

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 589  
Finance

(Senator Kramer)

---

Business Regulation - Collection Agencies - Licensure Exemption for Property  
Managers

---

This bill exempts property managers engaged in the collection of rent, utilities, or fees from residential tenants on behalf of property owners from the requirement to hold a license to do business as a collection agency from the State Collection Agency Licensing Board. The exemption applies if (1) the payment is collected during the term of the lease or a holdover period; and (2) the collection of debts, including rent, utilities, and fees, is not the primary purpose of the property manager with respect to the property.

---

Fiscal Summary

**State Effect:** Special fund revenues decrease minimally, although a reliable estimate is not feasible, as discussed below. Expenditures are not affected.

**Local Effect:** The bill is not expected to materially affect local operations or finances.

**Small Business Effect:** Minimal.

---

Analysis

**Bill Summary:**

A “property manager” is defined as a person responsible for the management and maintenance of real property, including (1) finding tenants; (2) collecting rent, utilities, and fees; (3) paying expenses and applicable taxes; (4) maintaining utilities and systems; and (5) taking any necessary actions to manage and operate real property.

## **Current Law:**

The Maryland Collection Agency Licensing Act requires a person to be licensed by the State Collection Agency Licensing Board whenever the person does business as a collection agency, generally defined as engaging, either directly or indirectly, in the business of (1) collecting a consumer claim; (2) collecting a consumer claim acquired when the claim was in default; (3) collecting a consumer claim using a name or other artifice that indicates that another party is attempting to collect a consumer claim; (4) using a system of forms that indicates that a person other than the owner is asserting a consumer claim; and (5) employing services to solicit a collection system to be used for collection of a consumer claim. A “consumer claim” is defined as a claim for money owed or said to be owed by a resident of the State that arises from a transaction in which a private party sought or received credit, money, property, or services.

However, the licensure requirement does not apply to (1) banks; (2) federal or State credit unions; (3) mortgage lenders; (4) persons acting under an order of court; (5) licensed real estate brokers or those acting on their behalf; (6) savings and loan associations; (7) title companies as to their escrow businesses; (8) trust companies; (9) lawyers collecting debt on behalf of a client; and (10) persons who are collecting debt on behalf of another person, as specified.

An applicant for a license must submit a completed application under oath and pay a fee set by the board. The current annual licensing fee is \$350. Statute authorizes the Commissioner of Financial Regulation (who also serves as chair of the board) to impose an additional assessment on any licensee; the Office of Financial Regulation (OFR) advises that it imposes an additional annual assessment of \$400 on each licensee. Licensing fees and assessments are paid to the Nondepository Special Fund administered by OFR.

**State Revenues:** The total annual licensing fee for a collection agency is \$750 per business (\$350 licensing fee and \$400 assessment). OFR does not have reliable data on the number of licensed collection agencies, but it estimates that approximately 100 current licensees are property management companies that would be exempt under this bill. Based on this estimate, special fund revenues decrease by \$75,000, but a more reliable estimate is not feasible. To the extent that there are additional property management companies that are not currently licensed, foregone revenue may be greater.

---

## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Cross File:** HB 433 (Delegates Qi and Adams) - Economic Matters.

**Information Source(s):** Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2026  
sj/mcr

---

Analysis by: Toni Heo

Direct Inquiries to:

(410) 946-5510

(301) 970-5510