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**SB 589 - Business Regulation - Collection Agencies and Property Managers**  
**House Economic Matters Committee**  
**April 1, 2026, 1:00 PM**  
**Position: Unfavorable**

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. As the designated pro bono arm of the MSBA, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services to over 5,000 clients annually.

In May 2017, with a grant from the Maryland Judiciary’s Access to Justice Department, PBRC launched the **Tenant Volunteer Lawyer of the Day (TVLD) Program, now called the Tenant Justice Program (TJP)**, in Baltimore City Rent Court to provide day-of-court legal representation to tenants appearing unrepresented for their proceedings. Since then, this continually expanding Program has allowed PBRC staff and volunteer attorneys to represent thousands of low-income tenants in both Baltimore City and Baltimore County in multiple types of legal actions that could result in eviction.

**PBRC is urging an unfavorable report on SB 589 because it would remove one of the only tools Maryland tenants have to hold property managers accountable for engaging in unethical and unlawful debt collection practices by creating a carve-out from Title 7 (Collection Agencies) of the Business Regulation Article specifically for property managers.**<sup>1</sup> Maryland does not currently have any statewide licensing scheme for rental property owners or managers. Local jurisdictions may enact landlord licensing schemes, but these usually relate to the habitability of the rental property rather than debt collection practices. The rental housing industry is subject to little statewide regulation overall as compared to other businesses which may create consumer debt claims, such as car dealerships, medical offices, or agricultural businesses. Unlike other industries, rental housing concerns the basic human need for shelter. Tenants who face unlawful debt collection practices with respect to their housing are therefore especially vulnerable.

There is an ugly history of creditors using tactics which constitute harassment or even physical assault in pursuit of collecting debt. It is for this reason that Maryland enacted legislation regulating the collection of debt in the first place. When property managers are compensated out of the rent that they collect, they have the same interest as the landlord in having that debt collected and may be tempted to engage in unlawful practices to collect it.<sup>2</sup> Unfortunately, we have witnessed unlawful practices being employed to collect rent from our clients. For example, one of our clients reported that a landlord used a hammer to break her door open, chased her into another apartment and when she tried to close the door, body slammed the door open, pushed his way inside and threatened to harm her if she didn't pay her rent. While this may be an extreme example, we have had other tenants complain of harassment in the form of multiple calls and visits to their home to collect rent. If property managers are no longer required to be licensed to collect debt,

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<sup>1</sup> SB 589, as amended, connects this carve out to the resolution of case number C–15–CV–25–000340, Christine Smith v. Bozzuto Management Company. While PBRC questions the legality and practicality of enacting legislation tied to the outcome of Circuit Court case in this manner, that is not the main point of our testimony.

<sup>2</sup> While property managers provide services other than collection of rent, many employ fee arrangements based upon rent collected, indicating that this is an important part of their job.

tenants statewide will have nowhere to turn to hold property managers accountable if they use unlawful debt collection practices.

For the above reasons,

**PBRC urges an UNFAVORABLE report on SB 589.**

Please contact Katie Davis, Director of PBRC's Courtroom Advocacy Project, with any questions.

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