

HB 1506 testimonySenate.pdf

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Position: FAV

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

**TESTIMONY OF THE LEISURE WORLD COMMUNITY CORPORATION OF MARYLAND
ON APRIL 3, 2026
BEFORE THE SENATE JUDICIAL PROCEEDINGS COMMITTEE
HB 1506 – CONDOMINIUM AND HOMEOWNERS ASSOCIATIONS – NEW OWNER FEES –
LIMITATIONS**

FAVORABLE

Honorable Chair Senator William C. Smith, Jr., Vice-Chair Senator Jeff Waldstreicher, and Members of the Senate Judicial Proceedings Committee:

This testimony is being submitted on behalf of the Leisure World Community Corporation. Leisure World is a master homeowner's association consisting of 27 condominiums, one cooperative housing corporation, and one homeowners association (HOA). Leisure World is a senior (55+) community in Silver Spring, Maryland and includes 5660 units with more than 8500 residents located on 610 acres.

Leisure World as a master homeowners association is not just another common ownership community. Leisure World provides services similar to a municipality. These amenities include clubhouses, swimming pools, a golf course, medical center, restaurants, tennis and pickle ball courts, gym, meeting rooms, ballroom, auditorium, physical properties building, interfaith chapel, gardens, and walkways along roads, creeks, ponds, and more. Like a municipality, Leisure World has more than 7.9 miles of roads to maintain. It is responsible for maintaining and operating the sewers over the 610 acres in the community as well as storm water management and related infrastructure. It also has a police force with five vehicles, a transit system with three buses, a community maintenance staff with forty vehicles, and a trash collection system with three garbage trucks all of which must be maintained and replaced from time to time.

In fact, Leisure World with its more than 8500 residents has a greater population than 84% of the municipalities in Maryland. (132 out of the 157 municipalities in Maryland.). There is significant infrastructure that must be maintained and updated as necessary. Unlike a governmental municipality, Leisure World does not have property taxing authority. Rather,

Leisure World funds its capital investments for its infrastructure through the Capital Contribution fee which is collected through a Resale fee which is a one-time fee at sale.

For these reasons, Leisure World is in favor of this bill as amended by the House as it does not apply to a master planned community like Leisure World that is a senior age-restricted community, that provides services similar to those offered by municipalities for multiple individual condominiums.

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

HB 1506X - Capital Contribution - FAV - REALTORS.p

Uploaded by: Lisa May

Position: FAV



House Bill 1506 – Condominiums and Homeowners Associations - New Owner Fees - Limitations

Position: Support

Maryland REALTORS® offers our support for House Bill 1506, as amended, to require disclosure of and limitations to capital contribution fees.

REALTORS® have long supported greater oversight and consumer awareness regarding resale and transfer-related fees imposed by community associations. Currently, initial contribution fees can vary widely across associations and are sometimes not clearly understood by purchasers until late in the transaction process.

The amendments adopted in the House address key concerns previously raised by our organization and provide a more balanced framework that both protects consumers and preserves the financial stability of associations. By establishing a reasonable cap, the bill promotes fairness and predictability for homebuyers entering association-governed communities.

Transparency remains a critical component of the homebuying process. HB 1506 requires that any fee charged be included in the resale packet. Buyers will now be clearly informed of any initial capital contributions or similar charges well before settlement so they can make fully informed decisions when purchasing a home.

House Bill 1506, as amended, ensures that these capitalization costs are both reasonable and more easily understood by the home buying public. For these reasons, Maryland REALTORS® respectfully urges a favorable report.

**For more information contact lisa.may@mdrealtor.org or
christa.mcgee@mdrealtor.org**

HB 1506 Crossover Letter of Concern.pdf

Uploaded by: Karen Straughn

Position: INFO

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General



**STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
MEDIATION UNIT**

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

KAREN S. STRAUGHN
Unit Director

PETER V. BERNS
General Counsel

CHRISTIAN E. BARRERA
Chief of Staff

410-576-7942
kstraughn@oag.maryland.gov
Fax: 410-576-7040

April 3, 2026

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 1506 – Condominiums and Homeowners Associations - New Owner Fees -
Limitations (LETTER OF CONCERN)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony concerning House Bill 1506 submitted by Delegate Kim Ross. This bill originally limited the amount that a homeowners association (HOA) or condominium association may charge a new unit or lot owner, other than an initial unit or lot owner, to be not more than the amount of monthly assessments paid by an existing unit or lot owner at the time of closing. It has since been amended to permit charges of three times the monthly assessment at the time of closing and exempts large associations that are similar to municipalities in operation.

By amending the amount that can be charged by HOAs and condominium associations, the bill now recognizes that associations often charge more than just the standard monthly assessment at closing due to documentation preparation costs. However, expanding this ability to three times the monthly assessment could result in excessive amounts being charged to prospective purchasers. The Division believes these possible charges should be strictly limited.

First and foremost, any amount charged should be clearly disclosed in the resale package. In addition, restrictions should be considered to ensure that associations are not adding excessive or arbitrary fees or using transfer fees as a revenue source, rather than for legitimate costs. For example, if there is a special assessment upcoming, this might be a legitimate source of collection. However, associations should not be able to double charge for underlying expenses,

such as charging a prospective purchaser for reserve fund fees that may have already been paid by the current owner.

Associations should also be prohibited from charging excessive capital contributions. By adding large charges at closing that are not clear in the resale package, it undermines affordability even if monthly dues look reasonable. In actuality, excessive fees meant to benefit the association can potentially harm owners' resale values. If the type of fees permissible aren't well-regulated, associations or management companies may treat them as a source of revenue, rather than cost recovery, which raises fairness and ethical concerns.

For these reasons, we request that the Judicial Proceedings Committee take the Division's concerns into account when considering HB 1506.

cc: The Honorable Kim Ross
Members, Judicial Proceedings Committee