



SANTONI, VOCCI & ORTEGA LLC

**HB 433 - Business Regulation – Collection Agencies –
Licensure Exemption for Property Managers
Hearing before the House Economic Matters Committee, Feb. 11, 2026**

Position: UNFAVORABLE

Dear Chair Valderamma, Vice Chair Charkoudian, and Committee Members:

Thank you for the opportunity to testify. Santoni, Vocci & Ortega, LLC opposes HB 433 and urges the House Economic Matters Committee to issue an **unfavorable report**.

HB 433 creates a special exemption for property managers from Maryland’s debt collector licensing requirements without a substantial justification. **Exempting property managers from debt collector licensing will embolden bad actors to engage in more deceptive, abusive, and harassing debt collection tactics.**

Santoni, Vocci & Ortega, LLC is a private tenants’ rights and consumer protection firm representing tenants subjected to illegal evictions and unlawful debt collection practices. We regularly encounter debt collection abuse by property management companies, which wield far greater power over consumers than other collection agencies regulated by the Department of Labor, Licensing & Regulation—quite literally holding the keys to tenants’ homes and the roofs over their heads. We regularly represent tenants who are subjected to failure to pay rent proceedings for amounts that the tenants do not owe, in an effort to force tenants to pay or face eviction. We have represented tenants who have had police officers in their homes with property managers for “inspections” when rent was allegedly not paid on time. Finally, we have seen tenants who remain homeless for significant periods of time because property management companies report to potential landlords that the tenants owe them money after moving out, which include inflated and illegal charges for bogus repairs or fees.

The only meaningful way for renters without an attorney to hold predatory property managers accountable is to [file a complaint with the Dept. of Labor, Licensing & Regulation \(DLLR\)](#). If HB 433 passes, this one accountability measure will disappear. Property managers will no longer need to be licensed, and so DLLR will no longer have jurisdiction over a complaint. Bottom line: **HB 433 will make Maryland’s renting families less safe and secure in their homes.**

Whether property managers must become licensed as debt collectors is currently on appeal before Maryland’s Appellate Court in *Smith v. Buzzuto Management Company*, Case No. ACM-REG-2264-2025. Some property managers have been licensed for almost ten years, yet many choose not to do so. **The Committee should wait for the outcome of *Smith v. Buzzuto* before acting further.**

Like any other debt collectors, property managers are financially motivated to collect as much rent as possible for the owner, leading bad actors to use aggressive, deceptive tactics with impunity. Debt collection is central to a property manager’s role. Many contracts between property owners and property managers specify that managers receive a percentage of the rent collected. Managers are often rated on how much of the rent due is collected. Managers engage

in every aspect of rent collection, including sending notices to delinquent tenants and initiating eviction proceedings if the rent is not paid.

There is no separate licensing regime for property managers – only the current debt collector licensing requirement. Unlike barbers, contractors, lawyers, and virtually any other profession, there is no licensing regime for property managers. Some local jurisdictions have a residential rental property licensing program, but this is geared to ensuring that a rental property is habitable, has a valid lead certificate, and provides a contact person to the locality. There is no relief under most of local rental licensing regimes for tenants who have experienced deceptive, harassing, or predatory practices at the hands of a property manager. Only DLLR's complaint process fills this essential accountability role for property managers and can provide renting families relief.

It is important to note that small landlords are already effectively exempt. If you own a property and manage the property yourself, you do NOT need to become licensed as a collection agency. Only persons who collect on a debt owed to a different person must become licensed. If you own a property and contract out debt collection to a professional, the professional should become licensed as a debt collector. The owner does not need to be licensed.

For these reasons, we urge an **unfavorable** report on HB 433.