

2SHB 1296 - H AMD 215

By Representative Macri

ADOPTED 03/08/2019

1 On page 7, line 38, after "ending" strike "after January 1" and
2 insert "on or after December 31"

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4 On page 8, beginning on line 4, after "(B)" strike all material
5 through "amounts" on line 19 and insert "For those cases in which a
6 management company controls a continuing care retirement community, to
7 the extent that it may be ascertained using reasonable, good faith
8 efforts, the following information:

9 (I) The dollar amount of management fees, paid directly or
10 indirectly from resident funds, including entrance fees, expended by
11 the management company to provide management services and products for
12 the community, and may include a reasonable allocation of amounts
13 spent for multiple continuing care retirement communities or life care
14 contracts;

15 (II) The dollar amount of management fees paid by the management
16 company to entities controlled by or under common control with the
17 management company to provide management services or products for the
18 continuing care retirement community, including the names of the
19 entities; and

20 (III) The amount and terms of any outstanding loans from the
21 continuing care retirement community to the management company or any
22 entity controlled by the management company or under common control
23 with the management company"

24
25 On page 10, beginning on line 17, after "participate" strike all
26 material through "security" on line 18 and insert "in significant
27 decisions affecting the resident's health, welfare, and financial

1 security. Management retains its decision-making authority as provided
2 in the residency agreement and applicable law"

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EFFECT: Delays the application of changes to financial statement disclosures from fiscal years ending after January 1, 2019, to fiscal years ending on or after December 31, 2019.

Removes the requirement that financial statements disclose management fees and other compensation paid by the continuing care retirement community (CCRC) to a management company that controls the CCRC, including a detailed summary of how the money was spent by the management company and an itemization of expenditures that were not for the direct benefit of the CCRC. Replaces the management company reporting with a requirement that financial statements disclose (1) the amount of management fees spent by the management company to provide management services and products for the CCRC, (2) the amount of management fees paid by the management company to entities controlled by the management company to provide management services or products for the CCRC, and (3) the amount and terms of any outstanding loans from the CCRC to the management company or entity controlled by the management company.

Changes the resident expectation to be able to participate "meaningfully" in decisions affecting the resident to remove the term "meaningfully" and specify that the expectation applies to "significant" decisions. Clarifies that CCRC management retains its decision-making authority as provided in the residency agreement and applicable law.

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