

CONTINUING CARE COMMUNITY DISCLOSURE ACT (EXCERPT)
Act 448 of 2014

554.909 Definitions; P to R.

Sec. 9. As used in this act:

(a) "Person" means an individual, partnership, corporation, association, governmental entity, or other legal entity.

(b) "Publish" means to publicly issue or circulate by newspaper, mail, radio, television, or electronic means or otherwise to disseminate to the public.

(c) "Refundable portion of an entrance fee" means the component of an entrance fee that is refundable to the member or his or her estate under the terms and conditions of the continuing care agreement, but excludes the amortized component of an entrance fee.

(d) "Registrant" means a continuing care community registered under this act.

(e) "Reportable change", subject to subdivision (f), means any of the following:

(i) Any change in the tax status of the continuing care community.

(ii) Termination of the continuing care community's sponsorship, or a portion thereof, by a religious, nonprofit, or proprietary organization or group, or the establishment of any new sponsorship for the community.

(iii) Denial, suspension, or revocation of any license, certification, or registration held by the continuing care community and required by state or federal law.

(iv) The entry of any cease and desist order, other order similar in nature, or a temporary or permanent injunction by a court of competent jurisdiction that restricts the continuing care community from offering continuing care agreements to prospective members or restricts the community from operating in any material respect in compliance with the most recent registration.

(v) Any substantive amendments or changes in the disclosure statement, continuing care agreement, or the rules and regulations of the continuing care community.

(vi) Any significant alteration in the care, amenities, or services indicated in the disclosure statement or continuing care agreement.

(vii) Any change in monthly service fees.

(viii) A variation of 10% or more between the actual amount of any of the following items and the amount forecast in the continuing care community's pro forma financial plan most recently filed under this act:

(A) Total assets.

(B) Total liabilities.

(C) Equity.

(D) Fund balance or deficit.

(E) Long-term debt.

(F) Total revenue.

(G) Total expenses.

(H) Cash flow.

(ix) A violation of any debt covenant applicable to the continuing care community.

(f) "Reportable change" does not include a change in the value of an interest rate swap not related to the termination of the interest rate swap.

History: 2014, Act 448, Eff. Apr. 2, 2015.