

Senate Bill 0073

Date: February 9, 2021

Committee: Senate Education, Health and Environmental Affairs

Bill Title: State Real Estate Commission-Property Manager-Registration

Position: Informational Only

Senate Bill 0073 creates a Property Managers registration program within the Department of Labor. SB 0073 requires, with some exceptions, certain persons be registered as a property manager by the Maryland Real Estate Commission (MREC).

Implementation of SB 0073 would require the creation of a new registration program within MREC and the Division of Occupational and Professional Licensing. The property manager registration program would require a substantial initial investment with continual fiscal and staffing support to maintain program viability. Set up costs include support staffing, investigative staff, establishment of regulations, examination preparation, legal fees, space allocation, information technology programming, IT hardware, office supplies, communication costs and examination vendor fees. The program would also be responsible for a share of the reimbursable fund distribution and other direct and indirect overhead expenditures. The Department assesses that the registration program will require four permanent positions to properly administer the program. Although the registration program will be managed by MREC, as noted above, additional resources would be needed to adequately launch and manage this program. This program must operate as an independent program within MREC and remain self-sufficient. It is anticipated that many of the licensee base will be made up of small businesses. Elevated licensing and renewal fee requirements are anticipated and would have a financial impact on small businesses.

The Maryland Real Estate Commission is a Special Fund program and SB 0073 does not provide any initial funding to implement this program. The Department has projected the annual cost to implement this registration program is \$ 354,829 and a program set up for a 2 year renewal would need to generate \$ 800,000 in fee revenue every two years to support the program.