

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 12, 2026  
BEFORE THE HOUSE ECONOMIC MATTERS COMMITTEE  
HB 402 – COMMON OWNERSHIP COMMUNITIES – OMBUDSMAN UNIT, GOVERNING  
DOCUMENT DATABASE, AND LOCAL COMMISSIONS**

**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 8000 residents impacted by this bill.

Leisure World is concerned about the increased costs, unnecessary requirements, potential duplication, and minimal benefits of HB 402 which would, if adopted:

- Establish the Common Ownership Community Ombudsman Unit in the Division of Consumer Protection in the Office of the Attorney General to receive and respond to complaints;
- Require common ownership communities to file governing documents with the Department of Housing and Community Development, which the Department must use to create a publicly accessible database; and,
- Establish requirements for a local common ownership commission established by the local government of a county.

For the reasons explained in more detail below, Leisure World recommends an unfavorable report on HB 402, or else an amendment to exempt existing local common ownership commissions from the burdensome provisions of this bill, such as the Commission on Common Ownership Communities (COCC) in Montgomery County, Maryland.

Complaints by Unit Owners

Article – Commercial Law – Section 13-207(F) provides that the new Ombudsman Unit will receive and respond to complaints about final adverse decisions by the governing body or community manager of a common ownership community. Under section (G), the Unit would refer the complaint to the appropriate local commission or make a determination whether the decision conflicts with the laws or regulations governing common ownership communities and promptly notify the complainant. Under section (H), if the Unit makes that determination, it shall promptly notify the complainant, the governing board and, if applicable, the community manager and if, within one year, the Unit receives another complaint of a final adverse decision, the Unit shall refer the matter to the appropriate local commission.

Respectfully, we believe this process would be “upside down.” Local commissions such as the COCC in Montgomery County are already knowledgeable about the applicable laws and regulations, and their familiarity with the governance and operations of common ownership communities in their jurisdiction puts them in a far better position to make informed judgments on complaints about the adverse decisions of the governing bodies or community managers of those communities. Moreover, this process has the potential for conflicting judgements at the state and local level which could result in confusion and delay in the process of resolving complaints.

Section (I) would create an annual reporting requirement for the Unit. We understand that local COCs already have the required data, which could be collected directly by the Department of Housing and Community Development to avoid duplication.

### Governing Documents

Article – Housing and Community Development – Section 2-304(B) requires every common ownership community to file a copy of their governing documents with the Department of Housing and Community Development, together with any amendments. There would be filing fees and a penalty for failing to comply, and the Department would be required to maintain a public database. We believe these requirements would result in additional costs for common ownership communities as well as the Department without any substantial benefits. Governing documents for common ownership communities are already available to all members of those communities (either online or in paper form), as well as potential purchasers, so we question the necessity and expense of maintaining a state-wide database.

### Local Commissions on Common Ownership Communities

Article – Real Property – Title 11C would establish detailed, prescriptive requirements and standards for local commissions on common ownership communities including membership; governance; services provided to governing bodies of local communities, including training and operational guidelines; document management; and dispute resolution procedures. Generally, we understand that the COCC in Montgomery County already functions in a way that is

substantially equivalent to these proposed requirements and standards. We are concerned that requiring the County to adopt new procedures that are completely identical with the provisions of this bill – solely to meet these new technical requirements – would place “form over substance” and result in additional costs without clear advantages to common ownership communities and their members.

In addition, we note that section 11C-108(C)(2) prohibits a governing body from enforcing or implementing its decision for fourteen days after notification that a dispute has been filed. Under section (D), there is an automatic stay of the governing body’s decision, subject to filing a civil action. There is an exception under section 11C-109 under which the governing body may seek relief from the stay in the case of undue harm to the common ownership community, without similar consequences for the opposing party.

This appears to be an appropriate exception; however, a party served with notice of a request for relief from a stay would have ten days to respond. As stated above, Leisure World remains opposed to this bill, but if adopted, we strongly believe these provisions should be amended to allow a much shorter period of time to resolve urgent requests for relief from a stay, such as imminent or ongoing risk of harm to life, health or property of the common ownership community or its members.

It is important to note that this bill does not require a COCC but only provides requirements if a county establishes a COCC. As a result, the bill removes the flexibility for a county to create a COCC to help its residents that may not include all the provisions in this bill. However, having a COCC with some of the provisions of the bill may be better than having no COCC. In essence this bill requires a Cadillac when a Ford might be adequate given the circumstances of a county.

Given the leadership and long history of effective administration of conflict resolution in Montgomery County with its COCC, at a minimum the Montgomery County COCC should be exempted from this bill.

### Conclusion

It should be noted that in the previous session HB 306 was introduced with similar provisions, but after a hearing was held and testimony was heard from numerous witnesses both for and against the bill, it was not reported out of the House Environment and Transportation Committee. It is noteworthy that Montgomery County, a county that has an effective COCC, the Maryland Judicial Council, and the Office of the Attorney General all had substantial issues with last session’s bill that have not been addressed in the current bill. Furthermore, we are not aware of any new issues or compelling reasons why this bill should be given favorable treatment by this Committee.

For these reasons Leisure World opposes HB 402 and recommends an unfavorable vote against it. If the Committee decides to give favorable treatment to the bill, the Montgomery County

COCC should be exempted from the requirements of this bill.

Respectfully submitted,

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