

January 18, 2021

The Honorable Dereck Davis
Chairman, House Economic Matters Committee
House Office Building, Room 231
6 Bladen Street
Annapolis, MD 21401

RE: In Support of House Bill 239 (State Real Estate Commission - Property Managers - Registration) with Amendments

Dear Chairman Davis:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the Building Industry across the State of Maryland supports House Bill 239 (State Real Estate Commission - Property Managers - Registration) with Amendments

This measure requires property managers to register with the State Real Estate Commission in the Maryland Department of Labor (MDL) before providing property management services. While we appreciate the intent to prevent bad actors from engaging in property management, requiring experienced professionals to do so creates some confusion which could create barriers to providing services.

While we support the concept of the bill, there is a lot of question marks about the current legislation. This bill provides little guidance is provided overall. The Commission determines the qualifications after October 1, 2021, but no direction is given on what those qualifications may be. The prohibition takes immediate effect with no grandfathering or grace period to allow current property owners to obtain the required qualifications or to become registered. The lack of clarity may lead to unintentional violations of the new rule, resulting in an excessive \$1,000 fine, without a process by which a registrant could renew their registration once the issue was resolved. The process and all requirements should be simple and clear.

Finally, if this measure moves forward, the renewal cycle provision should be amended. Experienced property management companies and real estate businesses that also offer property management services are sufficiently experienced and should not be required to repeatedly qualify them with the State. One registration should be sufficient.

MBIA has been working with the various interest groups and believes we can come up with a bill that we all support. We respectfully requests the Committee give this measure an favorable report with Amendments. . Thank you for your consideration.

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

cc: House Economic Matters Committee Members