



Montgomery County

Office of Intergovernmental Relations

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SB 927

DATE: March 25, 2025

SPONSOR: Senator Smith

ASSIGNED TO: Environment and Transportation Committee & Ways and Means Committee

CONTACT PERSON: Leslie Frey

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POSITION: FAVORABLE (Department of Housing and Community Affairs)

Corporations and Associations - Cooperative Limited Equity Housing Corporations – Establishment

Senate Bill 927 authorizes a Maryland nonstock corporation to convert to a limited equity housing cooperative and establishes procedures and requirements for the conversion of a Maryland nonstock corporation to a cooperative limited equity housing corporation. Under the bill, an affirmative vote of at least two-thirds of the total members is required to convert from a Maryland non-stock corporation to a cooperative limited equity housing corporation. If converting to a cooperative limited equity housing corporation, the corporation is required to offer the opportunity to become a member of the limited equity housing cooperative to each household and may not require a household that does not accept the offer to vacate earlier than 90 days after the receipt of notice. A household that has a member who is a disabled person or a senior citizen and is a low-income household may not be required to vacate earlier than twelve months following the receipt of notice to vacate and shall receive reimbursement for moving expense for expenses actually incurred in an amount between \$375 and \$750.

The Montgomery County Department of Housing and Community Affairs strongly support Senate Bill 927 because it provides an option for long-term residency with controlled expenses and stable housing conditions that otherwise would not be financially available to low-income residents. Ownership of the management of a building controls the building condition, costs and payment for the benefit of the residents. Montgomery County tenants benefit from opportunities to remain in their communities in the face of escalating housing costs and would benefit from the opportunity to create limited equity corporation ownership and control structures. For these reasons, the Department of Housing and Community Affairs respectfully urges the committees to issue a favorable report on Senate Bill 927.