

February 18, 2020

The Honorable Dereck Davis  
Chairman, House Economic Matters Committee  
House Office Building, Room 231  
6 Bladen Street  
Annapolis, MD 21401

**RE: In Opposition of House Bill 929 (State Real Estate Commission - Property Managers - Registration)**

Dear Chairman Davis:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, opposes House Bill 929 (State Real Estate Commission - Property Managers - Registration).

This measure requires property managers to register with the State Real Estate Commission in the Maryland Department of Labor (MDL) before providing property management services. While we appreciate the intent to prevent bad actors from engaging in property management, requiring experienced professionals to do so creates some confusion which could create barriers to providing services.

First, the exclusion of a property rented for less than 6 months does not exclude forms of housing like hospitals, nursing homes, and university student housing. The exemptions themselves do not address business entities that own and manage commercial and mixed-use real estate LLCs, trusts, etc., which can cause confusion. Are they required to register and if so, who registers - multiple employees, LLCs, trust, etc.? Homeowners Associations, which manage accounts, are also unclear. Rather than require each employee of the entity to register, registration of the corporate entity instead should be clearly permitted.

In fact, little guidance is provided overall. The Commission determines the qualifications after October 1, 2020, but no direction is given on what those qualifications may be. The prohibition takes immediate effect with no grandfathering or grace period to allow current property owners to obtain the required qualifications or to become registered. The lack of clarity may lead to unintentional violations of the new rule, resulting in an excessive \$1,000 fine, without a process by which a registrant could renew their registration once the issue was resolved. The process and all requirements should be simple and clear.

Finally, if this measure moves forward, the renewal cycle provision should be amended. Experienced property management companies and real estate businesses that also offer property management services are sufficiently experienced and should not be required to repeatedly qualify themselves with the State. One registration should be sufficient.

MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: House Economic Matters Committee Members