

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 516

Short Title: Community Association Managers Licensure. (Public)

Sponsors: Senators Hunt; Tillman and Weinstein.

Referred to: Commerce.

March 11, 2009

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

4 The General Assembly of North Carolina enacts:

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

7 "Article 6.

8 "Community Association Managers Licensure Act.

9 **"§ 93A-85. Short title.**

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

12 **"§ 93A-86. Purpose.**

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

19 **"§ 93A-87. Definitions.**

20 The following definitions apply in this Article:

21 (1) Board. – The North Carolina Licensure Board for Community Association
22 Managers.

23 (2) Compensation. – A fee or anything else of value or the promise thereof.

24 (3) Community association. – An association or organization of the owners of
25 residential condominiums, time-shares, town houses, apartments, or lots in a
26 planned community or subdivision that is subject to a uniform scheme of
27 restrictive covenants, in which owner membership is made mandatory by
28 covenant, contract, or deed, and is authorized to collect dues, assessments, or
29 other payments from owner members.

30 (4) Community association manager. – Any person who, for a valuable
31 consideration or the expectation thereof, performs two or more of the
32 following acts or services for a community association:

33 a. Acts with the authority of a community association in its business,
34 legal, financial, or other transactions with association members and
35 nonmembers.

36 b. Executes the resolutions and decisions of the government of a
37 community association or, with the authority of the association,



1 enforces the rights of the association secured by statute, contract,
2 covenant, rule, or bylaw.

3 c. Collects, disburses, or otherwise exercises dominion or control over
4 money or other property belonging to a community association.

5 d. Prepares budgets, financial statements, or other financial reports for a
6 community association.

7 e. Arranges, conducts, or coordinates meetings of a community
8 association or the governing body of a community association.

9 f. Negotiates contracts or otherwise coordinates or arranges for services
10 or the purchase of property and goods for or on behalf of a
11 community association.

12 g. Offers or solicits to perform any of the acts or services in
13 sub-subdivisions a. through f. of this subdivision on behalf of a
14 community association.

15 (5) License. – A certificate issued by the Board recognizing the person named
16 therein as having met the requirements to provide community association
17 management services as defined in this Article.

18 (6) Licensee. – A person who has been issued a license under this Article.

19 **"§ 93A-88. License required.**

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

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

32 **"§ 93A-89. Exemptions.**

33 The provisions of this Article shall not apply to:

34 (1) An officer or member of a community association who, for no consideration
35 or expectation thereof, performs the acts or services of a community
36 association manager.

37 (2) The acts or services of an attorney-at-law who is engaged to represent a
38 community association or community association manager in any business
39 that constitutes the practice of law.

40 (3) The acts or services of a real estate broker hired by a community association
41 to sell or rent real property belonging to the association.

42 (4) A trustee in bankruptcy, court-appointed receiver, or any other person acting
43 under the express authority of an order issued by a court of competent
44 jurisdiction.

45 (5) The acts or services of a certified public accountant acting solely in the
46 capacity of a certified public accountant.

47 (6) A person who is the regular, salaried employee of a licensed community
48 association manager or an entity lawfully engaged in community association
49 management while performing clerical or ministerial functions under the
50 direction and control of a licensed community association manager.

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

6 **"§ 93A-90. North Carolina Licensure Board for Community Association Managers.**

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

9 (1) Four community association managers, two of whom shall be appointed by
10 the General Assembly, upon the recommendation of the President Pro
11 Tempore of the Senate, one of whom shall be appointed by the General
12 Assembly, upon the recommendation of the Speaker of the House of
13 Representatives, and one of whom shall be appointed by the Governor.

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

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

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

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

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

28 The initial Board members shall be appointed before October 1, 2007. Of the members
29 initially appointed, the community association manager appointed by the Governor shall serve
30 a one-year term. The community association manager appointed by the General Assembly,
31 upon the recommendation of the Speaker of the House of Representatives, and the licensed real
32 estate broker shall serve two-year terms. One community association manager appointed by the
33 General Assembly, upon the recommendation of the President Pro Tempore of the Senate, and
34 the home builder shall serve three-year terms. The remaining community association manager
35 appointed by the General Assembly, upon the recommendation of the President Pro Tempore of
36 the Senate, and the public member shall serve four-year terms.

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

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

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

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

49 (f) Officers. – The officers of the Board shall be a chair, a vice-chair, and other officers
50 deemed necessary by the Board to carry out the purposes of this Article. All officers shall be
51 elected annually by the Board for one-year terms and shall serve until their successors are

1 lected and qualified. The chair of the Board shall be a licensed community association
2 manager.

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

8 **"§ 93A-91. Powers and duties of the Board.**

9 The Board has the power and duty to:

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

48 **"§ 93A-92. Requirements for licensure; denial of licensure.**

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

- 1 (1) Submit a completed application to the Board on a form provided by the
2 Board.
- 3 (2) Pass a licensing examination prescribed by the Board or present evidence of
4 one of the following:
- 5 a. Successful completion of the Professional Community Association
6 Manager designation administered by the Community Association
7 Institute.
- 8 b. Successful completion of the Certified Manager of Community
9 Association Certification Program administered by the National
10 Board of Certification for Community Association Managers.
- 11 c. Attainment of the Certified Property Manager designation of the
12 Institute of Real Estate Management Division of the National
13 Association of Realtors.
- 14 d. Successful completion of any other program of education which, in
15 the discretion of the Board, is equivalent to the programs described in
16 sub-subdivisions a. through c. of this subdivision.
- 17 e. Possession of a valid license issued by another state or any political
18 territory or jurisdiction acceptable to the Board if in the Board's
19 opinion the requirements for that licensure are substantially the same
20 as the requirements for licensure under this Article.
- 21 (3) Produce evidence of coverage by a fidelity bond in accordance with
22 G.S. 93A-93.
- 23 (4) Affirmatively demonstrate to the Board that the applicant possesses good
24 moral character and the honesty, truthfulness, and integrity necessary to
25 protect the interests of the public and promote public confidence in licensed
26 community association managers.
- 27 (5) Pay the applicable fees.

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

37 **"§ 93A-93. Fidelity bonds; segregation of accounts.**

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

41 (b) A fidelity bond required by this section shall be in the amount of twenty thousand
42 dollars (\$20,000) and shall:

- 43 (1) Be written by an insurance company authorized to write fidelity bonds in
44 this State.
- 45 (2) Cover the community association manager and all employees and protect all
46 of the community association funds in the custody of the community
47 association manager or community association employees acting under the
48 community association manager's supervision.
- 49 (3) Provide that the insurance company issuing the bond may not cancel,
50 substantially modify, or refuse to renew the bond without giving 30 days'
51 prior written notice to the Board, except in the case of nonpayment of

premiums, in which case 10 days' prior written notice shall be given to the Board.

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

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

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

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

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

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

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

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

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

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

§ 93A-94. Fees; subsequent application.

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

(1)	Application for community association manager license	\$25.00
(2)	Community association manager examination	75.00
(3)	Issuance of license	150.00
(4)	License renewal.....	100.00
(5)	Late renewal.....	25.00
(6)	Application for course approval.....	150.00
(7)	Course approval renewal.....	75.00
(8)	Course fee, per credit hour per licensee.....	5.00
(9)	Credit for unapproved continuing education course	50.00
(10)	Registration of community association.....	50.00
(11)	Copies of Board rules or licensure standards shall be the cost of printing and mailing.	

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

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

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

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

11 (c) Inactive License. – A licensed community association manager may apply to the
12 Board to be placed on inactive status. An applicant for inactive status shall follow the
13 procedure established by the Board. A licensed community association manager who is granted
14 inactive status is not subject to the license renewal requirements during the period the license
15 holder remains on inactive status. A community association manager on inactive status may
16 apply to the Board to be reinstated to active status at any time. The Board may set conditions
17 for reinstatement to active status. A community association manager on inactive status shall not
18 perform any act or service for which licensure is required.

19 **§ 93A-96. Continuing education.**

20 (a) Requirements. – The Board may establish programs of continuing education for
21 licensees under this Article. A licensee subject to a program under this section shall present
22 evidence to the Board upon renewing the license, and every renewal thereafter, that during the
23 12 months preceding the annual license expiration date the licensee has completed the required
24 number of classroom hours of instruction in courses approved by the Board. The Board shall
25 determine the number of hours of continuing education a licensee is required to complete
26 continuing education annually. However, the total number of credit hours shall not exceed eight
27 credit hours. No member of the Board shall provide or sponsor a continuing education course
28 under this section while that person is serving on the Board.

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

34 (c) Credit for Unapproved Course. – The Board may award continuing education credit
35 for an unapproved course or related educational activity. The Board may prescribe procedures
36 for a licensee to submit information on an unapproved course or related educational activity for
37 continuing education credit. The Board may charge a fee to the licensee for each unapproved
38 course or activity submitted.

39 (d) Extension of Time. – The Board may, for good cause shown, grant extensions of
40 time to licensees to comply with the requirements of this section. Any licensee who, after
41 obtaining an extension under this subsection, offers evidence satisfactory to the Board that the
42 licensee has satisfactorily completed the required continuing education courses, is in
43 compliance with this section.

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

- 46 (1) The content and subject matter of continuing education courses.
- 47 (2) The criteria, standards, and procedures for the approval of courses, course
48 sponsors, and course instructors.
- 49 (3) The methods of instruction.
- 50 (4) The computation of course credit.
- 51 (5) The ability to carry forward course credit from one year to another.

1 (6) The waiver of or variance from the continuing education requirement for
2 hardship or other reasons.

3 (7) The procedures for compliance and sanctions for noncompliance.

4 **"§ 93A-97. Registration of community associations.**

5 (a) On or before January 1 of each year, every community association whose
6 membership includes the owners of 20 or more residential condominiums, town houses,
7 apartments, or lots or any combination thereof shall register the association with the Board and
8 shall provide the Board with the following information about the association:

9 (1) The name and address of the association.

10 (2) The county where the property is located.

11 (3) The name and address of the community association's manager.

12 (4) Any other information the Board may require pursuant to rules adopted by
13 the Board.

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

19 (b) In the event an association required to register fails to register, the association shall
20 not sue in court or otherwise pursue any legal remedy available to it until the association has
21 registered with the Board, including the payment of any delinquent registration fees. The Board
22 shall publish a directory of registered community associations and registration fees, and the
23 Board shall use the fees only for the administration and enforcement of this Article.

24 **"§ 93A-98. Disciplinary action by the Board.**

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

31 (1) Obtained a license by means of fraud, deceit, or misrepresentation.

32 (2) Engaged in gross negligence or incompetence as a community association
33 manager.

34 (3) Engaged in any act or service for which a license is required with a lapsed or
35 inactive license.

36 (4) Made a willful misrepresentation of material fact.

37 (5) Failed within a reasonable time to account for or remit money belonging to a
38 community association or another person coming into the community
39 association manager's possession in his or her capacity as a community
40 association manager.

41 (6) Commingled money belonging to a community association with the
42 community association manager's own or other money or failed to deposit,
43 maintain, or safeguard the money of a community association as required by
44 G.S. 93A-93(e).

45 (7) Been adjudged legally incompetent.

46 (8) Paid or offered to pay a valuable consideration to any person for acts or
47 services performed in violation of this Article.

48 (9) Failed to reasonably supervise an employee to prevent a violation of this
49 Article.

50 (10) Engaged in any other conduct that is dishonest or fraudulent.

51 (11) Violated any rule adopted by the Board or any provision of this Article.

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

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

9 **(d)** Hearings held pursuant to this section shall be governed by the provisions of Article
10 3A of Chapter 150B of the General Statutes.

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

27 **"§ 93A-99. License is property of the Board; display of license; report address change.**

28 **(a)** A license issued by the Board is the property of the Board. If the Board suspends or
29 revokes a license issued by the Board, the community association manager to whom the license
30 is issued shall return the license to the Board upon demand.

31 **(b)** A community association manager licensed by the Board shall display the license in
32 a manner prescribed by the Board. A community association manager whose address changes
33 shall report the change to the Board.

34 **"§ 93A-100. Records.**

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

40 **"§ 93A-101. Violation a misdemeanor.**

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

43 **"§ 93A-102. Injunctions.**

44 The Board may apply to any appropriate court for an order enjoining violations of this
45 Article. Upon a showing by the Board that any person has violated or is about to violate this
46 Article, the court may grant an injunction or a restraining order or take other appropriate
47 action."

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

49 "(a) The Commission has power to take disciplinary action. Upon its own initiative, or
50 on the complaint of any person, the Commission may investigate the actions of any person or
51 entity licensed under this Chapter, or any other person or entity who shall assume to act in such

1 capacity. If the Commission finds probable cause that a licensee has violated any of the
2 provisions of this Chapter, the Commission may hold a hearing on the allegations of
3 misconduct.

4 The Commission has power to suspend or revoke at any time a license issued under the
5 provisions of this Chapter, or to reprimand or censure any licensee, if, following a hearing, the
6 Commission adjudges the licensee to be guilty of:

7 ...

8 (12) Commingling the money or other property of his or her principals with his or
9 her own or failure to maintain and deposit in a trust or escrow account in an
10 insured bank or savings and loan association in North Carolina all money
11 received by him or her as a real estate licensee acting in that capacity, or an
12 escrow agent, or the custodian or manager of the funds of another person or
13 entity which relate to or concern that person's or entity's interest or
14 investment in real property, provided, these accounts shall not bear interest
15 unless the principals authorize in writing the deposit be made in an interest
16 bearing account and also provide for the disbursement of the interest
17 accrued. However, a real estate broker who is also a licensed community
18 association manager shall not be subject to disciplinary action by the
19 Commission for handling and accounting for money belonging to a
20 community association in compliance with Article 6 of Chapter 93A of the
21 General Statutes.

22"

23 **SECTION 3.** Any person who submits proof to the Board that the person has been
24 actively engaged in business as a community association manager for compensation in this
25 State for at least three consecutive years before the effective date of this act and pays the
26 required fee for the issuance of a license shall be licensed without having to satisfy the
27 requirements of G.S. 93A-92, enacted by Section 1 of this act. All persons who do not make
28 application to the Board within one year of the effective date of this act shall be required to
29 complete all requirements prescribed by the Board and to otherwise comply with the provisions
30 of G.S. 93A-92.

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