

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 560
Finance

(Senator Sydnor)

Continuing Care Retirement Communities - Refunds

This bill requires a provider of continuing care in a retirement community to pay any contractual entrance fee refund no later than two years after the date a continuing care agreement is terminated, regardless of whether an entrance fee refund is conditioned on the reoccupying of a subscriber's unit. If a continuing care agreement is terminated by written notice given by a subscriber, the termination date of the agreement must be the date on which the subscriber vacated the unit and removed all personal property. If a continuing care agreement is terminated on the subscriber's death, the termination date of the agreement must be the date of the subscriber's death.

Fiscal Summary

State Effect: The bill's requirements can be handled with existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: "Continuing care in a retirement community" means providing shelter and either medical and nursing or other health-related services or making the services readily accessible through the provider or an affiliate of the provider, whether or not the services are specifically offered in written agreement for shelter (1) to an individual who is at least age 60 and not related by blood or marriage to the provider; (2) for the life of the individual or for a period exceeding one year; and (3) under one or more written agreements that

require a transfer of assets or an entrance fee notwithstanding periodic changes. “Continuing care agreement” means an agreement between a provider and a subscriber to provide continuing care.

Continuing care agreements must allow a subscriber to terminate the agreement by giving a written notice to the provider. If a continuing care agreement is terminated by the subscriber’s election or death within the first 90 days of occupancy, the provider must pay any contractual entrance fee refund within 30 days after the earlier of:

- the recontracting of the subscriber’s unit by another subscriber for whom the entrance fee has been paid or another party who is not a subscriber; or
- the later of (1) the 90th day after the date the written termination notice is given or the date of death or (2) the day the independent living units at the facility have operated at 95% of capacity for the previous six months.

If a continuing care agreement is terminated by the subscriber’s election or death after the first 90 days of occupancy, the provider must pay any contractual entrance fee refund within 60 days after the subscriber’s death or the effective date of termination, if on the date of death or at any time between the date the written notice is given and the effective date of termination:

- the subscriber resides in a unit at a higher level of care than the level of care in which the subscriber resided on initially entering the facility; and
- the last unit in which the subscriber resided at the initial level of care on entering the facility has been occupied by or reserved for another subscriber who had paid an entrance fee.

If an entrance fee refund is conditioned on the reoccupying of a subscriber’s unit and the unit has not been reoccupied within nine months of the subscriber’s death or the date of the contract termination, a provider must submit a written report to the subscriber or the subscriber’s beneficiary stating (1) that the unit has not been reoccupied and (2) the efforts the provider has made to reoccupy the unit. The provider must submit an updated written report to the subscriber or the subscriber’s beneficiary every six months until the subscriber’s unit has been reoccupied.

Additional Information

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

Designated Cross File: None.

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

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caw/jc

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