



TESTIMONY

COMMITTEE: House Judiciary

DATE: February 12, 2026

POSITION: Favorable with Amendments

BILL: Senate Bill 511

The Maryland Municipal League (MML) appreciates the intent of Senate Bill 511 and the Sponsor's willingness to work collaboratively with local governments. We recognize the bill's goal of expanding access to permanently affordable housing through cooperative limited equity housing corporations, and we commend the focus on ensuring that a substantial majority of cooperative members are low-income households.

From a municipal perspective, several provisions of SB 511 are aligned with local priorities. By supporting the creation and preservation of affordable housing and enabling nonprofit or community-based ownership models, the bill offers an additional tool that municipalities may welcome as part of a broader housing strategy.

However, as introduced, the bill includes a provision that broadly preempts local authority over cooperative limited equity housing corporations and the conversion of Maryland nonstock corporations into these entities. Specifically, the bill prohibits counties and municipalities from imposing any restrictions - by ordinance, regulation, or local law - on these cooperatives or on the conversion process. Without clarification, the bill's preemption language could unintentionally limit local input, reduce transparency and community engagement, and create uncertainty around how these developments are reviewed and integrated into existing neighborhoods.

To address these concerns, MML has worked with the Sponsor on an amendment that would treat cooperative limited equity housing corporations in a manner consistent with how Maryland law treats condominium regimes. This framework preserves local planning authority without creating new barriers to cooperative housing.

We are grateful for the Sponsor's good-faith collaboration and openness to this solution. At this time, because the amendment has not yet been formally adopted, MML's position remains Favorable with Amendments. We respectfully request the Committee adopt the agreed-upon amendment, which we believe strikes an appropriate balance between advancing affordable housing opportunities and respecting longstanding principles of local land-use authority.

For more information relating to this piece of testimony, please contact:

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MML represents 161 local governments and about 2 million Maryland residents.