moved to a new section -195.

Commented [VP26]: Moved to #18.

Commented [VP27]: Moved from #13.

Commented [VP28]: Moved to #15.

Commented [VP29]: Moved from #15.

Should line 139 be revised to add the words "...to the association" after "books and records"?

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion and are not to be construed as regulation or official Board position.

142 11. ~~Failing to handle association funds in accordance with the provisions of § 54.1-2353~~
143 ~~A of the Code of Virginia or 18VAC48-50-160 Failing to provide complete records related~~
144 ~~to the association's management services to the association within 30 days of any written~~
145 ~~request by the association or within 30 days of the termination of the contract unless~~
146 ~~otherwise agreed to in writing by both the association and the common interest community~~
147 ~~manager.~~

Commented [VP30]: Moved to #12.

148 12. ~~Failing to account in a timely manner for all money and property received by the~~
149 ~~regulant in which the association has or may have an interest Failing to handle association~~
150 ~~funds in accordance with the provisions of § 54.1-2353 A of the Code of Virginia or~~
151 ~~18VAC48-50-160.~~

Commented [VP31]: Moved from #14.

Commented [VP32]: Moved to #13.

152 13. ~~Failing to disclose to the association material facts related to the association's property~~
153 ~~or concerning management services of which the regulant has actual knowledge Failing~~
154 ~~to account in a timely manner for all money and property received by the regulant in which~~
155 ~~the association has or may have an interest.~~

Commented [VP33]: Moved from #11.

Commented [VP34]: Moved to #9.

156 14. ~~Failing to provide complete records related to the association's management services~~
157 ~~to the association within 30 days of any written request by the association or within 30~~
158 ~~days of the termination of the contract unless otherwise agreed to in writing by both the~~
159 ~~association and the common interest community manager Commingling the funds of any~~
160 ~~association by the firm's principal, employees, or associates with the principal's own funds~~
161 ~~or those of the firm.~~

Commented [VP35]: Moved from #12.
Should the term "timely manner" be replaced with a concrete timeframe (e.g. 45-60 days)?

Commented [VP36]: Moved to #11.

162 15. ~~Failing upon written request of the association to provide books and records such that~~
163 ~~the association can perform pursuant to §§ 55.1-1815 (Property Owners' Association Act),~~
164 ~~55.1-1945 (Virginia Condominium Act), and 55.1-2151 (Virginia Real Estate Cooperative~~
165 ~~Act) of the Code of Virginia Failing to act in providing management services in a manner~~

Commented [VP37]: Moved from #16 and revised to make clearer.
Should this be revised to reflect:
"Commingling the funds of any association with the funds of a licensee or such licensee's firm or with other associations under contract with the licensee." ?

Commented [VP38]: Moved to #10.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion and are not to be construed as regulatory or official Board position.

166 that safeguards the interests of the public, to include egregious or repeated violations of
167 generally accepted standards for the provision of management services.

Commented [VP39]: Moved from #17 and merged with #10.

168 16. ~~Commingling the funds of any association by a principal, his employees, or his~~
169 ~~associates with the principal's own funds or those of his firm.~~ The unjustified failure to
170 comply with the terms of the management contract, operating agreement, or association
171 governing documents.

Commented [VP40]: Moved to #14.

172 17. ~~Failing to act in providing management services in a manner that safeguards the~~
173 ~~interests of the public.~~ Engaging in improper, dishonest or fraudulent conduct in providing
174 management services.

Commented [VP41]: Moved from #7. Revised to remove the word "intentional."

Should the term "operating agreement" be removed?

Commented [VP42]: Moved to #15.

175 18. ~~Advertising in any name other than the name in which licensed.~~ Failing to satisfy any
176 judgment or restitution order entered by a court or arbiter of competent jurisdiction.

Commented [VP43]: Moved from #8. Revised to include "improper" conduct.

Commented [VP44]: Moved to #7.

177 19. ~~Failing to make use of a legible, written contract clearly specifying the terms and~~
178 ~~conditions of the management services to be performed by the common interest~~
179 ~~community manager.~~ comply with the requirements of 18VAC48-50-220. The contract shall
180 include the following:

Commented [VP45]: Moved from #9.

Should this include failure to satisfy agreements made as the result of a mediation process?

181 a. ~~Beginning and ending dates of the contract;~~

Commented [VP46]: Provisions in #19 regarding minimum requirements for contracts moved to new section -195.

182 b. ~~Cancellation rights of the parties;~~

This subdivision was revised to provide a prohibited act for failing to comply with requirements to respond to inquiries of the Board.

183 c. ~~Record retention and distribution policy;~~

184 d. ~~A general description of the records to be kept and the bookkeeping system to be~~
185 ~~used; and~~

186 e. ~~The common interest community manager's license number.~~

187 ~~20. Performing management services or accepting payments prior to the signing of the~~
188 ~~contract by an authorized official of the licensed firm and the client or the client's~~
189 ~~authorized agent.~~

Commented [VP47]: Requirements moved to new section -195.

190 **18VAC48-50-195. Management services contracts.**

Commented [VP48]: New section outlining requirements for management services contracts. This merges provisions that were in subdivisions #19 and #20 of section -190.

191 A. For the protection of both the association and the licensee, a licensee must make use of
192 legible, written contract clearly specifying the terms and conditions of the management services
193 to be performed by the licensee. Prior to the performing of management services or acceptance
194 of payments, the contract must be signed by an authorized official of the association, or an
195 authorized agent of the association, and an authorized official of the licensee. The licensee must
196 make prompt delivery to the association, or the association's authorized agent, a fully executed
197 copy of the contract in compliance with this section before providing management services. Any
198 modification to the contract which changes the cost, term of the contract, cancellation rights of
199 the parties, or scope of management services to be provided must be in writing and signed by all
200 parties.

Commented [VP49]: Added requirement to enhance protection of public.

Commented [VP50]: Added requirement to enhance protection of public.

201 B. At a minimum, the written contract must include:

- 202 1. The common interest community manager's license number;
- 203 2. Beginning and ending dates of the contract;
- 204 3. Cancellation rights of the parties;
- 205 4. Record retention and distribution policy;
- 206 5. A general description of the records to be kept and the bookkeeping system to be used;
- 207 6. Insurance requirements for both the common interest community manager and the
208 association; and

Commented [VP51]: Added minimum provision.

209 7. Disclosure of relationships with other firms that provide services to common interest
210 communities, or to either of the parties, that may give rise to a conflict of interest for the
211 common interest community manager.

Commented [VP52]: Added minimum provision.

212 **18VAC48-50-200. Establishment of code of conduct.**

213 The ~~firm shall~~ licensee must establish and distribute to the firm's employees, principals, ~~and~~
214 ~~agents~~ a written code of conduct to address business practices ~~including~~ , to include the
215 appropriateness of giving and accepting gifts, bonuses, or other remuneration to and from
216 common interest communities or providers of services to common interest communities. In
217 accordance with clause (ii) of § 54.1-2346 E of the Code of Virginia, the code of conduct for
218 officers, directors, and employees ~~shall~~ must also address disclosure of relationships with other
219 firms that provide services to common interest communities and that may give rise to a conflict of
220 interest.

Commented [VP53]: Does this section need to specify "agents"?

221 **18VAC48-50-205. Conflicts of interest.**

222 Unless authorized by the governing board of an employing association, no common interest
223 community manager may accept remuneration from vendors, independent contractors, service
224 providers, or others providing goods or services to the association, whether in the form of
225 commissions, finders fees, services fees, discounts, or otherwise. Any remuneration or
226 discount received must benefit the association.

Commented [VP54]: New section added to address concern regarding conflicts of interest, specifically to vendors hired by management companies.

Consider other issues that may present a conflict of interest.

Consider whether to make a disclosure requirement instead.

227 **18VAC48-50-210. Establishment of internal accounting controls.**

228 The ~~firm shall~~ licensee must establish written internal accounting controls to provide adequate
229 checks and balances over the firm's financial activities and to manage the risk of fraud and illegal
230 acts. The internal accounting controls ~~shall~~ must be in accordance with generally accepted
231 accounting practices.

232 **18VAC48-50-215. Association disclosure packets and condominium resale certificates.**

233 Any common interest community manager that, on behalf of an association, performs the
234 duties imposed on the association by Article 2 of the Property Owners' Association Act (§ 55.1-
235 1808 et seq. of the Code of Virginia) or Article 5 of the Virginia Condominium Act (§ 55.1-1990 et
236 seq. of the Code of Virginia) is responsible for ensuring the association's compliance with the
237 provisions of law applicable to the association.

238 **18VAC48-50-220. Response to inquiry and provision of records.**

239 A. A regulant must respond, in writing, within 10 days to a request by the board or any of its
240 agents regarding any complaint filed with the department.

241 B. Unless otherwise specified by the board or its agent, a regulant of the board ~~shall~~ must
242 produce to the board or any of its agents within 10 days of the request any document, book, or
243 record concerning any transaction pertaining to a complaint filed in which the regulant was
244 involved, or for which the regulant is required to maintain records for inspection and copying by
245 the board or its agents. The board or its agent may extend such time frame upon, in writing, a
246 showing of extenuating circumstances prohibiting delivery within such 10-day period.

247 C. A regulant ~~shall~~ must not provide a false, misleading, or incomplete response to the board
248 or any of its agents seeking information in the investigation of a complaint filed with the board.

249 D. With the exception of the requirements of subsections A and B of this section, a regulant
250 must respond, in writing, to an inquiry by the board or its agent within 21 days.

251 **18VAC48-50-225. Regulant's responsibility.**

252 A. The primary obligation of the regulant is to the public. If the regulant's judgment is overruled
253 and not adhered to when advising appropriate parties of the circumstances of a substantial threat
254 to the public health, safety, or welfare, the regulant must inform the employer or association, as
255 applicable, of the possible consequences and notify appropriate authorities.

Commented [VP55]: New section added to address POA disclosure packets and condominium resale certificates prepared by management company on behalf of association.

Commented [VP56]: New section added to address regulant's obligation to the public, including duty to report violations to laws/regulations to the Board.

256 B. A regulant must not knowingly associate in a business venture with, or permit the use of
257 the regulant's name by, any person or firm where there is reason to believe that person or firm is
258 engaging in activity of a fraudulent or dishonest nature or is violating any law or regulation of the
259 board.

260 C. A regulant who has direct knowledge that another individual or firm may have violated, or
261 may be violating, any provision of this chapter, or the provisions of Chapter 23.3 (§ 54.1-2345 et
262 seq.) of Title 54.1 of the Code of Virginia, or Chapters 18 (§ 55.1-1800 et seq.), 19 (§ 55.1-1900
263 et seq.), or 21 (§ 55.1-2100 et seq.) of Title 55.1 of the Code of Virginia must immediately inform
264 the board in writing and must cooperate in furnishing any further information or assistance that
265 may be required by the board or any of its agents.

266 Part VI

267 Training Programs, Training Modules, and Examination

Commented [VP57]: This part is revised to add provisions for training module approval by the Board.

268 **18VAC48-50-230. Training programs and training modules generally.**

269 All training programs and training modules proposed for the purposes of meeting the
270 requirements of this chapter must be approved by the board. ~~Any or all of the approved~~ Approved
271 training programs can be met and training modules may be delivered using distance, virtual, or
272 online education technology. Training programs and training modules may be approved
273 retroactively; however, no applicant will receive credit for the training program or training module
274 until such approval is granted by the board.

Commented [VP58]: Revised to make clearer, and incorporate virtual learning.

275 **18VAC48-50-240. Approval of common interest community manager training programs**
276 **and training modules.**

277 Each provider of a training program ~~shall~~ or training module must submit an application for
278 program or module approval on a form provided by the board. In addition to the appropriate fee
279 provided in 18VAC48-50-60, the application ~~shall~~ must include ~~but is not limited to:~~

- 280 1. The name of the provider;
- 281 2. Provider contact person, address, and telephone number;
- 282 3. Program or module contact hours;
- 283 4. ~~Schedule of training program, if established, including dates, times, and locations~~
- 284 Method of delivery;
- 285 5. Instructor information, including name, license or certificate number(s), if applicable,
- 286 and a list of trade-appropriate designations, as well as a professional resume with a
- 287 summary of teaching experience and subject-matter knowledge and qualifications
- 288 acceptable to the board;
- 289 6. A summary of qualifications and experience in providing training under this chapter;
- 290 7. ~~Training program and material fees~~ Materials to be provided to students; and
- 291 8. Fees for the training program or module and materials; and
- 292 ~~8-9.~~ 9. Training program or module syllabus.

Commented [VP59]: Removed as it not necessary.

Commented [VP60]: Added to reflect agency practice which requires disclosure of method of delivery.

Commented [VP61]: Moved to #8 and revised to make clearer.

Commented [VP62]: Added to reflect agency practice which requires training materials to be included in application.

293 **18VAC48-50-250. Introductory and comprehensive training program requirements.**

294 A. In order to qualify as an introductory training program under 18VAC48-50-30 or 18VAC48-

295 50-35, the introductory training program must include a minimum of 16 contact hours and the

296 syllabus ~~shall~~ must encompass all of the subject areas set forth in subsection C of this section.

297 B. In order to qualify as a comprehensive training program under 18VAC48-50-30 or

298 18VAC48-50-35, the comprehensive training program must include a minimum of 80 contact

299 hours and the syllabus ~~shall~~ must include at least 40 contact hours encompassing all of the subject

300 areas set forth in subsection C of this section and may also include up to 40 contact hours in other

301 subject areas approved by the board.

302 C. The following subject areas as they relate to common interest communities and
303 associations shall must be included in all comprehensive and introductory training programs. The
304 time allocated to each subject area must be sufficient to ensure adequate coverage of the subject
305 as determined by the board.

- 306 1. Governance, legal matters, and communications;
- 307 2. Financial matters, including budgets, reserves, investments, internal controls, and
308 assessments;
- 309 3. Contracting;
- 310 4. Risk management and insurance;
- 311 5. Management ethics for common interest community managers;
- 312 6. Facilities maintenance; and
- 313 7. Human resources.

314 D. All In accordance with subdivisions A 2 and A 3 of § 54.1-2349 of the Code of Virginia,
315 introductory and comprehensive training programs are required to have a final, written
316 examination.

Commented [VP63]: Revised to clarify requirement that introductory and comprehensive programs have an examination.

317 **18VAC48-50-252. Virginia common interest community laws and regulations training**
318 **module.**

Commented [VP64]: New section to establish requirements for Virginia module. Incorporates discussion during committee meeting on 12/2/21.

319 A. In order to qualify as a Virginia common interest community laws and regulations training
320 module under 18VAC48-50-30 and 18VAC48-50-35, the training module must include a minimum
321 of four contact hours, and the syllabus must encompass all of the subject areas set forth in
322 subsection B of this section.

323 B. The following subject areas must be included in all Virginia common interest community
324 laws and regulations training modules. The time allocated to each subject area must be sufficient
325 to ensure adequate coverage of the subject as determined by the board.

326 1. Overview of Virginia common interest community statutes and regulations.

327 a. Property Owners' Association Act (Chapter 18 of Title 54.1 of the Code of Virginia).

328 b. Virginia Condominium Act (Chapter 19 of Title 54.1 of the Code of Virginia).

329 c. Virginia Real Estate Cooperative Act (Chapter 22 of Title 54.1 of the Code of
330 Virginia).

331 d. Horizontal Property Act (Chapter 20 of Title 54.1 of the Code of Virginia) and
332 Subdivided Land Sales Act (Chapter 23 of Title 54.1 of the Code of Virginia).

333 e. Chapter 23.3 of Title 54.1 of the Code of Virginia.

334 f. Common Interest Community Manager Regulations (18VAC48-50).

335 g. Common Interest Community Association Registration Regulations (18VAC48-60).

336 h. Common Interest Community Ombudsman Regulations (18VAC48-70).

337 i. Roles and responsibilities of the board.

338 2. Virginia requirements for the operation and management of associations.

339 a. Access to association books and records.

340 b. Meetings of association and governing boards.

341 (1) Notice of meeting.

342 (2) Rights of owners to attend and comment.

343 (3) Executive session.

344 (4) Elections and voting.

- 345 (5) Minutes of meetings.
- 346 c. Budgets, assessments, and reserves.
- 347 (1) Budgets and assessments.
- 348 (2) Reserves and reserve studies.
- 349 (3) Declarant assessments and bonds for condominiums.
- 350 d. Management of common areas and common elements.
- 351 e. Adoption and enforcement of rules.
- 352 f. Association registration and annual reports.
- 353 3. Virginia fair housing laws as related to common interest communities.
- 354 4. Resale of lots or units.
- 355 (1) Process and time frames; inspections.
- 356 (2) Contents of disclosure packets and resale certificates.
- 357 (3) Fees for preparation of disclosure packets and resale certificates.
- 358 5. Common interest community association complaint procedure.
- 359 (1) Role of the office of the common interest community ombudsman.
- 360 (2) Requirements for association complaint procedure.
- 361 (3) Final adverse decisions.
- 362 6. Standards of conduct and practice for common interest community managers.
- 363 (1) Section 54.1-2353 of the Code of Virginia.
- 364 (2) Part V (18VAC48-50-140 et seq.) of Common Interest Community Manager
- 365 Regulations.

366 **18VAC48-50-253. Virginia common interest community law and regulation legal updates**
367 **training program requirements.**

368 A. In order to qualify as a Virginia common interest community law and regulation legal
369 updates training program for renewal of certificates issued by the board, the common interest
370 community law and regulation legal updates program must include a minimum of ~~two~~ one contact
371 hours hour and the syllabus shall must encompass updates to Virginia laws and regulations
372 directly related to common interest communities the topics set forth in subsection B of this section,
373 and may include the topics set forth in subsection C of this section. The time allocated to each
374 subject area must be sufficient to ensure adequate coverage of the subject as determined by the
375 board.

376 B. All common interest community legal updates training programs must include legal updates
377 directly related to common interest communities to include as applicable:

- 378 1. Changes to statues or regulations;
379 2. Recent court decisions; and
380 3. Recent significant determinations of the Common Interest Community Ombudsman.

381 C. A common interest community legal updates training program may include other legal
382 topics or legal updates that pertain to common interest communities.

383 **18VAC48-50-255. Fair housing training program requirements.**

384 In order to qualify as a fair housing training program for renewal of certificates issued by the
385 board, the fair housing training program must include a minimum of ~~two~~ one contact hours hour
386 and the syllabus shall must encompass updates to Virginia fair housing laws and any updates, all
387 as related to common interest communities.

Commented [VP65]: Revised to make this training program a legal updates. Requires program include updates re: Virginia CIC laws and regulations. Allows program provider to include other legal topics.

Commented [VP66]: Reduced to minimum one contact hour per committee discussion on 12/2/21.

Commented [VP67]: Reduced to minimum one contact hour per committee discussion on 12/2/21.

Commented [VP68]: Added to require that FH training only include updates to fair housing laws.

388 **18VAC48-50-256. Miscellaneous topics training programs.**

Commented [VP69]: New section to address training programs for miscellaneous topics.

389 In order to qualify as a training program for training required by subsection C of 18VAC48-50-
390 95, the training program must include a minimum of one contact hour and cover any of the
391 following subject areas as they relate to common interest communities:

392 1. Governance, legal matters, and communications;

393 2. Financial matters, including budgets, reserves, investments, internal controls, and
394 assessments;

395 3. Contracting;

396 4. Risk management and insurance;

397 5. Management ethics for common interest community managers;

398 6. Facilities maintenance; and

399 7. Human resources.

400 The time allocated to each subject area must be sufficient to ensure adequate coverage of
401 the subject as determined by the board.

402 **18VAC48-50-257. Documentation of training program and training module completion**
403 **required.**

404 All training program and training module providers must provide each student with a certificate
405 of training program or training module completion, as applicable, or other documentation that the
406 student may use as proof of training program or training module completion. Such documentation
407 ~~shall~~ must contain the contact hours completed.

408 **18VAC48-50-260. Maintenance of records.**

409 All providers must establish and maintain a record for each student. The record ~~shall~~ must
410 include the student's name and address, the training program or training module name and hours

411 attended, the training program or training module syllabus or outline, the name or names of the
412 instructors, the date of successful completion, and the board's approved training program ~~code~~
413 or module identification number. Records ~~shall~~ **must** be available for inspection during normal
414 business hours by authorized representatives of the board. Providers must maintain these records
415 for a minimum of five years.

Commented [VP70]: Revised for clarity.

416 **18VAC48-50-270. Reporting of changes.**

417 Any change in the information provided in 18VAC48-50-240 must be reported to the board
418 within 30 days of the change ~~with the exception of changes in the schedule of training program~~
419 ~~offerings, which must be reported within 10 days of the change~~. Any change in information
420 submitted will be reviewed to ensure compliance with the provisions of this chapter.

Commented [VP71]: Removed as it is not necessary.

421 **18VAC48-50-275. Board authority to audit approved training programs and training**
422 **providers.**

Commented [VP72]: New section added to permit Board to audit approved training programs and providers.

423 The board may conduct an audit of any board-approved training program or training program
424 provider to ensure continued compliance with this chapter.

425 **18VAC48-50-280. Withdrawal of approval.**

426 The board may withdraw approval of any training program or training module for the following
427 reasons:

- 428 1. The training program or training module being offered no longer meets the standards
429 established by the board.
- 430 2. The provider, through an agent or otherwise, advertises its services in a fraudulent or
431 deceptive way.

432 3. The provider, instructor, or designee of the provider falsifies any information relating to
433 the application for approval, training program or module information, or student records or
434 fails to produce records required by 18VAC48-50-260.

435 4. A change in the information provided that results in noncompliance with 18VAC48-50-
436 240, ~~except for subdivision 4 of 18VAC48-50-240.~~

437 5. Failure to comply with 18VAC48-50-270.

438 **~~18VAC48-50-290. Examinations. (Repealed.)~~**

439 ~~All examinations required for licensure or certification shall be approved by the board and~~
440 ~~administered by the board, a testing service acting on behalf of the board, or another~~
441 ~~governmental agency or organization.~~

442

Commented [VP73]: Removed as it is no longer necessary.

Commented [VP74]: Section repealed as this requirement is addressed in -250.

18VAC48-50-190. Prohibited acts.

The following acts are prohibited and any violation may result in disciplinary action by the board:

1. Violating, inducing another to violate, or cooperating with others in violating any of the provisions of any of the regulations of the board; Chapter 23.3 (§ 54.1-2345 et seq.) of Title 54.1 of the Code of Virginia; or Chapter 18 (§ 55.1-1800 et seq.), Chapter 19 (§ 55.1-1900 et seq.), or Chapter 21 (§ 55.1-2100 et seq.) of Title 55.1 of the Code of Virginia or engaging in any acts enumerated in §§ 54.1-102 and 54.1-111 of the Code of Virginia.
2. Allowing a license or certificate issued by the board to be used by another.
3. Obtaining or attempting to obtain a license or certificate by false or fraudulent representation, or maintaining, renewing, or reinstating a license or certificate by false or fraudulent representation; or furnishing substantially inaccurate or incomplete information to the board in obtaining, renewing, reinstating, or maintaining a license or certificate.
4. A regulant having been convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18VAC48-50-180.
5. Failing to inform the board, and the responsible person of the employing firm, if applicable, in writing within 30 days that the regulant was convicted, found guilty, or disciplined in any jurisdiction of any offense or violation enumerated in 18VAC48-50-180.
6. Failing to report a change as required by 18VAC48-50-150 or 18VAC48-50-170.
7. Operating or advertising in any name other than the name in which the license or certificate was issued.
8. Failure to use a contract that complies with 18VAC48-50-195.

9. 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.

10. Failing upon written request of the association to provide association books and records such that the association can perform pursuant to §§ 55.1-1815 (Property Owners' Association Act), 55.1-1945 (Virginia Condominium Act), and 55.1-2151 (Virginia Real Estate Cooperative Act) of the Code of Virginia.

11. 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.

12. Failing to handle association funds in accordance with the provisions of § 54.1-2353 A of the Code of Virginia or 18VAC48-50-160.

13. 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.

14. Commingling the funds of any association by the firm's principal, employees, or associates with the principal's own funds or those of the firm.

15. Failing to act in providing management services in a manner that safeguards the interests of the public, to include egregious or repeated violations of generally accepted standards for the provision of management services.

16. The unjustified failure to comply with the terms of the management contract, operating agreement, or association governing documents.

17. Engaging in improper, dishonest or fraudulent conduct in providing management services.

18. Failing to satisfy any judgment or restitution order entered by a court or arbiter of competent jurisdiction.

19. Failing to comply with the requirements of 18VAC48-50-220.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board position.
DRAFT AGENDA

DISCUSSION AND REVIEW OF REGULATORY REVIEW TOPICS

- a. Standards of Conduct and Practice
- b. Training Programs and Examination

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation of the Official Board
DRAFT AGENDA

Common Interest Community Board

Common Interest Community Manager Regulatory Review Committee

Recommendations for Legislative Changes

During review of the Common Interest Community Manager Regulations, the Committee identified the following items that it recommends the Board consider making part of its requests for legislative changes:

1. Conduct a study on removing the licensure exemption under § 54.1-2347(A)(2) of the Code of Virginia for an employee of an association who provides management services to the association.
2. Legislation to eliminate or reduce the two (2) year period outlined in § 54.1-2346(C) of the Code of Virginia for principal or supervisory employees of the firm to hold a principal or supervisory employee certificate issued by the Board after beginning employment with a common interest community manager.
3. Legislation to change § 54.1-2349(A)(2) of the Code of Virginia so that the Board's regulations may permit a management company's designation as an Accredited Association Management Company (AAMC) to be one of the criteria for licensure, rather than a mandated criterion.
4. Legislation to change § 54.1-2346(D) of the Code of Virginia to clarify that the amount of the fidelity bond or employee dishonesty insurance be based on the amount of cash, certificates of deposit, and investments held by an association at the end of the most recent fiscal year.

OTHER BUSINESS

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board position
DRAFT AGENDA

COMPLETE CONFLICT OF INTEREST **FORMS AND TRAVEL VOUCHERS**

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board action
DRAFT AGENDA

ADJOURN

Please return your document folders to Tanya Pettus.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board position
DRAFT AGENDA