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TO: House of Delegates – Economic Matters Committee

FROM: Real Property Section of the MSBA

RE: HB 433 -- Business Regulation - Collection Agencies - Licensure Exemption for Property Managers

Hearing Date: February 11, 2026

POSITION: Support with Amendments

DATE: January 29, 2026

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The Real Property Section of the MSBA **supports with amendments** HB 433 -- Business Regulation - Collection Agencies - Licensure Exemption for Property Managers.

It seems reasonable to provide a mechanism to create a carve out for property managers who collect rent. But the proposed bill needs a couple modifications. In that spirit, we offer the following suggested amendments to the bill.

- 1) Page 3, Line 14—The time period appears to be too narrow as property managers take security deposits and application fees prior to the commencement of the term. Also, they are instrumental in pursuing claims against tenants who leave without paying all rent. Either of those activities would mean that property managers would remain liable to suit if they do not get a collections license. Also, Section 8-203 of the Real Property Article requires that a residential landlord deliver a written notice of charges (presumably to be deducted from the security deposit or due from tenant if more than the remaining security deposit) to tenant within 45 days after the termination of the tenancy, so such required action cannot even begin until after the lease term has ended. The property manager cannot comply with both requirements

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- without obtaining a collections license, a requirement which the statute aims to prevent.
- 2) Page 3, Line 16—The use of “primary” derives from a recent Montgomery County Circuit Court case in which the Court decided that Bozzuto did not need to obtain a collection license because, inter alia, the collection of rents and other moneys from tenants is not the property manager’s “primary” purpose. On appeal that wording may well change, because collections are certainly a substantial part of a property manager’s job. More important, the word “primary” is not defined in the statute, so not much guidance is given to a property manager.

Thank you for your consideration. Please contact Bill O’Connell at [bill.oconnell@fnf.com](mailto:bill.oconnell@fnf.com) or 410-992-2324 if you have any questions or need further assistance.