



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

Position: UNFAVORABLE

February 26, 2026

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Senate Finance

Chair Beidle and Members of the Committee,

Economic Action Maryland Fund urges an unfavorable report on SB589, which would exempt property managers from licensing as a collection agency.

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*. 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.

It is critical that property managers be licensed to collect rent and other fees. Currently, unlike most other professions, property managers are not licensed. Eliminating the requirement to hold a debt collection license means that property managers could pursue tenants in a deceptive, harassing, or predatory manner with impunity. Licensure ensures appropriate oversight, regulation, and enforcement from the Office of Financial Regulation. If the underlying concern is that property managers cannot qualify for debt collection licenses as the statute is currently drafted, the question before this committee should be what oversight and licensing regime is appropriate; not to waive licensing requirements altogether.

It is worth noting that small landlords are not impacted by this legislation. As the property owner they collect on debts owed to them directly, so fall outside the debt collection statute altogether.

SB589 would expose tenants to abusive or deceptive collections behaviors and we urge an unfavorable report.

Sincerely,
Jennifer Bevan-Dangel, Deputy Director

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

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