

Economic Impact Statement

Montgomery County, Maryland

Expedited Bill 7-25

Common Ownership Communities – Registration Fees

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 7-25 would have an insignificant impact on economic conditions in the County in terms of the Council's priority indicators. The Bill would modify the process for establishing registration fees for common ownership communities (COCs). The procedural change itself would not directly alter fee amounts. However, if it leads to higher fees than would otherwise be set, the Bill will negatively affect a Council priority economic indicator by raising operating costs for COCs. Conversely, lower fees would reduce their operating costs, creating a positive economic impact.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 7-25

A common ownership community (COC) is a group of homes with their own government and binding rules. In Maryland, COCs can be condominium associations, cooperative housing associations, or homeowner associations.¹ COCs must pay registration fees to the County's Department of Housing and Community Affairs (DHCA) every year.² Currently, the County Executive is required to set the annual registration fees by Method (2) regulation.³

The purpose of Bill 7-25 is to change the process for setting the annual COC registration fees. If enacted, Bill 7-25 would remove the requirement for the fees to be set by Method (2) regulation. Instead, the County Executive would be able to:⁴

- Recommend fees to the Council that are adopted by Council resolution; or
- Raise fees adopted by Council resolution by Method (3) regulation.

The fees would be published on DHCA's website. The Appendix includes descriptions of the approval processes for regulations and Council resolutions.

The Council introduced Expedited Bill 7-25, Common Ownership Communities – Registration Fees, on March 4, 2025.

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

As required by 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Expedited Bill 7-25 on residents and private organizations in relation to Council's priority economic indicators.

¹ [What Is a Common Ownership Community](#), Department of Housing and Community Affairs.

² [Common Ownership Communities \(COC\)](#), Department of Housing and Community Affairs.

³ [Introduction Staff Report for Bill 7-25](#), Montgomery County Council, Introduced March 4, 2025.

⁴ Ibid.

In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.⁵

The Bill would modify the process for establishing registration fees for COCs. The procedural change itself would not directly alter fee amounts. Therefore, OLO concludes that the Bill would have insignificant impacts on private organizations, residents, and overall economic conditions in the County in terms of the indicators prioritized by the Council. However, OLO notes that if the procedure change leads to higher fees than would otherwise be set, the Bill would negatively affect a Council priority economic indicator by raising operating costs for COCs. Conversely, lower fees would reduce their operating costs, creating a positive economic impact.

VARIABLES

Not applicable

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Not applicable

DISCUSSION ITEMS

Not applicable

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.

⁵ "[Sec. 2-81B, Economic Impact Statements](#)," Montgomery County Code.

APPENDIX

Regulations ([Montgomery County Code § 2A-15](#))

Regardless of the method, the County Executive must publish all proposed regulations in the County Register. For each proposed regulation, the publication should include:

- Information on the public hearing, if any; and
- Instructions for the public to submit comments.

The Executive must send a copy of the proposed regulation to the Council after the deadline for public comment. The approval process for the proposed regulation depends on its designated method:

- Under **Method (1)**, the proposed regulation cannot be adopted until the Council approves it. The Council can approve or disapprove the proposed regulation by Council resolution.
- Under **Method (2)**, the Council can approve or disapprove the proposed regulation by Council resolution. If the Council does not vote on the regulation within 60 days, it is automatically approved.
- Under **Method (3)**, the Council is not required to approve or disapprove the proposed regulation. The regulation takes effect when the Council receives it or on a later date specified in the regulation.

Council Resolutions ([Rule 7](#) and [Rule 11](#), Rules of Procedures of County Council, Montgomery County Code)

A resolution is introduced to the Council by the Council President or by its sponsoring Councilmembers. The Council can vote on a resolution on the next meeting after its introduction. A Council majority must approve the resolution to adopt it.