



House Bill 239, State Real Estate Commission – Property Managers – Registration

Committee: Economic Matters
Date: January 19, 2020
Position: Favorable with Amendments

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Pursuant House Bill 239 current posture, a property manager must register with the State Real Estate Commission (Commission) before providing, attempting to provide, or offering to provide property management services in the State. The penalty for failing to do so is a fine of up to \$1,000, imposed by the Commission. The Commission must determine the qualifications for registration. The Commission may set reasonable fees for the issuance and renewal of property manager registrations and other related services it provides. The fees must be set so as to produce funds to approximate the cost of registering property managers. A registration expires on a date set by the commission, unless it is renewed for an additional two-year term. A property manager must be covered by a surety bond in the amount of at least \$100,000, if the property manager rents fewer than 20 properties, or \$200,000, if the property manager rents 20 or more properties. A property manager must provide acceptable proof of the surety bond to the Commission. A person otherwise licensed by the Commission may provide property management services in the State without also being registered as a property manager and meeting the related liability coverage requirements. House Bill 239 does not apply to those participating in a homeowners association, renting a property for less than six months, leasing, managing, advertising, renting, or handling of trust money of an apartment complex with 50 or more units, services provided by a person employed exclusively as the property manager for the property management of one person or services provided on an incidental basis and without additional compensation by employees of an owner of a property.

MMHA thanks Delegate Rogers for offering sponsor amendments that will clarify critical language within the bill. Specifically, the sponsor's amendments clarify that businesses that manage more than 25 rental dwelling units are exempt from registration. Moreover, the sponsor's amendments clarify that a business may operate collectively under one registration, which precludes the need for multiple employees to be registered. This will reduce costs for small businesses and their employees while continuing to ensure accountability.

In addition to the sponsor's amendments, MMHA offers the following amendment to ensure that owners of properties are not burdened with additional costs.

AMENDMENTS TO HOUSE BILL 239
(First Reading File Bill)

AMENDMENT NO. 1

On page 3, line 1, strike “SERVICES THAT AN OWNER OF THREE OR FEWER SINGLE-FAMILY RESIDENTIAL PROPERTIES PERSONALLY PROVIDES TO THE PROPERTIES” and substitute with “SERVICES THAT AN OWNER OF RESIDENTIAL DWELLING UNITS PERSONALLY PROVIDES TO THE PROPERTIES.”

For the aforementioned reasons, MMHA supports House Bill 239 with the sponsor’s amendments, and respectfully requests a favorable report with amendments from the committee.