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To: Chair Pamela Beidle
Vice Chair Antonio Heyes
Members of the Senate Finance Committee
From: Phillip Robinson
Date: February 24, 2026
Subject: **SENATE BILL 589 OPPOSITION LETTER**

On behalf of your constituents who I have represented throughout the State of Maryland, I oppose Senate Bill 589, which appears to be introduced for the sole purpose to favor property management companies who have failed to comply with longstanding law when their competitor property management first have so complied.

Property management firms have been sued for their unlawful activities in state and federal court and through administrative actions related to their debt collection activities when they have abused their powers to seek and collect sums on behalf of others when they had no right to collect. For example:

- In Cilano v. Shea, No. PWG-19-827, 2020 WL 12744576 (D. Md. Apr. 2, 2020), the unlicensed property manager (who had been sued previously and settled in a class action lawsuit in the Circuit Court for Montgomery County), sought to collect wrongful fines from an elderly resident and also demanded sums not owed to preclude another consumer from moving unless she paid the deceptive sums.
- In the Matter of: H&e Management, Ltd., A/k/a H&e Management Associates, Ltd, A/k/a H&e Management Services, LLC, Freeman P. Hair, Roberta E. Hair, and Elrick P. Hair, Respondents, 2018 WL 4051339, the unlicensed property management firm sought to collect “overdue fees” from a consumer despite the fact it was shown “copies of [the consumer’s] payment records” which confirmed no sums were owed. The management company “had persisted in contacting her regarding alleged Fees and dues owed, and ultimately engaged an attorney who sent her a collection letter threatening to obtain a lien on her property if she did not make a payment.”

- In the Matter of: the Management Group Associates, Inc., Respondent, 2014 WL 2809997, the Maryland State Collection Agency Licensing Board in the Office of the Commissioner of Financial Regulation (the “Agency”) entered into a public settlement which recognized “an HOA management company or agent is required to be licensed as a collection agency under MCALA, and is subject to the regulatory authority of the Agency.”

It should be noted that licensed realtors who collect rent are exempt from MCALA’s scope. Md. Code Ann., Bus. Reg. § 7-102(b)(5). This is because the conduct of those licensed realtors are regulated by another license.

Here, however, there are no other agencies that license property management firms unless they are also licensed by the Maryland Real Estate Commission. So, what this bill seeks to do is favor those businesses that do not wish to be regulated so they can prey upon vulnerable adults and Maryland consumers without any government oversight. That is simple bad policy and should be rejected. Not only does this bill seek to interfere with the vested rights of homeowners’ legal rights pending in court proceedings about the State, it simply seeks to give the unlicensed property management companies a competitive advantage over those honest property management companies who have obtained a license as required by law, which is neither burdensome nor onerous. It costs just \$350 to become licensed as a Maryland Collection Agency and the application is online. A real estate broker license fee costs \$211 and that application is also online.

Due to the pending and active litigation against some of the proponents of this legislation (which would potentially make the legislation unconstitutional)¹ and the above information, I recommend the committee vote UNFAVORABLE.

¹ *Dua v. Comcast Cable of Maryland, Inc.*, 370 Md. 604 (2002).