

COMMITTEE ON FINANCE  
SENATE AMENDMENTS TO H.B. 2370  
(Reference to House engrossed bill)

Amendment instruction key:  
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.  
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.  
[GREEN STRIKEOUT IN BRACKETS] indicates new text removed from statute or previously enacted session law.  
[Green strikeout in brackets] indicates text removed from existing statute, previously enacted session law or new session law.  
<<Green carets>> indicate a section added to the bill.  
<<Green strikeout in carets>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Section 20-1804, Arizona Revised Statutes, is amended to  
3 read:

4 20-1804. Entrance fee escrow; refundable fee

5 A. As a condition for the issuance of a permit pursuant to section  
6 20-1803, the director shall require that the provider establish an escrow  
7 account with a licensed agent which provides that all of any entrance fee  
8 received by the provider ~~prior to~~ BEFORE the date the resident is  
9 ~~permitted~~ ALLOWED to occupy his or her living unit in the facility or the  
10 date the contract holder is to begin receiving services in his or her  
11 private residence be placed in escrow with a bank, trust company or other  
12 escrow agent approved by the director, subject to the condition that such  
13 funds may be released only as follows:

14 1. If the entrance fee applies to a contract holder who will be  
15 receiving services in his or her private residence, the entrance fee shall  
16 be released to the provider at such time as the life care contract  
17 commences.

18 2. If the entrance fee applies to a living unit ~~which~~ THAT has been  
19 previously occupied in the facility, the entrance fee shall be released to  
20 the provider at such time as the living unit becomes available for  
21 occupancy by the new resident.

22 3. If the entrance fee applies to a living unit ~~which~~ THAT has not  
23 previously been occupied by any resident, the entrance fee, or that  
24 portion of the entrance fee not to be held in escrow pursuant to section  
25 20-1806, shall be released to the provider at such time as the director is  
26 satisfied that all of the following conditions exist:

27 (a) Construction or purchase of the facility has been substantially  
28 completed and an occupancy permit covering the living unit has been issued  
29 by the local government having authority to issue such permits.

1 (b) A commitment has been received by the provider for any  
2 permanent mortgage loan or other long-term financing described in the  
3 statement of anticipated source and application of funds submitted by the  
4 provider as part of its permit application, and any conditions of the  
5 commitment ~~prior to~~ BEFORE disbursement of funds thereunder have been  
6 substantially satisfied.

7 (c) Aggregate entrance fees received or receivable by the provider  
8 pursuant to binding life care contracts, plus the anticipated proceeds of  
9 any first mortgage loan or other long-term financing commitment are equal  
10 to not less than ninety ~~per cent~~ PERCENT of the aggregate cost of  
11 constructing or purchasing, equipping and furnishing the facility plus not  
12 less than ninety ~~per cent~~ PERCENT of the funds estimated in the statement  
13 of anticipated source and application of funds submitted by the provider  
14 as part of its permit application, to be necessary to fund start-up losses  
15 and assure full performance of the obligations of the provider pursuant to  
16 life care contracts.

17 B. If the funds in an escrow account required to be established  
18 under subsection A OF THIS SUBSECTION are not released within such time as  
19 provided by rules and regulations issued by the director, ~~then~~ such funds  
20 shall be returned by the escrow agent to the persons who had made payment  
21 to the provider.

22 C. An entrance fee held in escrow may be returned by the escrow  
23 agent to the person or persons who had made payment to the provider at any  
24 time ~~upon~~ ON receipt by the escrow agent of notice from the provider that  
25 such person is entitled to a refund of the entrance fee.

26 D. WITHIN SIXTY DAYS AFTER A FACILITY RECEIVES A RESIDENT'S NOTICE  
27 TO VACATE, THE FACILITY SHALL ASSIGN THE VACATED UNIT A SEQUENTIAL REFUND  
28 NUMBER AMONG ALL THE AVAILABLE UNITS WITH REFUNDABLE ENTRANCE FEES AND  
29 PROVIDE REFUNDS IN ORDER BASED ON THE SEQUENTIAL REFUND NUMBER IF:

- 30 1. THE LIFE CARE CONTRACT PROVIDES FOR A REFUNDABLE ENTRANCE FEE.  
31 2. THE TERMS UNDER A LIFE CARE CONTRACT FOR ISSUING A SEQUENTIAL  
32 REFUND NUMBER ARE FULFILLED.

33 ~~[3. THE UNIT IS RESTORED PURSUANT TO SUBSECTION F OF THIS SECTION.]~~

34 E. SUBSECTION D OF THIS SECTION DOES NOT APPLY TO A LIFE CARE  
35 CONTRACT ~~[THAT SPECIFICALLY PROVIDES FOR A TWO-YEAR WAITING PERIOD BEFORE~~  
36 ~~A FACILITY IS REQUIRED TO PROVIDE A REFUND.]~~

37 ~~F. AFTER A UNIT IS VACATED, A FACILITY MAY RESTORE THE UNIT TO ITS~~  
38 ~~ORIGINAL CONDITION. THE FACILITY MAY IMPOSE MONTHLY FEES UNTIL ALL~~  
39 ~~PERSONAL PROPERTY IS REMOVED, AND THE FACILITY MAY REMOVE ANY PERSONAL~~  
40 ~~PROPERTY BEGINNING ON THE TWENTY-FIRST DAY AFTER THE FACILITY RECEIVES THE~~  
41 ~~RESIDENT'S NOTICE TO VACATE.] [IF EITHER OF THE FOLLOWING APPLIES:~~

42 ~~1. THE LIFE CARE CONTRACT IS EXECUTED BEFORE THE EFFECTIVE DATE OF~~  
43 ~~THIS AMENDMENT TO THIS SECTION.~~

44 ~~2. THE LIFE CARE CONTRACT ESTABLISHES A MAXIMUM WAITING PERIOD OF~~  
45 ~~NOT MORE THAN TWO YEARS BEFORE A FACILITY IS REQUIRED TO PROVIDE A~~  
46 ~~REFUND.]~~

1           ~~D. [G.] [E.] Nothing in~~ This section ~~shall be interpreted as~~  
2 ~~requiring~~ DOES NOT REQUIRE the escrow of any nonrefundable application  
3 fee, designated as such in the permit application required by section  
4 20-1802, received by the provider from a prospective resident or contract  
5 holder.

6           Sec. 2. Effective date

7           Section 20-1804, Arizona Revised Statutes, as amended by this act,  
8 is effective from and after December 31, 2025.

9 Enroll and engross to conform

10 Amend title to conform

2370FIN.docx

03/17/2025

10:46 AM

C: SK