

SB589: Business Regulation – Collection Agencies – Licensure Exemption for Property Managers

Position: UNFAVORABLE

April 1, 2026

The Honorable Kris Valderrama, Chair
House Economic Matters Committee
Room 250, Taylor House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Chair Valderrama and Members of the Committee,

My name is Michael Lent, I am a resident of Parkville, MD in District 08, and I urge an **unfavorable** report on SB589. Debt collectors and landlords need MORE oversight, not less. Yet SB 589 would stop enforcement of Maryland's debt collector licensing law just for landlords while a court case is pending. The General Assembly should not pass a statewide ban on enforcing a consumer protection law just for landlords.

The question of whether property managers must be licensed as debt collectors is currently on appeal before Maryland's Appellate Court in *Smith v. Buzzuto Management Company* and is being litigated in actions by the Attorney General and others. The legislature historically gives deference to open litigation, allowing the court to rule before passing legislation related to an open ruling. This committee should wait until *Smith v Buzzuto* is decided and then determine the appropriate next steps.

There is no justifiable reason for the legislature to step in and act in lieu of the courts, effectively establishing a statewide judicial stay of enforcing a consumer protection law. There are additional legal actions pending against property managers for abusive debt collection practices, and this legislation effectively puts the legislature in the role of the courts, intervening in those pending cases.

At the heart of this legislation is the question of whether property managers should be licensed to collect rent and other fees – just as anyone else collecting a debt owed to another person must be licensed at this time. While the advocates believe the courts should be given room to make this ruling, I also fundamentally believe this licensing is an appropriate requirement, and not an undue burden.

Currently, unlike most other professions, property managers are not licensed. Eliminating the requirement to hold a debt collection license means that victims of deceptive, harassing, or predatory collection tactics will not be able to hold abusive

landlords accountable through the oversight, regulation, and enforcement of the Office of Financial Regulation. If the underlying concern is that property managers cannot qualify for debt collection licenses, then that issue should be addressed – not waiving licensing requirements altogether.

Small landlords are not impacted by this legislation. If they collect the rent themselves, they do not have to be licensed as a debt collector. If they hire a professional property manager to collect rents, the manager should be licensed, not the owner.

SB589 would leave renters without a critical remedy to address abusive or deceptive collection behavior, and I urge an **unfavorable** report.