

Senate Engrossed House Bill

~~restaurants; small alcohol ratio exemption~~  
(now: life care contract; disclosure)

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

**CHAPTER 138**  
**HOUSE BILL 2199**

AN ACT

AMENDING SECTION 20-1812, ARIZONA REVISED STATUTES; RELATING TO LIFE CARE CONTRACTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-1812, Arizona Revised Statutes, is amended to  
3 read:

4 20-1812. Disclosure statement; contents; refunds

5 A. At the time of or before the execution of a life care contract  
6 and the transfer of any money or other property to a provider pursuant  
7 thereto, the provider shall deliver to the person with whom the life care  
8 contract is entered into:

9 1. A disclosure statement that contains a copy of the provider's  
10 certified financial statements and feasibility study prepared according to  
11 section 20-1802 and any other information required by the director. The  
12 cover of the disclosure statement shall contain the following statement in  
13 bold-faced print: "A permit for this life care facility has been issued  
14 by the Arizona department of insurance and financial institutions. This  
15 permit does not constitute approval, recommendation or endorsement of the  
16 life care facility by the department, nor does it evidence the accuracy or  
17 completeness of the information in this statement."

18 2. IF THE LIFE CARE CONTRACT OFFERS A REFUND, A SEPARATE DISCLOSURE  
19 DOCUMENT THAT INDICATES:

20 (a) WHETHER AN ENTRANCE FEE WILL BE CHARGED AND WHEN THE PERSON  
21 MUST PAY THE ENTRANCE FEE.

22 (b) WHETHER ANY PART OF THE ENTRANCE FEE, OR ANY OTHER AMOUNT, PAID  
23 AT ANY TIME BY THE CONTRACT HOLDER OR RESIDENT WILL BE REFUNDED TO THE  
24 PERSON OR THE PERSON'S HEIRS.

25 (c) IF A REFUND WILL BE PAID TO THE PERSON OR THE PERSON'S HEIRS,  
26 THE AMOUNT OR AMOUNTS TO BE PAID AND THE TIME FOR PAYMENT OF THE AMOUNTS.

27 (d) THE SPECIFIC CONDITIONS OR LIMITS, IF ANY, ON THE PAYMENT OF  
28 ANY REFUND, INCLUDING A REQUIREMENT FOR REOCCUPANCY OF A VACATED UNIT, OR  
29 ANY OTHER LIMIT OR CONDITION.

30 B. THE DISCLOSURE LANGUAGE PRESCRIBED IN SUBSECTION A, PARAGRAPH 2  
31 OF THIS SECTION SHALL BE IN AT LEAST TEN-POINT BOLDFACE TYPE, SHALL BE  
32 SIGNED BY THE CONTRACT HOLDER AND THE CONTRACT HOLDER'S PARTNER OR SPOUSE,  
33 IF ANY, AND SHALL BE WITNESSED BY AT LEAST TWO INDEPENDENT PERSONS. THE  
34 PURCHASER MUST SEPARATELY INITIAL EACH DISCLOSURE PRESCRIBED BY SUBSECTION  
35 A, PARAGRAPH 2 OF THIS SECTION AND VERIFY THAT THE PERSON HAS READ AND  
36 UNDERSTANDS THE INFORMATION PRESENTED IN EACH DISCLOSURE. THE PROVIDER  
37 SHALL GIVE AN INITIALED COPY OF THE SEPARATE DISCLOSURE STATEMENT TO THE  
38 CONTRACT HOLDER AT THE TIME OF SIGNING, AND THE PROVIDER SHALL KEEP A  
39 SIGNED COPY OF THE INITIALED DISCLOSURE STATEMENT. THE DIRECTOR MAY  
40 RECOMMEND OR REQUIRE THAT THE SEPARATE DISCLOSURES BE IN A SPECIFIED FORM.  
41 THE FORM MUST CONTAIN THE INFORMATION REQUIRED BY THIS SECTION.

42 Sec. 2. Applicability

43 Section 20-1812, Arizona Revised Statutes, as amended by this act,  
44 applies to new and existing life care contracts.

H.B. 2199

APPROVED BY THE GOVERNOR APRIL 10, 2024.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 10, 2024.