

Board of Directors
Leisure World Community Corporation
3701 Rossmoor Boulevard
Silver Spring, MD 20906

**TESTIMONY OF THE LEISURE WORLD COMMUNITY CORPORATION OF MARYLAND
ON FEBRUARY 19 2026
BEFORE THE HOUSE ECONOMIC MATTERS COMMITTEE
HB 537 – RESIDENTIAL OWNERS IN COMMON OWNERSHIP
COMMUNITIES – BILL OF Rights**

UNFAVORABLE

Honorable Chair Kriselda Valderrama, Vice-Chair Lorig Charkoudian, and Members of the House Economic Matters Committee:

This testimony is being submitted on behalf of the Leisure World Community Corporation. Leisure World is a senior (55+) adult community in Silver Spring Maryland, including 27 condominiums, one cooperative housing corporation, and one homeowners' association. Leisure World communities have 5600 units with more than 8500 residents impacted by this bill.

Leisure World supports having owners of units in common ownership communities being knowledgeable about their rights. Leisure World objects to this bill because many of the "rights" in the bill are unnecessary, are summary in nature, are ambiguous and in parts, overly burdensome. The bill only address rights of owners. We note that it is important for unit owners to not only know their rights but also to know their responsibilities.

It is noteworthy that in 2023 Maryland enacted legislation (HB844) sponsored by the sponsor of this bill, HB537, requiring the Maryland Department of Housing and Community to collect and maintain information on the rights and responsibilities of individuals living in a common ownership community. The Department on its website provides the "Rights and Responsibilities of Individuals Living in Common Ownership Communities" based on current law. In our view it is unnecessary to provide a summary of rights as is done in this bill which are better addressed and explained in more detail on the Departments web page.

Many of the rights of the bill already exist in more specific terms in the Maryland Condominium Act, the Maryland Homeowners Association Act, and/or the Maryland Cooperative Housing Corporation Act. In addition, many governing documents that govern condominium, homeowners associations and cooperatives in the State of Maryland have many of the rights of this bill. Some may differ. Governing documents should govern unless there is a specific law to the contrary.

Moreover, to the extent the rights provides for new legal obligations and protections, separate detailed language should be submitted in separate bills to fully air and explain the provisions. Not to do so risks ambiguities and confusion that can only lead to unnecessary disputes and litigation.

Laws addressing rights and obligations for condominiums, cooperatives, and homeowners associations and their residents can be complicated. While there are benefits to have general principles described, summary language of rights as in this bill when codified may lead, as noted above, to unnecessary disputes and litigation. Specific details of requirements should be in laws not summaries. In that regard, the Montgomery County Commission on Common Ownership Communities has adopted “Rights and Responsibilities of Owners in Common Ownership Communities.” However, rather than codifying them as laws, they are expressed as principles or ‘best practices’ which are founded on Maryland law and often included in most association bylaws and covenants. Maryland should do the same with a caveat to refer to the specific law in the code for the legal details. In that regard, the District of Columbia in its Bill of Rights references the legal provisions for each stated right that governs the right. District of Columbia Condominium Association Bill of Rights¹.

In addition to the above general concerns and objections with the bill, Leisure World has specific concerns with provisions in section 105 (B) of the bill some of which would create unanticipated hardships for a community, like Leisure World, that offers a wide variety of amenities and services for residents of its community. We are particularly concerned with the requirements of B(4) and (5). Other jurisdictions that provide for a similar bill of rights do not contain provisions analogous to these requirements. See e.g. District of Columbia Condominium Association Bill of Rights.

Leisure World concerns include:

B(1) Right to participate in meetings. How is this right to be implemented? Does it require the governing body to provide a room for participation with chairs etc. Under current law there is nothing to prevent residents from gathering and discussing matters.

B(2) Right to be represented by the governing body. Represent before who and for what issues? Does this mean the governing body must provide counsel to a resident choosing to litigate against the community?

B(2) Right to have governing body consider the priorities of all owners. Is this anything more than requiring the governing body to perform as fiduciaries balancing the best interests of the building and residents?

B(3) Right for a budget to be delivered to the owners. The Condo Act requires budgets to be submitted. Why use different words?

B(4) Right to use all facilities and services of the common ownership community at a reasonable cost that does not exceed half the cost charged to eligible users who are not residential owners in the common ownership community. The determination of fees for

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https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Condominium%20Association%20Bill%20of%20Rights%20and%20Responsibilities_0.pdf

community amenities is a budgetary matter that should be addressed by the governing bodies of individual communities rather than by external government intervention. For instance, certain services, such as an on-site restaurant serving residents and their guests, often feature uniform pricing for both owners and guests. The proposed legislation would mandate differential pricing; for example, if an owner pays \$10 for a hamburger, a guest would be required to pay at least \$20.01. Establishing appropriate pricing for amenities requires an analysis of cost structures and consideration of what customers are willing to pay. Imposing codified rules in this area could interfere with community management's responsibilities, particularly when the financial viability of the amenity depends on both residential owners, guest or public use. Codifying such requirements may lead to financial losses for the community and could result in the discontinuation of certain amenities, thereby posing potential hardships for the community.

Leisure World as essentially a small municipality offers an extensive range of facilities and amenities to its community, including a golf course, restaurants, fitness center, theater, and swimming pools, among others. The fifty percent requirement is unrelated to the financial resources required to sustain these amenities. Additionally, it remains uncertain whether the bill's cost restriction extends to external vendors, several of whom are responsible for operating key Leisure World facilities. These vendors may have distinct profit models that could conflict with the bill's cost limitations, potentially complicating the procurement of their services. As a final comment, communities have rental units, guests and family members in common ownership communities. It is unconscionable that the government should be requiring communities to charge higher fees to rental occupants, guests and family members based on this provision.

B(5) Right to expand capacity to the extent possible so that the class of sole or primary users are not denied the opportunity to use facilities and services. Since almost anything is possible, what does "extent possible" mean? Does this mean that the governing body must provide for a special assessment if additional capacity is needed for a facility since it is always possible to have an assessment? Does this mean if the facility has the capacity for a hundred residents and there is 102 residents, it needs to be rebuilt? How is the issue of cost and reasonless built into the decision-making process? As with the wording in B(4), this has the clear potential to create hardships for a community.

B(6) Right for present and future owners to have equal responsibility to repay debts for major capitol projects or operating expenses. It is unclear how a "relatively equal share" between present and future owners would be determined. In some cases, it may be appropriate to create funds through assessments of current owners so funds are available at the time of the project. In other cases, it may be warranted financially to take out a loan to pay over time. Since buildings last for many years, how long is considered for purposes of the future? A roof may last for 20 years and benefit future owners but the funds need to be collected now. Waiting to charge future owners maybe unacceptable. These are financial

decisions that must be made by governing bodies applying business judgements and not dictated by the government.

B(7) Right for fair and secret elections. The election process was amended last session that addressed independence. Neutral parties in this bill is a new term. There is no need to provide new requirements in this area. Fair elections can be held without secret ballots. Fair elections can be held without secret ballots. **Having secret ballots complicates the election process particularly with condominiums wherein owners do not all have the same vote;** percentage interest is assigned frequently by the size of unit owned and may also include parking spaces. For this reason, the weight of each ballot must be included on the ballot. Unless additional measures are added to further distance the owner from the ballot, such as an additional return envelope, the ballot will include identifying information. An audit of the ballots will show at least the category of owner interest, if not the unique voting strength of an individual owner. and Secrecy is essentially impossible to maintain. secrecy if votes have different weights.

B(8) Rights during meetings of governing bodies. Rights concerning meetings are expressed in current law. There is no need to restate them here using different terms that can only result in potential disputes.

B(9) Rights with property managers and governing bodies. Various undefined terms are used. Such as “properly,” “stewards,” and ”protective.” Who decides the meaning of these subjective terms. Laws should be more specific.

B(10) Right for timely access to documents. How timely is timely? Much of this is already codified in the law.

B(11) Right for prompt and nondiscriminatory service. How prompt is prompt?

B(12) Right to individual privacy. What does this mean? All communication should not necessarily be private especially when seeking an open, transparent, and collegial community.

B(13) Right for fair treatment with violations. What does fair treatment mean? The enforcement process is already codified in current law. Does this change existing law, and if so, how?

B(14) Right to be informed and vote on changes to governing documents. The process to change governing documents is already codified in current law. Does this change existing law, and if so, how?

B(15) Right of involvement of the Consumer Protection Division of the Maryland Office of Attorney General to review violations and take direct enforcement action on behalf of owners. The office of the Attorney General should not be representing individuals. The Office of the Attorney General should be taking actions on behalf of the State of Maryland.

For the above reasons Leisure World objects to this bill and it should not be given a favorable vote.

Respectfully submitted,
Colette Collier Trohan
Chair of the Board of Directors
Leisure World Community Corporation