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Children, Youth, and Families

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THE SENATE OF MARYLAND
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Testimony for Senate Bill 560
Continuing Care Retirement Communities – Refunds
Before the Finance Committee
February 27, 2026

Good afternoon Chair Beidle, members of the committee.

Last September I received an email from a constituent whose mother had moved out of a continuing care retirement community, or CCRC, in Baltimore County, Augsburg Village. Like many CCRC residents, this constituent's mother had signed a contract agreeing to pay what's called an "entrance fee", which can be in the hundreds of thousands of dollars, upfront. In addition to this, the constituent's mother paid a monthly charge. In exchange, Augsburg agreed to provide shelter and basic medical care to enable the constituent's mother to continue living autonomously. When the constituent's mother vacated the community, the contract she signed stated that Augsburg would return 80% of the entrance fee within 60 days of a new tenant moving in.

This constituent contacted me because he and his mother had been waiting more than four and a half years for her refund, which was more than fifty thousand dollars. The provider told him that because the unit was still unoccupied, they could not issue the refund. Meanwhile, the provider's efforts to find an occupant for the unit were, at best, lukewarm, and at worst, actively detrimental. The constituent's mother had lived there for five years. It took nearly five years and intervention from my office and the Office of Consumer Protection for Augsburg to make a settlement offer, which my constituent accepted in order to end the saga.

In a moment, Mr. Hill is going to tell you the story of his own mother's experience with Augsburg, and it will sound very similar. But Mr. Hill is not the constituent I'm referring to. Mr. Miller is going to tell you about his grandmother's experience, and that will sound very similar to the previous two stories. Yet Mr. Miller is also not the constituent I'm referring to. Separately, but during the same timeframe, these three residents of Augsburg and their families experienced the same aggravating, unreasonable delays of the refunds they were rightfully owed.

People should not have to wait five years and depend on a provider's good faith for the refund of tens of thousands of dollars.

Although the bill in front of you introduces a hard cap on a CCRC's requirement to refund a former resident or their beneficiary, after discussing with other providers and the Department of Aging, we are offering an amendment that removes that cap and specifically targets bad actors.

First, if a provider puts the unit on a rental market, uses it for a different purpose, or otherwise takes the unit out of the CCRC inventory, the provider must refund the former resident within 90 days. This would prevent a provider from abusing a loophole we've seen in existing contracts: if a refund is only processed when a new CCRC resident moves in, and no CCRC resident ever moves in because no CCRC is offered, no refund is ever processed. This provision solves a short-term problem, while the second provision of the amendment offers an ongoing solution.

The Department of Aging currently has the authority only to make inquiries to a provider when someone reaches out with a complaint. The Department can ask questions and point to regulations, but cannot assess penalties or fines. With this amendment, we would grant the Department limited authority to assess fines if a CCRC provider fails to provide a contractual refund within a reasonable time. Instead of the hard cap I originally proposed, this softer cap allows providers acting in good faith to engage in problem-solving with the Department and the resident, while providers who fail to do so face actual consequences.

For folks waiting for a refund it isn't just about the money—even though we can be talking about tens of thousands or even hundreds of thousands of dollars—it's about seeking closure. People generally do not move out of continuing care retirement communities because they need **less** support. They typically move into higher-support facilities like memory care or hospice, which can be expensive. Some might pass away before they need these other facilities. Regardless of the reason, the transition from a CCRC is often emotionally difficult for the resident and their family. The last thing they need is a constant worry about whether they'll ever actually get their money back.

For these reasons, I request a favorable report on SB 560.