

SENATE BILL 589

C2, N1

6lr3492
CF HB 433

By: **Senator Kramer**

Introduced and read first time: February 5, 2026

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 1, 2026

CHAPTER _____

1 AN ACT concerning

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

4 Business Regulation – Collection Agencies and Property Managers

5 FOR the purpose of ~~exempting property managers engaged in certain activities from the~~
6 ~~requirement to hold a license to do business as a collection agency from the State~~
7 ~~Collection Agency Licensing Board; and generally relating to property managers,~~
8 ~~collection agencies, and the State Collection Agency Licensing Board~~ prohibiting
9 enforcement of certain provisions of law regulating collection agencies against
10 property managers pending the resolution of a certain judicial case; and generally
11 relating to property managers and debt collection.

12 ~~BY repealing and reenacting, with amendments,~~
13 ~~Article – Business Regulation~~
14 ~~Section 7-102~~
15 ~~Annotated Code of Maryland~~
16 ~~(2024 Replacement Volume and 2025 Supplement)~~

17 ~~BY repealing and reenacting, without amendments,~~
18 ~~Article – Business Regulation~~
19 ~~Section 7-301(a)~~
20 ~~Annotated Code of Maryland~~
21 ~~(2024 Replacement Volume and 2025 Supplement)~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 (a) In this section, "property manager" means a person responsible for the
4 management and maintenance of real property, including:

5 (1) finding tenants;

6 (2) collecting rent, utilities, and fees;

7 (3) paying expenses and applicable taxes;

8 (4) maintaining utilities and systems; and

9 (5) taking any necessary actions to manage and operate real property.

10 (b) Title 7 of the Business Regulation Article may not be enforced against a
11 property manager until the resolution of case number C-15-CV-25-000340, Christine
12 Smith v. Bozzuto Management Company, including any appellate action.

13 ~~Article — Business Regulation~~

14 ~~7-102.~~

15 (a) (1) ~~In this section the following words have the meanings indicated:~~

16 (2) ~~"Common ownership" means direct or indirect ownership of more than~~
17 ~~50% of a person.~~

18 (3) ~~"Principal business" means a business activity of a person that~~
19 ~~comprises more than 50% of the total business activities of the person.~~

20 (4) ~~"PROPERTY MANAGER" MEANS A PERSON RESPONSIBLE FOR THE~~
21 ~~MANAGEMENT AND MAINTENANCE OF REAL PROPERTY, INCLUDING:~~

22 (I) ~~FINDING TENANTS;~~

23 (II) ~~COLLECTING RENT, UTILITIES, AND FEES;~~

24 (III) ~~PAYING EXPENSES AND APPLICABLE TAXES;~~

25 (IV) ~~MAINTAINING UTILITIES AND SYSTEMS; AND~~

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

- 1 ~~(b) This title does not apply to:~~
- 2 ~~(1) a bank;~~
- 3 ~~(2) a federal or State credit union;~~
- 4 ~~(3) a mortgage lender;~~
- 5 ~~(4) a person acting under an order of a court of competent jurisdiction;~~
- 6 ~~(5) a licensed real estate broker, or an individual acting on behalf of the~~
7 ~~real estate broker, in the collection of rent or allied charges for property;~~
- 8 ~~(6) a savings and loan association;~~
- 9 ~~(7) a title company as to its escrow business;~~
- 10 ~~(8) a trust company;~~
- 11 ~~(9) a lawyer who is collecting a debt for a client, unless the lawyer has an~~
12 ~~employee who:~~
- 13 ~~(i) is not a lawyer; and~~
- 14 ~~(ii) is engaged primarily to solicit debts for collection or primarily~~
15 ~~makes contact with a debtor to collect or adjust a debt through a procedure identified with~~
16 ~~the operation of a collection agency; [or]~~
- 17 ~~(10) a person who is collecting a debt for another person if:~~
- 18 ~~(i) both persons are related by common ownership;~~
- 19 ~~(ii) the person who is collecting a debt does so only for those persons~~
20 ~~to whom it is related by common ownership;~~
- 21 ~~(iii) the principal business of the person who is collecting a debt is not~~
22 ~~the collection of debts; and~~
- 23 ~~(iv) before collecting a debt, the person files with the Board:~~
- 24 ~~1. the correct name of the person;~~
- 25 ~~2. an address and telephone number of a contact person; and~~
- 26 ~~3. the name of the person's resident agent; OR~~

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

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

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

9 ~~7-301.~~

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.