

February 26, 2026

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Support SB 589 - Business Regulation - Collection Agencies - Licensure Exemption for Property Managers

Dear Chair Beidle,

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland supports this legislation to exempt certain property managers from the requirement to obtain a collection agency license when collecting rent, utilities, or fees from residential tenants on behalf of a property owner, under specified circumstances.

Property managers acting within the ordinary scope of their management responsibilities are not third-party debt collectors in the traditional sense. They are agents of the property owner, engaged in the routine administration of rental housing, including collecting rent and related charges pursuant to a lease agreement. Requiring these professionals to obtain a separate collection agency license imposes duplicative regulation that does not meaningfully enhance consumer protection.

Property managers are already subject to extensive oversight, contractual obligations, and, in many cases, professional licensure requirements. Imposing an additional licensing layer increases administrative costs, creates unnecessary compliance burdens, and exposes housing providers and managers to legal risk for engaging in standard operational activities. These added costs ultimately flow through to housing providers and, potentially, to tenants.

This narrowly tailored exemption recognizes the practical realities of property management while maintaining appropriate protections against abusive third-party debt collection practices. By clarifying that routine rent collection by a property manager does not constitute collection agency activity, the bill provides needed certainty and avoids unintended regulatory consequences.

For these reasons, we respectfully urge a favorable report on this legislation.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Finance Committee

