

# SENATE BILL 488

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6lr1077  
CF HB 424

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By: **Senator Lewis Young**

Introduced and read first time: February 2, 2026

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Continuing Care in a Retirement Community Providers – Governing Bodies –**  
3 **Membership**  
4 **(Sue Hecht Continuing Care Retirement Community Transparency Act)**

5 FOR the purpose of requiring a retirement community provider to include certain  
6 information in a certain application and disclosure statement; altering a certain  
7 requirement pertaining to the number of regular and alternate members selected to  
8 be on the governing body of a continuing care in a retirement community provider;  
9 authorizing a resident association, rather than a governing body, to select regular  
10 and alternate subscriber members of a governing body; repealing a requirement that  
11 a subscriber member be selected according to certain standards and criteria; and  
12 generally relating to governing bodies and continuing care in a retirement  
13 community providers.

14 BY repealing and reenacting, without amendments,  
15 Article – Human Services  
16 Section 10–401(a), (d), (m), (o), (s), and (v), 10–411(a) and (b), and 10–425(a)(8)  
17 Annotated Code of Maryland  
18 (2019 Replacement Volume and 2025 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Human Services  
21 Section 10–411(c)(10) and (11), 10–425(a)(4) and (9), and 10–427  
22 Annotated Code of Maryland  
23 (2019 Replacement Volume and 2025 Supplement)

24 BY adding to  
25 Article – Human Services  
26 Section 10–411(c)(11)  
27 Annotated Code of Maryland  
28 (2019 Replacement Volume and 2025 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Human Services**

10–401.

(a) In this subtitle the following words have the meanings indicated.

(d) “Continuing care” means:

(1) continuing care in a retirement community; or

(2) continuing care at home.

(m) “Facility” means a physical plant in which continuing care in a retirement community is provided in accordance with this subtitle.

(o) “Governing body” means a board of directors, board of trustees, or similar group that ultimately directs the affairs of a provider, but whose members are not required to have an equity interest in the provider.

(s) “Provider” means a person who:

(1) undertakes to provide continuing care; and

(2) is:

(i) the owner or operator of a facility; or

(ii) an applicant for or the holder of a preliminary, initial, or renewal certificate of registration.

(v) “Subscriber” means an individual for whom a continuing care agreement is purchased.

10–411.

(a) A provider may not enter into a continuing care agreement until the Department issues a preliminary certificate of registration.

(b) An application for a preliminary certificate of registration shall be filed in a form satisfactory to the Department.

(c) An application shall include at least the following information:

(10) the form and substance of any advertisement, advertising campaign, or other promotional material for the facility that has not been previously submitted to the Department; [and]

**(11) A COPY OF THE BYLAWS OR SIMILAR INSTRUMENT OR AGREEMENT GOVERNING THE PROVIDER; AND**

~~[(11)]~~ **(12)** other reasonable and pertinent information that the Department requires.

10–425.

(a) A disclosure statement shall include:

(4) the organizational structure and management of the provider, including:

(i) for a corporation or limited liability company, its name, the state in which it is incorporated or formed, and the name of the chief executive officer;

(ii) for a partnership, the names of the general partners, the state governing its formation, and the name of the primary individual responsible for managing it;

(iii) for an unincorporated association, the names of the members, the state governing its activities, and the name of the primary individual responsible for managing it;

(iv) for a partnership that has a corporation or limited liability company as one or more of its general partners, the name of each corporation or limited liability company, the state in which it is incorporated or formed, and the name of the chief executive officer;

(v) for a trust, the name of the trustee, the names of the owners of beneficial interests in the trust, the state governing it, and the name of the primary individual responsible for overseeing its activities; [and]

**(VI) THE ARTICLES OF INCORPORATION OR OTHER FOUNDING INSTRUMENT OF THE PROVIDER, INCLUDING ANY AMENDMENTS, AND A COPY OF THE BYLAWS OR SIMILAR INSTRUMENT OR AGREEMENT GOVERNING THE PROVIDER; AND**

~~[(vi)]~~ **(VII)** a statement whether the provider is qualified, or intends to qualify, as a tax-exempt organization under the Internal Revenue Code;

(8) a description of the provider's form of governance and the composition of its governing body, and a statement that the provider will satisfy the requirements of §§ 10-426 and 10-427 of this subtitle;

(9) if the provider has a governing body, a description of the process used by the provider to:

(i) select a subscriber member of its governing body; and

(ii) satisfy the requirements of [§ 10-427(a)] **§ 10-427(c)** of this subtitle;  
10-427.

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) "GOVERNING BODY" HAS THE MEANING STATED IN § 10-401 OF THIS SUBTITLE.**

**(3) "PROVIDER" MEANS, IN ADDITION TO THE MEANING STATED IN § 10-401 OF THIS SUBTITLE, A PERSON WHO EFFECTIVELY CONTROLS THE FINANCIAL AND POLICY DECISIONS IN PROVIDING CONTINUING CARE IN A RETIREMENT COMMUNITY.**

**(B) THE PURPOSE OF A SUBSCRIBER MEMBER OF A GOVERNING BODY SELECTED IN ACCORDANCE WITH THIS SECTION IS TO REPRESENT THE INTERESTS OF THE PROVIDER'S SUBSCRIBERS.**

**[(a)] (C) (1)** If a provider has a governing body, at least one of the provider's subscribers shall be a full and regular member of the governing body.

**(2)** If the provider owns or operates [more than three] **MULTIPLE** facilities in the State, the governing body shall include:

**(I) AS A REGULAR MEMBER, ONE OF THE PROVIDER'S SUBSCRIBERS WHO IS A SUBSCRIBER AT THE FACILITY WITH THE MOST SUBSCRIBERS; AND**

**(II) AS AN ALTERNATE MEMBER,** at least one of the provider's subscribers for every three facilities in the State, **IF APPLICABLE.**

**(3) (i)** If the governing body has only one subscriber, the governing body shall authorize the appointment of an alternate subscriber to serve as a regular member of the governing body if the regular subscriber is unable to fulfill the subscriber's duties.

(ii) The alternate subscriber may:

1. attend all meetings of the governing body; and

2. vote only if the regular subscriber is unable to fulfill the subscriber's duties as a regular member of the governing body.

(4) (I) [Subject to paragraph (5) of this subsection, a] A regular or alternate member of the governing body who is selected to meet the requirements of this subsection shall be a subscriber at a facility in the State and be selected [according to the same general written standards and criteria used to select other members of the governing body] **BY THE RESIDENT ASSOCIATION OF THE FACILITY.**

**(II) A REGULAR OR ALTERNATE MEMBER SELECTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH IS NOT REQUIRED TO MEET THE SAME GENERAL WRITTEN STANDARDS AND CRITERIA USED TO SELECT OTHER MEMBERS OF THE GOVERNING BODY, INCLUDING ANY REQUIREMENT TO ADHERE TO A PARTICULAR RELIGIOUS FAITH OR PRINCIPLE.**

[(5) The governing body shall confer with the resident association at each of the provider's facilities before the subscriber or alternate subscriber officially joins the governing body.]

[(6)] (5) (i) A subscriber member or alternate subscriber member of a governing body may report on nonconfidential deliberations, actions, and policies of the governing body to the resident association.

(ii) The governing body in its sole but reasonable discretion shall determine whether a matter is confidential.

[(7)] (6) The Secretary may waive the requirements of this subsection for a provider in the process of decertifying as a provider, if the Secretary determines that there are no subscribers willing and able to serve on the governing body.

[(b)] (D) (1) If a provider does not have a governing body, the provider shall appoint a select committee of its officers or partners to meet at least quarterly with the resident association at each of its facilities to address concerns of the subscribers and to ensure that the opinions of subscribers are relayed to all officers or partners of the provider.

(2) If a facility does not have a resident association, the committee shall meet with a reasonable number of representatives, not required to exceed fifteen, that the subscribers elect.

[(c)] (E) As determined by the provider's governing body, the provider shall make available to subscribers either the nonconfidential portions of the minutes of each

1 meeting of the governing body or a summary of the nonconfidential portions of the minutes,  
2 within 1 month of approval of the minutes.

3       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2026.