

Resolution No.:	<u>20-891</u>
Introduced:	<u>July 29, 2025</u>
Adopted:	<u>July 29, 2025</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: The Council President at the Request of the County Executive

SUBJECT: Approval of Executive Regulation 20-25 - Establishment of Annual Registration Fee for Common Ownership Communities

Background

1. The Code of Montgomery County Regulations, under Section 10B.07.02.01, authorizes the County Executive to establish an annual registration fee for Common Ownership Communities through the adoption of regulations under Method (2).
2. Executive Regulation 20-25 would amend the fees charged by the Department of Housing and Community Affairs (DHCA) for the Common Ownership Communities program. The fee must be set at an amount sufficient to fund the provision of the dispute resolution and technical assistance by the Department of Housing and Community Affairs.
3. Executive Regulation 20-25 was advertised in the June 2025 Montgomery County Register. No public comments were received. The proposed regulation is unchanged from the advertised regulation.
4. The Council received Executive Regulation 20-25 in a memorandum from the Executive dated July 15, 2025.
5. The revised fees were anticipated in the approval of the Department of Housing and Community Affairs FY26 operating budget, approved by the Council on May 22, 2025.
6. The Council reviewed the proposed fee, as part of its review of the operating budget, at its session on May 7, 2025.
7. Under Method (2), the Council may approve, disapprove, or extend the time for action within 60 days of receiving the regulation. In the absence of Council action, the regulation is deemed approved as submitted.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The County Council approves Executive Regulation 20-25, Establishment of Annual Registration Fee for Common Ownership Communities.

This is a correct copy of Council action.

A handwritten signature in black ink, appearing to read 'Sara', written over a horizontal line.

Sara R. Tenenbaum
Clerk of the Council




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

July 15, 2025

TO: Kate Stewart, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Executive Regulation 20-25 – Establishment of Annual Registration Fee for
Common Ownership Communities

I am transmitting Executive Regulation 20-25 for your adoption, which updates the annual registration fee to \$6.50 per unit for the Common Ownership Communities. The fee must be set at an amount sufficient to fund the provision of the dispute resolution and technical assistance by the Department of Housing and Community Affairs.

The proposed fee structure was thoroughly discussed with the County Council on May 7, 2025, and recommended unanimously. The permanent regulation was advertised in the June 2025 issue of the Montgomery County Register and received no public comments. Copies of the revised regulation and a bracketed copy of the original proposed regulation are included.

This proposed regulation is being promulgated by the Department of Housing and Community Affairs (DHCA) under Method 2 of Section 2A-15 of the Montgomery County Code. If you have any questions or would like additional information, please contact Scott Bruton, Director, DHCA, at 240-777-3611.

Enclosures: Executive Regulation 20-25 – Bracketed Copy
Executive Regulation 20-25 – Clean Copy
Fiscal Impact Statement for Executive Regulation 20-25

cc: Cecily Thorne, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive

Executive Regulation 20-25

July 15, 2025

Page 2 of 2

Ken Hartman-Espada, Assistant Chief Administrative Officer, Office of the County
Executive

Tricia Swanson, Director of Strategic Partnerships, Office of the County Executive

Scott Bruton, Director, Department of Housing and Community Affairs

Pofen Salem, Chief, Finance and Administration Division, Department of Housing and
Community Affairs



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Establishment of Annual Registration Fee for Common Ownership Communities	Number 20-25
Originating Department Department of Housing and Community Affairs	Effective Date July 29, 2025

Department of Housing and Community Affairs

Montgomery County Regulation on:

ESTABLISHMENT OF ANNUAL REGISTRATION FEE FOR COMMON OWNERSHIP COMMUNITIES

Issued by: County Executive

Regulation No. 20-25

COMCOR 10B.07.02

Authority: Code Section 10B-7(b)

Supersedes: Executive Regulation 20-25T

Council Review Method (2) Under Code Section 2A-15

Register Vol. ____, No. ____

Comment Deadline: _____

Effective Date: July 29, 2025

Sunset Date: None

SUMMARY: The regulation updates the annual registration fee for the common ownership communities. The fee must be set at an amount sufficient to fund the provision of the dispute resolution and technical assistance by the Department of Housing and Community Affairs.

ADDRESS: Department of Housing and Community Affairs
1401 Rockville Pike, 4th Floor
Rockville, Maryland 20852

STAFF CONTACT: Ramon Espin, Manager
Common Ownership Communities
Department of Housing and Community Affairs
240-777-3684
ramon.espin@montgomerycountymd.gov

BACKGROUND: The Department of Housing and Community Affairs provides regulatory oversight, education, and enforcement to registered common ownership communities in Montgomery County. This Regulation increases fees for common ownership communities.



MONTGOMERY COUNTY EXECUTIVE REGULATION

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Subject Establishment of Annual Registration Fee for Common Ownership Communities	Number 20-25
Originating Department Department of Housing and Community Affairs	Effective Date July 29, 2025

COMCOR 10B.07.02 Establishment of Annual Registration Fee for Common Ownership Communities

10B.07.02.01 Annual Registration Fee

[An] The annual registration fee [of] is \$6.50 per unit [is hereby established].

A unit [shall] must be assessed only one registration fee by the Department, regardless of common ownership communities that govern that unit.

Registration fees [shall] must not be pro-rated and must be payable to Montgomery County, Maryland on an annual basis.

All fees are an annual registration fee and must be paid at the time of application and each subsequent annual renewal.

[10B.07.02.02 Enforcement

Failure to register is a Class A violation under Section 1-19 of the Montgomery County Code and also makes the community ineligible to file a dispute under Chapter 10B of the Code.]

Approved:

A handwritten signature in cursive script, appearing to read "Marc Elrich".

Marc Elrich, County Executive

July 15, 2025

Date

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

A handwritten signature in cursive script, appearing to read "Neal Anker".

Assistant County Attorney

7/10/2025

Date



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Establishment of Annual Registration Fee for Common Ownership Communities	Number 20-25
Originating Department Department of Housing and Community Affairs	Effective Date July 29, 2025

Department of Housing and Community Affairs

Montgomery County Regulation on:

ESTABLISHMENT OF ANNUAL REGISTRATION FEE FOR COMMON OWNERSHIP COMMUNITIES

Issued by: County Executive

Regulation No. 20-25

COMCOR 10B.07.02

Authority: Code Section 10B-7(b)

Supersedes: Executive Regulation 20-25T

Council Review Method (2) Under Code Section 2A-15

Register Vol. ____, No. ____

Comment Deadline: _____

Effective Date: _____

Sunset Date: None

SUMMARY: The regulation updates the annual registration fee for the common ownership communities. The fee must be set at an amount sufficient to fund the provision of the dispute resolution and technical assistance by the Department of Housing and Community Affairs.

ADDRESS: Department of Housing and Community Affairs
1401 Rockville Pike, 4th Floor
Rockville, Maryland 20852

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Subject Establishment of Annual Registration Fee for Common Ownership Communities	Number 20-25
Originating Department Department of Housing and Community Affairs	Effective Date July 29, 2025

COMCOR 10B.07.02 Establishment of Annual Registration Fee for Common Ownership Communities

10B.07.02.01 Annual Registration Fee

The annual registration fee is \$6.50 per unit.

A unit must be assessed only one registration fee by the Department, regardless of common ownership communities that govern that unit.

Registration fees must not be pro-rated and must be payable to Montgomery County, Maryland on an annual basis.

All fees are an annual registration fee and must be paid at the time of application and each subsequent annual renewal.

Approved:

Marc Elrich, County Executive

July 15, 2025

Date

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

Assistant County Attorney

7/10/2025

Date



Fiscal Impact Statement

Office of Management and Budget

Executive Regulation 20-25

Establishment of Annual Registration Fee for Common Ownership Communities

Regulation Summary

The regulation updates the annual registration fee for the Common Ownership Communities (COC). The fee must be set at an amount sufficient to fund the provision of dispute resolution and technical assistance by the Department of Housing and Community Affairs (DHCA). This update is necessary to reflect the Council-approved fee currently in place.

Fiscal Impact Summary

This regulation maintains the fee rate at \$6.50 per COC unit. DHCA estimates that this rate will generate \$998,378 in FY26, which is consistent with the COC revenue assumed in the FY26 Approved Budget. DHCA also estimates a prior year revenue balance of \$660,860. Expenditures are expected to increase by \$111,235 for a three-year term Program Manager II position approved in FY26. These expenditures will be funded with the prior year remaining fund balance.

Fiscal Year	26	27	28	29	30	31	Total
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenues	\$998,400	\$1,008,400	\$1,018,400	\$1,028,600	\$1,038,900	\$1,049,300	\$6,142,000
Total Impact	\$998,400	\$1,008,400	\$1,018,400	\$1,028,600	\$1,038,900	\$1,049,300	\$6,142,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis

By law, the COC registration fee must be set at an amount sufficient to support the COC Program's operations. Assuming no fee increase over the next six years, DHCA estimates the revenue and expenses to simply reflect the assumed increment increase on the total volume of COC units and wage adjustments for County employees. However, DHCA may need to adjust the annual COC registration fee when the projected expenditures exceed revenue collection.

DHCA estimates the revenue will remain the same for the FY26 approved budget since there was no fee increase. The projected total revenue collected from COC units in FY26 is \$998,378, which is the amount estimated in the FY26 approved budget. Also, there is an estimated remaining prior year revenue fund balance of \$660,860. During the FY26 budget deliberations, the Council approved a three-year term Program Manager II position to administer the newly established Troubled COC loan fund and provide technical support to all COCs. The expenditure associated with this PMII position is estimated to be \$103,725 for personnel costs and \$7,510 for associated operating expenses in FY26. These expenditures will be funded with the prior year remaining fund balance.

Staff Impact

The regulation is not expected to impact staff time or duties.

Actuarial Analysis

The regulation is not expected to impact retiree pension or group insurance costs.



**Information Technology
Impact**

The regulation is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.

Other Information

*Later actions that may impact
revenue or expenditures if future
spending is projected*

Contributors

Scott Bruton, Department of Housing and Community Affairs
Pofen Salem, Department of Housing and Community Affairs
Ramon Espin, Department of Housing and Community Affairs
Joy Champaloux, Department of Housing and Community Affairs
Anita Aryeetey, Office of Management and Budget

