

SENATE BILL 589

C2, N1

6lr3492
CF HB 433

By: **Senator Kramer**

Introduced and read first time: February 5, 2026

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Collection Agencies – Licensure Exemption for Property**
3 **Managers**

4 FOR the purpose of exempting property managers engaged in certain activities from the
5 requirement to hold a license to do business as a collection agency from the State
6 Collection Agency Licensing Board; and generally relating to property managers,
7 collection agencies, and the State Collection Agency Licensing Board.

8 BY repealing and reenacting, with amendments,
9 Article – Business Regulation
10 Section 7–102
11 Annotated Code of Maryland
12 (2024 Replacement Volume and 2025 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Business Regulation
15 Section 7–301(a)
16 Annotated Code of Maryland
17 (2024 Replacement Volume and 2025 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
19 That the Laws of Maryland read as follows:

20 **Article – Business Regulation**

21 7–102.

22 (a) (1) In this section the following words have the meanings indicated.

23 (2) “Common ownership” means direct or indirect ownership of more than
24 50% of a person.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(3) “Principal business” means a business activity of a person that comprises more than 50% of the total business activities of the person.

(4) “PROPERTY MANAGER” MEANS A PERSON RESPONSIBLE FOR THE MANAGEMENT AND MAINTENANCE OF REAL PROPERTY, INCLUDING:

(I) FINDING TENANTS;

(II) COLLECTING RENT, UTILITIES, AND FEES;

(III) PAYING EXPENSES AND APPLICABLE TAXES;

(IV) MAINTAINING UTILITIES AND SYSTEMS; AND

(V) TAKING ANY NECESSARY ACTIONS TO MANAGE AND OPERATE REAL PROPERTY.

(b) This title does not apply to:

(1) a bank;

(2) a federal or State credit union;

(3) a mortgage lender;

(4) a person acting under an order of a court of competent jurisdiction;

(5) a licensed real estate broker, or an individual acting on behalf of the real estate broker, in the collection of rent or allied charges for property;

(6) a savings and loan association;

(7) a title company as to its escrow business;

(8) a trust company;

(9) a lawyer who is collecting a debt for a client, unless the lawyer has an employee who:

(i) is not a lawyer; and

(ii) is engaged primarily to solicit debts for collection or primarily makes contact with a debtor to collect or adjust a debt through a procedure identified with the operation of a collection agency; [or]

(10) a person who is collecting a debt for another person if:

(i) both persons are related by common ownership;

(ii) the person who is collecting a debt does so only for those persons to whom it is related by common ownership;

(iii) the principal business of the person who is collecting a debt is not the collection of debts; and

(iv) before collecting a debt, the person files with the Board:

1. the correct name of the person;

2. an address and telephone number of a contact person; and

3. the name of the person's resident agent; OR

(11) A PROPERTY MANAGER COLLECTING PAYMENT FOR RENT, UTILITIES, OR FEES FROM A RESIDENTIAL TENANT ON BEHALF OF A PROPERTY OWNER IF:

(I) PAYMENT IS COLLECTED ONLY DURING THE TERM OF THE LEASE OR A HOLDOVER PERIOD; AND

(II) THE COLLECTION OF DEBTS, INCLUDING FOR RENT, UTILITIES, AND FEES IS NOT THE PRIMARY PURPOSE OF THE PROPERTY MANAGER WITH RESPECT TO THE PROPERTY.

7-301.

(a) Except as otherwise provided in this title, a person must have a license whenever the person does business as a collection agency in the State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.