

[Third Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, Nos. 2747 and 880**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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ADOPTED MARCH 5, 2018

**Sponsored by:**

**Assemblyman ERIC HOUGHTALING**

**District 11 (Monmouth)**

**Assemblywoman JOANN DOWNEY**

**District 11 (Monmouth)**

**Assemblywoman NANCY F. MUNOZ**

**District 21 (Morris, Somerset and Union)**

**Assemblyman JOE DANIELSEN**

**District 17 (Middlesex and Somerset)**

**Senator CHRISTOPHER "KIP" BATEMAN**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Co-Sponsored by:**

**Assemblywoman Handlin, Assemblymen Wolfe, Gusciora,  
Assemblywoman McKnight, Assemblymen Freiman, Calabrese, Rooney,  
Assemblywoman Mosquera, Assemblyman Zwicker, Assemblywoman  
DiMaso and Senator O'Scanlon**

**SYNOPSIS**

Limits time continuing care retirement communities may retain refundable entrance fee after resident vacates facility; provides for disposition of certain personal property.

**CURRENT VERSION OF TEXT**

As amended by the General Assembly on June 25, 2018.

(Sponsorship Updated As Of: 7/2/2018)

1 AN ACT concerning the return of continuing care retirement  
2 community refundable entrance fees and amending P.L.2013,  
3 c.167.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. Section 7 of P.L.2013, c.167 (C.52:27D-360.7) is amended to  
9 read as follows:

10 7. a. (1) A resident may, upon 60-days' written notice of the  
11 intent to vacate, cancel the continuing care agreement for any reason.

12 (2) Upon vacating the unit, a resident or resident's estate  
13 cancelling a continuing care agreement also shall provide written  
14 notice to the owner or manager of that facility that the unit is vacated.  
15 The notice shall declare that all personal property of the resident or  
16 estate thereof has been removed.

17 (3) After a unit is vacated, the facility may restore the unit to its  
18 original condition. <sup>1</sup>【If】 The facility may remove<sup>1</sup> any personal  
19 property of the prior resident <sup>1</sup>that<sup>1</sup> remains in the unit <sup>1</sup>【, the facility  
20 may continue to impose monthly fees until the property is removed,  
21 and the facility may remove any such property】<sup>1</sup> beginning on the  
22 twenty-first day following the date upon which notice of vacancy was  
23 received. <sup>3</sup>【<sup>1</sup>The facility may continue to impose monthly fees for up  
24 to 90 days after the date the unit is completely vacated and all personal  
25 property of the prior resident has been removed, and may additionally  
26 continue to impose monthly fees for any period during which the  
27 personal property of the prior resident remains in the unit. <sup>1</sup>】<sup>3</sup>

28 (4) In the case of a continuing care agreement that provides for a  
29 refundable entrance fee, the facility shall assign the vacated unit a  
30 sequential <sup>1</sup>refund<sup>1</sup> number among all the available units with  
31 refundable entrance fees once the unit is restored pursuant to  
32 paragraph (3) of this subsection, but not later than 60 days <sup>1</sup>【following  
33 receipt of the notice that the unit is vacated】 after the date that all the  
34 conditions for issuing a sequential refund number, as provided in the  
35 continuing care agreement, are fulfilled<sup>1</sup>.

36 b. Upon cancellation of the continuing care agreement by either  
37 the resident or the facility, the resident shall have the right to receive a  
38 refund of the amount of any entrance fee as provided in the continuing  
39 care agreement. The amount of the entrance fee shall be set forth in a  
40 clear and conspicuous manner in the continuing care agreement.

41 c. A resident shall be provided at least 60-days' written notice  
42 from the facility if the resident's continuing care agreement is being

**EXPLANATION** – Matter enclosed in bold-faced brackets **【thus】** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined **thus** is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly floor amendments adopted April 12, 2018.

<sup>2</sup>Assembly floor amendments adopted June 7, 2018.

<sup>3</sup>Assembly floor amendments adopted June 25, 2018.

1 cancelled due to a violation of the facility's rules or regulations.  
2 Notification may be waived if the facility can demonstrate just cause  
3 for terminating the continuing care agreement in accordance with  
4 N.J.A.C.5:19-6.5(c). The resident may challenge the facility's notice  
5 of continuing care agreement cancellation by requesting a hearing in  
6 the same manner as for a hearing in a contested case pursuant to  
7 section 9 of P.L.1968, c.410 (C.52:14B-9).

8 d. In a continuing care agreement that provides for a refundable  
9 entrance fee, when a resident permanently vacates the facility, or, in  
10 the case of two residents occupying the same residence, when both  
11 vacate at the same time, the facility shall provide to the resident or  
12 residents or the legal representative of the resident's estate, whichever  
13 is applicable, a refund of the refundable entrance fee amount without  
14 interest, as set forth in the agreement. Any unpaid fees or charges  
15 incurred by the resident including unpaid monthly service fees, as well  
16 as the amount of any charitable assistance that the facility has provided  
17 to the resident, may also be deducted from the remaining balance of  
18 the refund of the entrance fee. Any balance to the resident shall be  
19 payable **【**within 60 days from the date the residence is resold and the  
20 entrance fee from the new resident has been received**】** based upon the  
21 order of the sequential <sup>1</sup>refund<sup>1</sup> number assigned to a unit pursuant to  
22 paragraph (4) of subsection a. of this section and the availability of  
23 funds from the proceeds of the resale of all vacated units with  
24 refundable entrance fees.

25 e. When an entrance fee deposit is refundable, it shall be paid to  
26 either the resident, the resident's named beneficiary, or the legal  
27 representative of the resident's estate, whichever is applicable. A  
28 resident shall have the right to change, in writing, the named  
29 beneficiary for the entrance fee refund at any time.

30 <sup>1</sup>f. Notwithstanding the provisions of subsection d. of this section  
31 to the contrary, a facility may apply to the Commissioner of  
32 Community Affairs for approval to implement an alternative  
33 methodology for making refund payments of refundable entrance fees,  
34 which <sup>2</sup>**【**may be based on the availability of funds from the resale of  
35 like or similar groups of units with refundable entrance fees at the  
36 facility. For the purposes of this section, a group of units may be  
37 categorized as “like or similar” based on the units having comparable  
38 characteristics, such as the units having a substantially equivalent  
39 square footage, number of bedrooms, location, age of construction, or  
40 a combination of one or more of these characteristics. If a facility  
41 receives approval for an alternative refund methodology based on like  
42 or similar groups of units, the continuing care agreement for each unit  
43 shall identify the group of units into which the unit has been  
44 categorized**】** approval shall not be granted unless the facility can  
45 demonstrate that the use of the alternative methodology is resident-

1 focused and provides for a more equitable and timely payment of  
2 refundable entrance fees<sup>2,1</sup>.

3 (cf: P.L.2013, c.167, s.7)

4

5 2. This act shall take effect <sup>1</sup>**[immediately]** 90 days after the  
6 date of enactment, and shall apply to continuing care agreements  
7 entered into on or after that date<sup>1</sup>.