

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Senator Brown

A Bill

SENATE BILL 726

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 23-93-112(a) RELATING TO
9 THE RELEASE FROM ESCROW OF FUNDS PAID TO PROVIDERS UNDER
10 THE CONTINUING CARE PROVIDER REGULATION ACT; AND FOR OTHER
11 PURPOSES."

Subtitle

14 "AMENDING THE CONTINUING CARE PROVIDER
15 REGULATION ACT."

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

19 SECTION 1. Arkansas Code 23-93-112(a) is amended to read as follows:

20 "(a) The commissioner shall require that the provider establish an
21 interest-bearing escrow account with a financial institution authorized to do
22 business in this state. Any entrance fees or payments received by the
23 provider prior to the date the resident is permitted to occupy the living
24 unit in the facility shall be placed in the escrow account. Release of
25 escrowed amounts to the provider shall be made as follows:

26 (1) for living units that have been previously occupied, at the
27 time the new resident makes the first monthly payment; or

28 (2) for living units not previously occupied, at the earliest to
29 occur of one of the following:

30 (A) when aggregate fees received or receivable equal fifty
31 percent (50%) of total entrance fees due at full occupancy, except that any
32 entrance fee payments that are less than thirty-five percent (35%) of the
33 amount due from a resident will not be counted;

34 (B) when entrance fees plus proceeds of any first mortgage
35 or other long term loan in lieu of a first mortgage plus other funds on hand

1 equal fifty percent (50%) of the total cost of the facility plus fifty
2 percent (50%) of the start-up losses shown in the provider_s application
3 submitted under Arkansas Code 23-93-207; or

4 (C) when a permanent mortgage or other long term loan
5 commitment has been received and the mortgagee_s commitment conditions prior
6 to disbursement, other than completing construction and closing purchase,
7 have been satisfied."

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9 SECTION 2. All provisions of this act of a general and permanent
10 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
11 Code Revision Commission shall incorporate the same in the Code.

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13 SECTION 3. If any provision of this act or the application thereof to
14 any person or circumstance is held invalid, such invalidity shall not affect
15 other provisions or applications of the act which can be given effect without
16 the invalid provision or application, and to this end the provisions of this
17 act are declared to be severable.

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19 SECTION 4. All laws and parts of laws in conflict with this act are
20 hereby repealed.

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