



Bill Title: House Bill 929, State Real Estate Commission – Property Managers – Registration

Committee: Economic Matters

Date: February 18, 2020

Position: Favorable with Amendments

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Under House Bill 929, a property manager must register with the State Real Estate Commission (Commission) before providing, attempting to provide, or offering to provide property management services in the State. The penalty for failing to do so is a fine of up to \$1,000, imposed by the Commission. The Commission must determine the qualifications for registration. The Commission may set reasonable fees for the issuance and renewal of property manager registrations and other related services it provides. The fees must be set so as to produce funds to approximate the cost of registering property managers. A registration expires on a date set by the commission, unless it is renewed for an additional two-year term. A property manager must be covered by a surety bond in the amount of at least \$100,000, if the property manager rents fewer than 20 properties, or \$200,000, if the property manager rents 20 or more properties. A property manager must provide acceptable proof of the surety bond to the Commission. A person otherwise licensed by the Commission may provide property management services in the State without also being registered as a property manager and meeting the related liability coverage requirements. House Bill 929 does not apply to those participating in a homeowners association, renting a property for less than six months, leasing, managing, advertising, renting, or handling of trust money of an apartment complex with 50 or more units, services provided by a person employed exclusively as the property manager for the property management of one person or services provided on an incidental basis and without additional compensation by employees of an owner of a property.

While the bill exempts those that lease an apartment complex with 50 or more units, the intent of the legislation is to regulate property managers with a smaller portfolio. As such, MMHA urges an amendment to reduce that exemption to 25 or more units. Additionally, MMHA membership includes property management members which are corporate entities. Rather than require each employee of the entity to register, MMHA wants to ensure that the bill permits a registration of the corporate entity instead of each employee.



For the foregoing reasons, MMHA respectfully requests a **favorable report with amendments on House Bill 929.**

Aaron J. Greenfield, MMHA Director of Government Affairs, 410.446.1992



AMENDMENTS TO HOUSE BILL 929
(First Reading File Bill)

AMENDMENT NO. 1

On page 2, in line 12, strike “50” and substitute “25”

AMENDMENT NO. 2

On page 2, in line 19, following “PERSON” add “, PARTNERSHIP OR A CORPORATION”