

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General



**STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
HOUSING UNIT**

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

KAREN M. VALENTINE
Deputy Division Chief

PETER V. BERNIS
General Counsel

CHRISTIAN E. BARRERA
Chief of Staff

KIRA WILPONE-WELBORN
Unit Chief

February 24, 2026

To: The Honorable Pamela Beidle
Chair, Finance Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: Senate Bill 589 – Business Regulation - Collection Agencies - Licensure Exemption for
Property Managers (OPPOSE)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) opposes Senate Bill 589 sponsored by Senator Benjamin F. Kramer. Senate Bill 589 unnecessarily and dangerously exempts property managers from the Maryland Collection Agency Licensing Act (“MCALA”) at the risk of harming Maryland consumers and limiting appropriate State enforcement authority. The Division opposes Senate Bill 589 for the following reasons.

First, for over 45 years, MCALA has consistently required that property managers and other collectors of rent obtain and maintain a license. MCALA defines a “collection agency” to include “a person who engages directly or indirectly in the business of . . . collecting for, or soliciting from another, a consumer claim,” Md. Code Ann. Bus. Reg. (“BR”) § 7-101(c)(1)(i), and requires a person acting as a collection agency to possess a license. *Id.* § 7-301. In 1980, the Office of the Maryland Attorney General explained that MCALA requires that rent collectors, including property managers, be licensed as collection agencies.

It is our opinion that all rent collectors must be licensed as collection agencies if: (1) they are engaged in the business of collecting or attempting to collect for others rents owed or claimed to be owed to those others by Maryland residents for leasehold interests acquired for personal, family, or household purposes; and

(2) they do not fall within one of the specific exclusions contained in the law.

65 Op. Att’y 316 (1980). There simply is no reason now to exclude property managers, who are clear rent collectors, from their over 45-year obligation to obtain a license or seek other exemption.¹

Second, the MCALA licensing obligations of property managers protect Maryland consumers and provide an invaluable source of accountability. Landlord-tenant complaints are consistently among the top complaints received each year by the Division, including complaints from tenants facing unlawful demands for payment of rent, fees, and other charges. In the past five years, the Division has brought enforcement actions against several property managers for their unfair, abusive, and deceptive trade practices related to their illegal collection of rent and other fees. Specifically, the Division has obtained final orders against Westminster Management, LLC (2022)², Real Property Management Capital (2023)³, and Heather Hill Property Company, LLC, *et. al.* (2025)⁴ for violations of the Consumer Protection Act, which included allegations that these entities collected money from consumers without the required MCALA license and engaged in other illegal debt collection activity. Excluding property managers from MCALA as Senate Bill 589 proposes could limit the actions the Division brings against unscrupulous property managers.

Third, the MCALA licensing requirements create two important points of accountability and consumer protection. At the front end, the MCALA licensing requirement requires that those seeking to collect money from Marylanders have provided the Collection Agency Licensing Board with basic information about themselves (personal information if an individual, and corporate information if a company); information about who is in control; and basic information about their policies. This information provided before a license is awarded ensures that those seeking to collect Marylanders’ money meet a minimum level of suitability. Then, at the back end, if an individual or entity that holds a collection agency license engages in practices that violate Maryland’s debt collection laws, the potential suspension or revocation of the license can have a powerful deterrent effect to thwart future violations. Senate Bill 589’s attempt to exempt property managers from MCALA would leave consumers vulnerable to unsuitable collectors, at the front end, and limit their avenues for complaint and accountability on the back end.

¹ Indeed, the Maryland Appellate Court held in *Williams v. eWrit Filings*, 253 Md. App. 545, 559-560 (2022) that MCALA by its plain language covered rent collection activities. The Court further observed: “We find it notable that the Maryland Senate seemingly responded to the Attorney General’s opinion when it proposed a bill two weeks after the opinion’s issuance to clarify that real estate brokers and their agents that collect rents would not constitute debt collection agencies. . . . In light of the Attorney General’s broad interpretation that rent collectors must be licensed as collection agencies, the General Assembly carved out a single exemption for real estate brokers and their agents who engage in the collection of rent. By failing to exempt any other rent collection entities in the bill, the General Assembly inferentially manifested its intent that all other rent collectors engage in debt collection activity.”

² Impacting consumers in Baltimore City, Baltimore County, and Prince George’s County.

³ Impacting consumers in the DC Metro Region, including Montgomery County.

⁴ Impacting consumers in Prince George’s County.

Finally, Maryland property managers are not required to hold any other license regulated by a State agency. If Senate Bill 589 were to pass, property managers would be subject to little oversight for their practices. Conversely, the entities and businesses presently excluded from MCALA are regulated by other agencies and boards. For example, real estate brokers are regulated by the Real Estate Commission and, likewise, attorneys are overseen by the Attorney Grievance Commission. As such, exempted individuals and businesses from MCALA are subject to other oversight to ensure compliance with Maryland laws and provide avenues for accountability. In contrast, if property managers were exempt from MCALA, property managers would operate in a regulatory black hole because there is not another licensing entity in Maryland for this profession.

Senate Bill 589 risks great harm to Maryland consumers. As such, the Division requests the Finance Committee issue an unfavorable report on Senate Bill 589.

cc: The Honorable Benjamin F. Kramer
Members, Finance Committee