

Board of Directors
Leisure World Community Corporation

3701 Rossmoor Boulevard
Silver Spring, MD 20906

**Testimony of the Leisure World Community Corporation
On March 25, 2025 before the Montgomery County Council
Expedited Bill 7-25, Common Ownership Communities-Registration Fees**

This bill addresses fees paid by common ownership units to cover the costs of administering the Chapter on Common Ownership Communities. Leisure World is testifying on this bill because it impacts the 29 mutuals at Leisure World (27 condominiums, a cooperative, and a home owner association) with more than 5600-unit owners who pay registration fees. More than 8500 residents live in Leisure World.

The current law provides in 10B-7(b) that fees are set by regulation using Method 2 whereby the County Executive develops a regulation and the Council has 60 days to approve or disapprove the fee amount by resolution.

This bill changes the current law by providing two methods to establish registration fees for common ownership units. Proposed 10B-7 (b) provides that the County Executive may recommend a fee that the County Council can adopt by resolution. Alternatively, in 10B-7(d) the County Executive may establish fees by Method 3 regulations that does not provide for either Council approval or disapproval. Under the alternative approach, the County Executive can adopt pursuant to 10B-7(d)(1) higher fees than that adopted by the Council under 10B-7(b). It is noteworthy that Expedited Bill 8-25, Landlord-Tenant Relations does not include the alternative pathway for the Executive to establish tenant fees by Method 3.

Leisure World objects to this bill. The current process using Method 2 has resulted in a stable process for establishing fees. Method 2 provides a specific role for councilmembers assuring fee decisions reflect the broad perspectives of our diverse County and provides oversight for the Executive. The proposed bill permits the County executive too much discretion without oversight to make the fee decision.

It is not clear why the County Executive should be allowed to adopt higher fees than the Council adopted after considering the County Executive's recommendation. It is also not clear

why the language of 10B-7(b) was changed to delete Method 2. Without the process described in Method 2, the time limits for approval are not provided.

The current fee for common ownership units is \$6.50 per unit. Previously from FY17 to FY24 the fee was \$5.00 and before that it was \$3.00 reflecting a stable process. Based on the memorandums contained in the briefing package from the County Executive to the President of the Council, dated January 29, 2025 (Page 5 of briefing package) and the memorandum from Scott Brutan, Director of Housing and Community Affairs, dated January 14, 2025 (page 6 of the briefing package), the fee is expected to be raised to \$101 per unit based on the amount for a Class 3 accessory dwelling unit. This 15-fold increase will result in Leisure World residents paying \$565,600 for fees. This is more than \$524,000 above the current amount. Additional fees adversely impact the residents in Leisure World, a community made up of seniors with an average age of 78, many of whom are on fixed and limited incomes.

Across the county the increase in fees will be millions of dollars and contributes to the rising costs for housing. Such an increase warrants Council involvement. For that reason, Leisure World objects to this legislation.

Respectfully submitted,

Patricia Hempstead

Chair of the Board of Directors