SB 589 - Business Regulation - Collection Agencies - Licensure Exemption for Property Managers
Senate Finance Committee
February 26, 2026
OPPOSE

Chair Beidle, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in opposition of Senate Bill 589. This bill creates a special exemption for property managers from Maryland's debt collector licensing requirements without a substantial justification.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than $10,000 annually. More than half earn less than $20,000.**

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. While we appreciate the sponsor's intent to have a uniform standard, we understand from DLLR that property managers are already able to become licensed, 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 debt collector. 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.

Exempting property managers from debt collector licensing will embolden bad actors to engage in more deceptive, abusive, and harassing debt collection tactics.

Thus, we encourage you to return an unfavorable report for SB 589.