WHITE PAPER UPDATED JULY 2024

Community Association Manager State Mandated Licensing



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# CURRENT COMMUNITY ASSOCIATION MANAGER LICENSURE PROGRAM COMPARISON

Current as of July 2024

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## Introduction

Community association manager licensure programs are not a new concept. In recent years, we saw state legislators attempt to advance legislative proposals to either revive a previous community association manager licensure program or create a new program using taxpayer funds. In eight states with a regulatory program for the community association manager profession, these licenses are typically issued by a state entity (California being the notable exception).

As per CAI's Community Association Manager Licensing Public Policy, CAI encourages the national certification of community association managers<sup>1</sup>. In states that propose mandatory regulation of community association managers, CAI supports a regulatory system incorporating adequate protections for homeowners, mandatory education and testing on fundamental management knowledge, standards of conduct, and appropriate insurance requirements. CAI opposes the licensing of community association managers as real estate brokers, agents, or property managers because real estate brokers and agents handle the transaction of real estate sales and leasing, not the management and governance of a community association.

CAI encourages the self-regulation of the community management profession through professional certification and designation programs developed by industry professionals for the profession. Such professional certification programs include the Certified Manager of Community Associations® (CMCA), administered by the Community Association Managers International Certification Board (CAMICB)<sup>2</sup>.

According to the Foundation for Community Association Research there are nearly 65,000 community association managers in the United States<sup>3</sup>. Narrowing down those numbers a bit, there are, as of February 2024, 8,946 active CMCAs in the United States and 140 active CMCAs outside of the country. Historically, CAMICB has awarded 23,000 CMCAs in the United States and 400 CMCAs internationally.

<sup>&</sup>lt;sup>1</sup><u>www.caionline.org/Advocacy/PublicPolicies/Pages/Community-Association-Manager-Licensing-Policy.aspx</u>

<sup>&</sup>lt;sup>2</sup> www.camicb.org/

<sup>&</sup>lt;sup>3</sup> foundation.caionline.org/wp-content/uploads/2024/01/2023StatsReviewDigital-002.pdf



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### Current Community Association Manager Licensure Program Comparison Table

	Alaska <sup>45</sup>	California	Connecticut	Florida <sup>6</sup>	Georgia <sup>7</sup>	Illinois <sup>8 9</sup>	Nevada	Virginia
State Licensing	Real Estate	N/A	Department of	Department	Georgia Real	<u>Communit</u>	NV Real	<u>Common</u>
Entity	Commission		Consumer	of Business	Estate	¥	Estate	Interest
			Protection	and	Commission	Associatio	Division CIC	Community
				Professional	and	<u>n</u>	Ombudsma	Board
				Regulation	Appraisers	Manageme	n	Virginia
					Board	nt		Department
						<u>(illinois.gov</u>		of
						)		<b>Professional</b>
								and
								Occupationa
								l Regulation
Application	\$390 in fees, plus	30 hours of	\$260 in fees, plus	\$228 fee, 18	\$91 exam	\$300 fee,	60 hours	\$125 in fees,
Requirements	15 hours of	approved	background check,	hours	fee, if you are	complete	education,	proof
	courses and 24	coursework	plus nationally	education,	applying	exam and	12 months	applicant is in
	months of active		recognized course	pass CAM	within three	recognized	work	good
	and continuous		and exam	exam with a	months from	course	experience,	standing and
	experience			score of 75	taking your		\$100 exam	has a fidelity
				or higher	exam, the fee		fee, \$300	bond
					will be		application	conu
					\$170.00.		fee	

<sup>4</sup><u>www.commerce.alaska.gov/web/Portals/5/pub/REC\_AnnualReport\_2023.pdf</u>

<sup>5</sup> Disciplinary Action Reports, Division of Corporations, Business and Professional Licensing (alaska.gov)

<sup>6</sup> <u>Division Annual Report FY 22-23.pdf (myfloridalicense.com)</u>

<sup>7</sup> grec.state.ga.us/wp-content/uploads/pdfs/About/Annual%20Report%20FY22.pdf

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idfpr.illinois.gov/content/dam/soi/en/web/idfpr/profs/meetings/minutes/2023%209%2019%20CAM%20Minutes.pdf

<sup>9</sup> idfpr.illinois.gov/content/dam/soi/en/web/idfpr/forms/2023-annual-report.pdf

					If you are applying more than three months but less than 12 months from taking your exam, the fee will be \$340.00.			
Recertification Requirements	20 hours continuing education, \$345 fee	N/A	\$200 fee, 16 hours continuing education	\$105 fee, plus 20 hours of continuing education	24 hours continuing education	\$300 plus 12 hours continuing education	\$200 plus 18 hours continuing education	\$100 plus annual assessment is calculated by multiplying the applicant's gross receipts from the preceding year by 0.0005, the maximum assessment being \$1,000
Recertification Cycle	Two Years	N/A	Annual	Two Years	Four years	Two years	Two years	Annually
ž	Alaska	California	Connecticut	Florida	Georgia	Illinois	Nevada	Virginia
Staffing	Seven positions	N/A	Unknown	Approx. <u>276</u> across DBPR	Two for the Board, plus 20 investigations and support	Seven positions	22 positions	Five positions for the board
Program Budget	Requested \$19,875.00 for FY 23	N/A	<u>\$7.11 million for</u> entire Department	Operating account- \$2,506,946 in Revenue June 2023, \$1,369,500 in expenses	\$2,824,601 appropriated by the state for FY 22	\$200,826.11 expenditure s for FY 23, revenue was \$199,905	\$5,466,100 in 2020	\$ 26,020,013 department- wide, enforcement is allocated \$8,809,243
Oversight	Board, 7 Members	N/A	Department Director	Board, seven members	Board, six members	Board, six members	Board, seven members	Board, 11 members
Complaints Process	Visit <u>Complaint</u> FAQs, Division of Corporations, <u>Business and</u> <u>Professional</u> <u>Licensing</u> (alaska.gov)	N/A	Visit <u>Consumers -</u> <u>Complaint Center</u> (ct.gov)	Visit <u>File a</u> <u>Complaint</u> = <u>MyFloridaLi</u> <u>cense.com</u>	Visit GEORGIA REAL ESTATE COMMISSIO N	Visit <u>State</u> of Illinois   <u>Departmen</u> tof <u>Financial &amp;</u> <u>Profession</u> <u>al</u> <u>Regulation</u>	Visit <u>File a</u> <u>Complaint</u> (nv.gov)	Visit File a Complaint J Virginia Department of Professional and Occupationa LRegulation
<u> </u>	Alaska	California	Connecticut	Florida	Georgia	Illinois	Nevada	Virginia
Number of Complaints	59 received by Commission	N/A	20 in 2022, 29 in 2023	2,075	1,788 system wide	152 as of September 2023, 191 in FY 23	Unknown	Unknown
Largest Category of Complaints	N/A	N/A	Unknown	N/A	N/A	N/A	N/A	Unknown
Cases Resolved	8 license actions, 12 no violations, 11 incomplete complaints	N/A	One	12	177 system wide	14 as of September 2023	14 cases heard in 2023	23 total
Contact Information	Visit <u>Contacts,</u> <u>Real Estate</u> <u>Commission,</u> <u>Professional</u> <u>Licensing,</u>	N/A	dcp.licenseservices @ct.gov	Visit Division of Professions =	<u>grecmail@gr</u> ec.state.ga.us	fpr.realestat e@illinois.g ov	Visit <u>Contact Us</u> (nv.gov)	<u>cic@dpor.vir</u> ginia.gov

Division of		MyFloridaLi		
Corporations,		cense.com		
<b>Business and</b>				
Professional				
Licensing				
(alaska.gov)				

# **Other Findings**

#### Alaska

When reviewing the complaint data, Alaska does not separate community association managers from other real estate licenses. Getting a concrete picture of how many community association managers are the subject of complaints versus the number of other real estate licensees is difficult.

For perspective, a manual count of complaints acted on by the Department of Commerce, community, and Economic Development Division of Corporations, Business, and Professional Licensing for 2023 showed eight disciplinary actions were taken against real estate licensees, out of the 59 total complaints received. An examination of the division's licensee database shows roughly 831 licensed real estate associate brokers and real estate brokers in the state. A search of the entire ecosystem of real estate licensees yielded over the maximum allowable number of results in a single search (2,000 individuals). There are currently three CMCAs in Alaska.

#### California

Rather than creating the bureaucratic infrastructure necessary to operate a program, California opted to codify the self-regulation of the industry by requiring professional certification be attained by community association managers and placing on professional certification programs specific course requirements, allowing their programs to be seen as valid by the state.

There are approximately 1,224 active CMCAs in California currently.

For information on attaining a CMCA certification, visit <u>www.camicb.org/</u>.

#### Connecticut

Information on the number of cases/complaints against licensed community association managers is not publicly available and requires a public information act request. CAI made that request for data covering the 2022-2023 reporting period, which the department broke into two reporting periods-the 2022 calendar year and the 2023 calendar year. Although there was an increase in the number of complaints filed in 2023, between the two years there was only one recorded instance of disciplinary action.

Connecticut has around 265 CMCAs currently. Connecticut's database of licensees indicates there are 308 active community association manager licensees.

Florida

Interestingly, while Florida tracks the category of complaints against a community association (i.e. records requests), it does not do the same for its tracking of complaints against community association managers. Florida's program is funded not only by state appropriations, but also through the fees paid by community association managers during the application and recertification processes.

There are around 904 CMCAs and 21,271 active state licensed community association managers in Florida. Of the 2,075 complaints received against managers, 642 met the legal sufficiency, three were found to have probable cause, four saw administrative complaints filed, and 12 saw final orders issued.

Florida's Department of Business and Professional Regulation notes it has an alternative dispute resolution program available for mediation of complaints against several categories of professionals, including community association managers<sup>10</sup>. During FY 22-23, the program successfully mediated 238 complaints against professionals, including community association managers.

#### Georgia

Much like Florida, Georgia does not track categories of complaints against community association managers. Georgia does not separate complaints against community association managers from those against other real estate licensees.

Out of 1,788 investigations (plus another 479 pending from the previous fiscal year) opened against real estate professionals in Georgia in FY 22, 177 saw some form of disciplinary action taken. There are roughly 169 CMCAs in Georgia.

#### Illinois

It should be noted Illinois requires community association management firms and designate managers be licensed. For more information on the topic, visit www.caionline.org/Advocacy/Priorities/ManagerLicensing/Pages/IL.aspx.

Crucially, a sunset report prepared by the Governor's Office of Management and Budget in 2021 concluded the following<sup>11</sup>:

The Illinois Community Association Manager Licensing and Disciplinary Act (225 ILCS 427) should be allowed to sunset. It is not apparent that the role of community association managers is vital to the health, safety and welfare of the public to a degree that justifies the continued regulation of this profession.

Illinois has approximately 748 CMCAs. A manual count of the database of licensees showed roughly 100 active community association manager license holders- he discrepancy in numbers between CMCAs and license holders is likely due to lapsed licenses not being displayed in the

<sup>&</sup>lt;sup>10</sup> Division Annual Report FY 22-23.pdf (myfloridalicense.com)

<sup>&</sup>lt;sup>11</sup> <u>budget.illinois.gov/content/dam/soi/en/web/budget/documents/budgeting-for-results/sunset-reports/community-association-manager-licensing-and-disciplinary-act-final-report.pdf</u>

database search results, and instances of individuals holding more than one professional license also not being displayed.

#### Nevada

Nevada's manger licensure enforcement is put on the Common Ownership Commission's meeting agendas as discussion items, not tracked in a formal table like their community association complaints. The count (14 cases addressed) is based off a manual count of cases listed in the CIC Commission's 2023 agenda items. Nevada does not have a separate listing of the number of complaints against managers available online.

Nevada has approximately 207 CMCAs. There are about 720 community association manager licensees in the state (including inactive licenses), based off a manual count of Nevada's master database of licensees. Nevada's database does not allow for the separation of active from inactive licensees.

#### Virginia

While there is not a publicly available master list of complaints, a search of the state's master list of license holders yielded 23 resolved complaints on file dating back to 2006. It can be concluded, these are likely the only resolved complaints in the history of the community association manager licensure program.

There are around 864 CMCAs in Virginia. A search of the master list of licensees yielded over 200 community association managers in Virginia-the database has a hard cap of 200 on the number of results generated from a single search.

For more information on Community Association Manager Licensing statutes and for current legislative tracking, visit <u>www.caionline.org/ManagerLicensing</u>.

#### COMMUNITY ASSOCIATIONS INSTITUTE

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