

# SENATE BILL 560

O2, J3

6lr2358

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By: **Senator Sydnor**  
Introduced and read first time: February 4, 2026  
Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Continuing Care Retirement Communities – Refunds**

3 FOR the purpose of requiring a provider of a continuing care retirement community to pay  
4 any contractual entrance fee refund within a certain time after ~~a continuing care~~  
5 ~~agreement is terminated~~ the provider converts a subscriber's unit to a different use,  
uses a subscriber's unit for a different use, or refrains from offering a subscriber's  
unit under a continuing care agreement; and generally relating to continuing care  
6 retirement  
communities.

7 BY repealing and reenacting, with amendments,  
8 Article – Human Services  
9 Section 10–449  
10 Annotated Code of Maryland  
11 (2019 Replacement Volume and 2025 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
13 That the Laws of Maryland read as follows:

14 **Article – Human Services**

15 10–449.

16 (a) A continuing care agreement shall allow a subscriber to terminate the  
17 agreement by giving a written termination notice to the provider.

18 (b) If a continuing care agreement is terminated by the subscriber's election or  
19 death within the first 90 days of occupancy, the provider shall pay any contractual entrance  
20 fee refund within 30 days after the earlier to occur of:

21 (1) the recontracting of the subscriber's unit by:

22 (i) another subscriber for whom an entrance fee has been paid; or

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1 (ii) another party who is not a subscriber; or

2 (2) the later to occur of:

3 (i) the 90th day after the date the written termination notice is  
4 given or the date of death; or

5 (ii) the day the independent living units at the facility have operated  
6 at 95% of capacity for the previous 6 months.

7 (c) If a continuing care agreement is terminated by the subscriber's election or  
8 death after the first 90 days of occupancy, the provider shall pay any contractual entrance  
9 fee refund within 60 days after the subscriber's death or the effective date of termination,  
10 if on the date of death or at any time between the date the written termination notice is  
11 given and the effective date of termination:

12 (1) the subscriber resides in a unit at a higher level of care than the level  
13 of care in which the subscriber resided on initially entering the facility; and

14 (2) the last unit in which the subscriber resided at the initial level of care  
15 on entering the facility has been occupied by or reserved for another subscriber who has  
16 paid an entrance fee.

17 (d) This section does not prohibit a provider from requiring that a subscriber's  
18 unit be vacated before any contractual entrance fee refund is paid as a result of the  
19 subscriber's election to terminate a continuing care agreement.

20 (e) (1) If an entrance fee refund is conditioned on the reoccupying of a  
21 subscriber's unit and the unit has not been reoccupied within 9 months of the subscriber's  
22 death or the date of the contract termination, a provider shall submit a written report to  
23 the subscriber or the subscriber's beneficiary stating:

24 (i) that the unit has not been reoccupied; and

25 (ii) the efforts the provider has made to reoccupy the unit.

26 (2) After the provider submitted the report required under paragraph (1)  
27 of this subsection, the provider shall submit an updated written report to the subscriber or  
28 the subscriber's beneficiary every 6 months until the subscriber's unit has been reoccupied.

29 (F) (1) ~~IF A CONTINUING CARE AGREEMENT IS TERMINATED:~~

30 ~~(i) BY WRITTEN NOTICE GIVEN BY A SUBSCRIBER, THE~~  
31 ~~TERMINATION DATE OF THE CONTINUING CARE AGREEMENT SHALL BE ON THE DATE~~  
32 ~~ON WHICH THE SUBSCRIBER VACATED THE UNIT AND REMOVED ALL PERSONAL~~  
33 ~~PROPERTY OF THE SUBSCRIBER FROM THE UNIT; OR~~

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1 ~~(H) ON THE SUBSCRIBER'S DEATH, THE TERMINATION OF THE~~  
2 ~~CONTINUING CARE AGREEMENT SHALL BE EFFECTIVE ON THE DATE OF THE~~  
3 ~~SUBSCRIBER'S DEATH.~~

4 ~~(2) REGARDLESS OF WHETHER AN ENTRANCE FEE REFUND IS~~  
5 ~~CONDITIONED ON THE REOCCUPYING OF A SUBSCRIBER'S UNIT, WHEN A~~  
6 ~~CONTINUING CARE AGREEMENT IS TERMINATED BY THE SUBSCRIBER'S ELECTION~~  
7 ~~OR DEATH, THE PROVIDER SHALL PAY ANY CONTRACTUAL ENTRANCE FEE REFUND~~  
8 ~~NOT LATER THAN 2 YEARS AFTER THE DATE THE CONTINUING CARE AGREEMENT IS~~  
9 ~~TERMINATED~~ THIS SUBSECTION DOES NOT APPLY TO A UNIT THAT IS VACATED FOR THE PURPOSE OF  
RENOVATING THE UNIT FOR OCCUPANCY BY A SUBSCRIBER.

(2) NOTWITHSTANDING ANY PROVISION OF A CONTRACTUAL AGREEMENT TO THE  
CONTRARY, FOR A UNIT THAT IS SUBJECT TO A CONTRACTUAL ENTRANCE FEE REFUND, IF A  
PROVIDER CONVERTS THE UNIT TO A USE THAT PREVENTS OCCUPANCY BY A SUBSCRIBER, USES  
THE UNIT FOR A PURPOSE OTHER THAN OCCUPANCY BY A SUBSCRIBER, OR REFRAINS FROM  
OFFERING THE UNIT UNDER A CONTINUING CARE AGREEMENT, THE PROVIDER SHALL:

(I) WITHIN 30 DAYS AFTER THE CONVERSION, EXCLUSION, OR REMOVAL,  
PROVIDE WRITTEN NOTICE TO THE SUBSCRIBER, THE SUBSCRIBER'S ESTATE, OR THE  
SUBSCRIBER'S BENEFICIARY; AND

(II) WITHIN 90 DAYS AFTER THE CONVERSION, EXCLUSION, OR REMOVAL, PAY ANY  
CONTRACTUAL ENTRANCE FEE REFUND DUE.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 October 1, 2026.