

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

**POSITION OF THE LEISURE WORLD COMMUNITY CORPORATION
ON FEBRUARY 26, 2026
BEFORE THE HOUSE ECONOMIC MATTERS COMMITTEE
HB 853– REAL PROPERTY-REGULATION OF COMMON OWNERSHIP COMMUNITY
MANAGERS**

FAVORABLE WITH AMENDMENTS

Honorable Chair Kriselda Valderrama and 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, located on 610 acres. Leisure World has 29 Mutuels made up of 27 condominiums, 1 cooperative, and 1 homeowners association. More than 8500 residents live in Leisure World.

HB 853 sets up a State Board of Common Ownership Community Managers to regulate the common ownership community. Leisure World values having qualified community managers. However, in our view this bill establishes an unnecessary regulatory regime that provides for licensing of common ownership community managers. Establishing the state board of common ownership community managers will initially cost the state at least \$198,000, as estimated by the 2025 Fiscal Note, and thereafter result in fees of at least \$935,000 that will be paid by unit owners which can only increase the cost of living in common ownership communities. Fees for each community manager are estimated to be about \$850.

Only seven states require community association manager licensing. Colorado no longer requires licensing. Colorado's legislation expired in 2019 and was not renewed despite the legislature passing a renewal bill. The Governor's reasons for vetoing the renewal included:

- 1) Lack of substantial evidence that licensing reduced consumer harm.
- 2) Licensing requirements made it harder for people to enter the profession.
- 3) Costs of licensing were being passed from management companies directly to homeowners through increased HOA dues.
- 4) Professional standards should be handled by professional associations rather than the state government.¹

¹ <https://dre.colorado.gov/sites/dre/files/documents/Veto%20Statement%20HB19-1212.pdf>

In addition, Virginia does require licensing but a report from the Joint Legislative Audit and Review Commission recommended repealing the licensure requirements for community association managers. The Report found that community managers posed little risk to the public if left unregulated, that associations are already protected against being defrauded because community managers are required to be bonded or insured against losses, and that national certifications are essentially fulfilling the requirements for a state license.²

Licensing community managers (i.e., property managers who provide management services to common ownership communities) may provide homeowner and condominium associations with assurance that the managers meet qualification standards, but the same assurance is available through existing national certifications, such as the Community Association Institute (CAI) and the Institute for Real Estate Management (IREM). In fact, California requires a person who seeks to be called a certified community manager to have taken a voluntary national exam, and it is a violation of California law to use that title without passing the exam. In addition, community managers must inform the associations they manage annually as to whether they have been certified through the examination process.

It is noteworthy that Section 5 of the bill adopts that view in that it provides until the Board has implemented training and examination requirements, passing “a nationally prepared and administered standardized examination for the community association management profession” meets the licensing requirements. That approach should continue to substitute for individual state licensing.

Licensing of community managers is not needed to remove bad actors from the business. Federal and State laws already provide for criminal prosecution for crimes such as fraud and embezzlement. The \$2 million fidelity bond required in HB 853 is duplicative since Maryland Law already requires the associations to fully protect their funds with fidelity insurance covering community managers.

Leisure World recommends that the language in this bill be amended to require that community managers undergo training and certification by professional associations that are nationally recognized for the training and certification of professional community managers. As noted above, such organizations include the Community Association Institute (CAI) and the Institute for Real Estate Management (IREM). Both of these professional organizations provide substantive training courses and thorough testing leading to certification as community managers.

Such an amendment to the proposed Bill would spare communities such as Leisure World from incurring the expense and inconvenience of having its community managers which are called property managers devote their time to unnecessary training when they have

² <https://jlarc.virginia.gov/pdfs/reports/Rpt509.pdf>

already been trained and certified by the top professional associations in the field. Moreover, it will reduce added expenditures that the state cannot afford to pay. It will also reduce housing costs, as in the final analysis the unit owners will need to pay the fees for their property managers.

Accordingly, HB 853 should be amended in its entirety to delete the requirements to create a State Board of Common Ownership Community Managers and a State licensing exam and replace those provisions with a requirement that to be a community manager one must have passed, similar to Section 5 of the bill, a:

(1) a nationally prepared and administered standardized examination for the community association management profession; and

(2) developed according to the basic principles of professional testing standards that utilize psychometric measurement.

This amendment should assure that community managers are qualified without a substantial cost to the State. If there is evidence that this approach results in harm to common ownership communities, then state licensing can be revisited.

Leisure World is the largest common ownership community in Montgomery County. It has extensive experience with community/property managers. The Leisure World property managers are employees of the Leisure World of Maryland Corporation (LWMC). LWMC is owned by the Leisure World Community Corporation (LWCC), a non-stock corporation governed by a board of directors. The property managers of the LWMC only provide management services to the Leisure World community, and as such they fit squarely into the exception of 22-102(8). The property managers at Leisure World are professionals successfully managing many buildings in our common ownership community. They are trained and certified by national organizations. Leisure World consistent with the above requested amendment would continue such training and certifications.

For the above reasons, Leisure World requests amendments to HB 853.

Respectfully submitted,

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