LAWS

OF THE

STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FOURTEENTH LEGISLATURE

FIRST REGULAR SESSION

December 7, 1988 to July 1, 1989

Chapters 1 - 502

THE GENERAL EFFECTIVE DATE FOR
NON-EMERGENCY LAWS IS
SEPTEMBER 30, 1989

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1989

PUBLIC LAWS

OF THE

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directly or indirectly, to perform any act that deviates from the animal's natural behavior provided that the game is conducted by an educational or cultural institution or other nonprofit service organization.

See title page for effective date.

CHAPTER 343

S.P. 120 - L.D. 186

An Act to Amend the Continuing Care Retirement Law

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA §6201, sub-§§11 and 13, as enacted by PL 1987, c. 482, §1, are amended to read:

11. Operational facility. "Operational facility" means a facility for which the provider has obtained a final certificate of authority from the superintendent ~~and 60%,~~ 65% of the residential units are occupied by subscribers and all other relevant health, safety and building code rules, regulations and laws have been satisfied.

13. Provider. "Provider" means the corporate entity which is the owner of an institution, building, residence or other place, whether operated for profit or not, in which the owner undertakes to provide continuing care. If the facility is owned by the subscribers, then "provider" means the operator of the facility. Subscribers may organize condominiums or consumer cooperatives subject to Title 13, chapter 85, subchapter I.

Sec. 2. 24-A MRSA §6201, sub-§14-A is enacted to read:

14-A. Residential unit. "Residential unit" means an apartment, room or other area within a facility set aside for the exclusive use of one or more identified subscribers.

Sec. 3. 24-A MRSA §6202, sub-§§3 and 4, as enacted by PL 1987, c. 482, §1, are amended to read:

3. Kinds of communities. There shall be 2 ~~types~~ kinds of ~~certificates of authority~~ communities.

A. To qualify for certification as a life-care community, the provider shall offer a continuing care agreement that explicitly provides all of the following:

(1) Full and lifetime prepaid health care, prepaid supportive services and shelter, as prescribed by the department by rule, which shall include a true continuum of care from independent living through nursing home care;

(2) The maintenance fee shall not increase, regardless of the level of services provided or a change in accommodations, with the following exceptions:

(a) Annual increases in the maintenance fee applicable to all subscribers; and

(b) Any increase in the maintenance fee applicable to a specific subscriber resulting from the voluntary selection of an optional service by that subscriber. An optional service is a service or change in accommodations which is not required to be offered in order to qualify for certification as a life-care community under the department's rules;

(3) With the exception of maintenance fees and insurance premiums, neither the subscriber nor any 3rd party, other than the subscriber's insurer, shall be liable for the cost of health care or supportive services other than optional services as defined in subparagraph (2); and

(4) The provider shall continue to provide full and lifetime health care, supportive services and shelter without diminution to a subscriber who has not intentionally depleted ~~his~~ the subscriber's resources.

B. A provider offering a continuing care agreement which does not qualify for certification as a life-care community, as defined in paragraph A, shall be certified as a continuing care retirement community if it complies with the other applicable provisions of this chapter.

4. Reasonable time to comply. Any provider ~~who~~ which is providing continuing care when this chapter takes effect shall be given a reasonable time to comply with this chapter and the rules promulgated pursuant to this chapter, but not later than ~~one year after the effective date of this chapter~~ October 1, 1990. Any provider not operating as a corporation within the meaning of the Maine Business Corporation Act, Title 13-A, or the Maine Nonprofit Corporation Act, Title 13-B, may continue to do so up until the time, if any, that the provider discontinues operation. If the provider wishes to resume operations after October 1, 1990, it must do so as a corporation within the meaning of Title 13-A or Title 13-B, but that resumption shall not be deemed a continuation of any prior business form.

Sec. 4. 24-A MRSA §6203, sub-§1, ¶B, as enacted by PL 1987, c. 482, §1, is amended to read:

B. The provider has submitted an application in duplicate to the superintendent. The superintendent shall immediately forward one copy to the depart-

ment. The application shall consist of the following items:

(1) A copy of the provider's continuing care agreement;

(2) A copy of the disclosure statement required by section 6209;

(3) Financial statements of current origin prepared in accordance with generally accepted accounting principles showing the provider's assets, liabilities and surplus position. These financial statements shall include as supplementary data a description of the sources of financial support. A copy of the provider's most recent regular certified financial statement shall be deemed to satisfy this requirement, unless the superintendent directs that additional or more recent financial information is required for the proper administration of this chapter. The requirement of this subparagraph shall also apply to other continuing care retirement communities to the extent those other communities provide financial support to, or share common management with, the continuing care retirement community seeking permission to operate under this section;

(4) A copy of the basic organizational document of the provider such as articles of incorporation, articles of agreement, certificate of organization or incorporation or charter and all amendments thereto;

(5) A copy of the provider's bylaws, certified by the corporate secretary;

(6) A list of the names and addresses of stockholders and ~~the official positions held by~~ those persons who ~~are~~ hold official positions responsible for the conduct of the affairs of the provider, including:

(a) All members of the board of directors; ~~and~~

(b) Principal officers ~~.~~; and

(c) Persons having a 10% or greater equity or beneficial interest in the provider.

Those responsible persons shall consent to the performance of a credit investigation report to be performed by a recognized and established independent investigation and reporting agency. The cost of ~~any such~~ these reports shall be paid by or on behalf of the provider upon the request of the superintendent. The superintendent shall keep confidential the contents of any such report;

(7) A description of any action within the past 10 years for which the provider or any of the persons described in subparagraph (6):

(a) Is presently under indictment or has been convicted of a Class A, B, C or D crime that relates to the business activities, including health care activities of the provider or that person; or

(b) Has had any state or federal license or permit related to the business activities, including health care activities of the provider or that person, suspended or revoked as a result of an action brought by a governmental agency or department;

(8) All principal officers and directors of the provider shall disclose in statements attested under oath any real or potential conflict of interest. This disclosure shall extend to provider - management relationships, although such relationships may be a part of the operational plan. Any employment contracts, deferred compensation contracts or other pecuniary interests shall be listed in this regard;

(9) A copy of any management agreement between the provider and the person or persons responsible for the daily management of the facility, if other than the provider;

(10) All contracts executed by the provider with 3rd parties which provide for the performance of health care or supportive services for the benefit of subscribers;

(11) A descriptive statement of the provider's proposed operation, including an organizational chart setting out the position classifications of personnel responsible for health care and administration;

(12) Proof of fidelity bonding of all individuals who handle the funds of continuing care retirement communities. The actual amount of the fidelity bonding required will be determined by the superintendent, but the face amount of the bond may not be less than $100,000;

(13) A description of the proposed method of marketing the plan for continuing care and a copy of any market research study performed;

(14) A copy of all advertising materials;

(15) A description of the mechanism by which subscribers will be afforded participation in policy matters of the organization;

(16) A description of the procedures developed by the provider to ~~provide for the resolution of~~ resolve complaints initiated by subscribers concerning health care services and general operating procedures;

(17) A power of attorney duly executed by the provider, if not domiciled in the State, appointing the superintendent as the agent for service of process in any legal action brought;

(18) An actuarial study, certified by an actuary, demonstrating that the anticipated revenues and other available financial resources will be sufficient to provide the services promised by the contract and indicating the method by which the reserve required by section 6215 will be calculated;

(19) A demonstration of the provider's ability to respond to claims for malpractice, employer's liability, workers' compensation coverages and all property and liability insurance relating to the facility, including fidelity bonds;

(20) Examined pro forma projected financial statements of the provider for the coming 10 years, including notes of those statements, presented in conformity with guidelines for forecasting as prescribed by the American Institute of Certified Public Accountants. The projection shall contain an estimate of funds deemed necessary to cover start-up costs. The statements shall include a narrative description of the basis of assumptions utilized and supporting actuarial utilization statistics relied upon in presenting pro forma projections. The statement shall also include a professional biography of the person or persons preparing the statement. The biography shall include a summation of relevant experience the person or persons have in performing similar projections of other continuing care retirement communities.

To the extent actuarial assumptions, reserving methodologies, revenue recognition and pricing considerations contained in the actuarial study are relied upon in the presentation of pro forma financial projections, the person or persons producing the projections shall render an opinion, in conformity with generally accepted accounting principles, whether the pro forma forecast fairly represents the continuing care retirement community's earnings and financial position;

(21) A copy of any application form which prospective subscribers will be required to complete;

~~(22) A copy of the receipt described in subsection 3, paragraph A, subparagraph (1);~~

(23) A copy of the ~~preliminary~~ deposit agreement described in subsection 3, paragraph B, subparagraph (1); and

(24) A copy of the escrow agreement described in subsection 3, paragraph E.

Sec. 5. 24-A MRSA §6203, sub-§1, ¶D, as enacted by PL 1987, c. 482, §1, is amended to read:

D. The superintendent has approved the application form, escrow agreement and the ~~preliminary~~ deposit agreement.

Sec. 6. 24-A MRSA §6203, sub-§2, ¶C-1 is enacted to read:

C-1. The superintendent is satisfied that the aggregate amount of entrance fees received by or pledged to the provider, plus anticipated proceeds from any long-term financing commitment, plus funds from all other sources in the actual possession of the provider, equals not less than 100% of the aggregate cost of constructing or purchasing, equipping and furnishing the facility plus 100% of the anticipated start-up costs of the facility;

Sec. 7. 24-A MRSA §6203, sub-§2, ¶D, as enacted by PL 1987, c. 482, §1, is amended to read:

D. The superintendent has determined that the provider's continuing care agreement meets the requirements of section 6206, subsection 3, and the rules promulgated ~~in~~ pursuant to this chapter;

Sec. 8. 24-A MRSA §6203, sub-§2, ¶G, as enacted by PL 1987, c. 482, §1, is amended to read:

G. The provider certifies to the superintendent that preliminary continuing care agreements have been entered and deposits received from subscribers with respect to ~~60%~~ 70% of the residential units, including names and addresses of those subscribers.

Sec. 9. 24-A MRSA §6203, sub-§3, ¶A, as amended by PL 1987, c. 563, §1, is repealed.

Sec. 10. 24-A MRSA §6203, sub-§3, ¶B, as amended by PL 1987, c. 563, §2, is further amended to read:

B. A provider who has been issued a preliminary certificate of authority may advertise, solicit and collect deposits, ~~not to exceed 10% of the entrance fee,~~ provided that:

(1) The provider ~~shall furnish~~ furnishes the prospective subscriber a signed deposit agreement stating that:

(a) The provider has a preliminary certificate of authority and the deposit is received subject to the issuance by the superintendent to the provider of a final certificate of authority;

(b) Both the proposed continuing care agreement and the disclosure statement are subject to change;

(c) The provider will refund the prospective subscriber's deposit with interest earned on it:

(i) Within one month of notification of the superintendent's decision not to issue the final certificate of authority;

(ii) At the request of the prospective subscriber any time 3 years or more after the deposit was paid, if the community has not become operational;

(iii) If the prospective subscriber requests a refund due to a material difference between the proposed continuing care agreement furnished at the time the deposit is paid and the agreement as finally approved by the superintendent;

(iv) In the event of the death of the prospective subscriber prior to the execution of the continuing care agreement, unless the surviving spouse is also a prospective subscriber and still wishes to occupy the unit; or

(v) If the provider determines that the subscriber is ineligible for entrance into the facility because of the subscriber's physical, mental or financial condition;

(d) The provider will refund the deposit, without interest, or the deposit with interest minus 2% of the deposit, whichever is less, if the community becomes operational and the subscriber chooses not to join for any reason other than ~~that~~ those listed in division (c); and

(e) There is a nonrefundable application fee and the amount of that fee; and

(2) At least 10 days prior to collecting a preliminary deposit, the provider shall furnish the prospective subscriber:

(a) A copy of the proposed continuing care agreement;

(b) A copy of the proposed disclosure statement described in section 6209;

(c) An unsigned copy of the ~~preliminary~~ deposit agreement described in subparagraph (1); and

(d) A copy of the escrow agreement required by paragraph E.

Sec. 11. 24-A MRSA §6203, sub-§3, ¶C, as amended by PL 1987, c. 563, §3, is further amended to read:

C. ~~After the community is operational, the provider may advertise, solicit and collect deposits, not to exceed 10% of the entrance fee, provided that~~ When an operational community collects deposits:

(1) The provider shall furnish the prospective subscriber a signed deposit agreement stating that:

(a) The provider will refund the deposit, without interest, or the deposit with interest minus 2% of the deposit, whichever is less, if the subscriber chooses not to ~~join~~ execute the continuing care agreement for any reason other than those listed in division (b);

(b) The provider will refund the deposit with interest earned on it:

(i) In the event of the death of the prospective subscriber prior to the execution of the final continuing care agreement, unless the surviving spouse is also a subscriber and still wishes to occupy the unit; or

(ii) If the provider determines, prior to occupation by the subscriber, that the subscriber is ineligible for en-

trance into the facility because of the subscriber's physical, mental or financial condition; and

(c) There is a nonrefundable application fee and the amount of that fee; and

(2) At least 10 days prior to collecting a deposit, the provider shall furnish the prospective subscriber:

(a) A copy of the continuing care agreement;

(b) A copy of the disclosure statement described in section 6209;

(c) An unsigned copy of the deposit agreement described in subparagraph (1); and

(d) A copy of the escrow agreement required by paragraph E.

Sec. 12. 24-A MRSA §6203, sub-§3, ¶D, as enacted by PL 1987, c. 482, §1, is amended to read:

D. At the time the prospective subscriber first makes ~~an initial, preliminary or other~~ a deposit, the provider may also collect a nonrefundable application fee not to exceed $500.

Sec. 13. 24-A MRSA §6203, sub-§3, ¶E, as amended by PL 1987, c. 563, §4, is further amended to read:

E. Any deposit must be deposited to an interest-bearing escrow account. The escrow agreement establishing the terms of deposit of funds shall be filed with and approved by the superintendent prior to collection of funds. The provider shall furnish the superintendent with documentation of the name of the institution with which the provider has established the escrow account and the account number. ~~The escrowed money shall not be applied until a final certificate of authority has been issued, the facility is operational and the subscriber has occupied the unit. When a subscriber's deposit and interest earned on it are applied, the interest shall be credited to reduce the unpaid portion of that subscriber's entrance fee.~~

(1) Up to 25% of the escrowed entrance fees may be included or pledged as security for the facility's construction or purchase upon proof, satisfactory to the superintendent, that:

(a) The provider has reserved, pursuant to written agreements with the subscribers, not less than 60% of the facility's residential units and deposits taken represent not less than 10% of each subscriber's entrance fee;

(b) The subscriber has agreed in a deposit agreement to the forfeiture of an amount equal to the greater of 2% of, or interest earned on, the entrance fee collected by the provider pursuant to the preliminary certificate of authority, if the reservation is terminated after 30 days for reasons other than those listed in paragraph B, subparagraph (1), division (c); and

(c) An application for a final certificate of authority had been filed with the superintendent which the superintendent has certified in writing to be complete.

(2) All escrowed entrance fees that are not included or pledged as security as permitted by subparagraph (1) shall remain in an interest-bearing escrow account, provided that those funds may be applied or pledged to the facility's construction or purchase upon proof, satisfactory to the superintendent, that:

(a) Payments representing the full entrance fee of executed continuing care agreements relating to not less than 65% of the residential units selected by subscribers have been received;

(b) The facility is operational within the meaning of section 6201, subsection 11;

(c) The escrowed liquid reserves required by section 6215, subsections 2 to 4 have been established; and

(d) At least 10% of all initial entrance fees collected shall remain in the escrow account for a period of 6 months from the date the facility becomes operational, during which time these funds shall be released only for the refund of entrance fees due because of the cancellation of a contract.

(3) When a subscriber's deposit is applied, the interest which has been earned on it shall be credited to reduce any unpaid portion of that subscriber's entrance fee or refunded to the subscriber.

Sec. 14. 24-A MRSA §6203, sub-§3, ¶F, as enacted by PL 1987, c. 482, §1, is repealed.

Sec. 15. 24-A MRSA §6203, sub-§3, ¶G is enacted to read:

G. In lieu of fulfilling the requirements in paragraph E, subparagraph (2), the provider may have sufficient funds in the escrow account to meet all outstanding debts on the facility and equipment. The superintendent may authorize the release of those funds to retire all outstanding debts on the facility and equipment upon application of the provider and upon the provider's showing that the provider will grant to the subscriber a first mortgage on the land, buildings and equipment that constitute the facility. The mortgage shall secure the refund of the entrance fee in the amount required by this chapter. The granting of the mortgage shall be subject to the following.

(1) The first mortgage shall be granted to a trust which is beneficially held by the subscribers. The mortgage shall secure payment on bonds issued to the subscribers. The bonds shall be redeemable after termination of the residency agreement in the amount and manner required by this chapter for the refund of an entrance fee.

(2) Before granting a first mortgage to the subscriber, all construction must be substantially completed and substantially all equipment purchased. No part of the entrance fees may be pledged as security for a construction loan or otherwise used for construction expenses before the completion of construction.

(3) If the provider is leasing the land or buildings used by the facility, the leasehold interest must be for a term of at least 30 years.

(4) Notwithstanding the provisions of this paragraph, liquid operating reserves, pursuant to section 6215, subsection 2, shall be established and maintained under escrow conditions.

Sec. 16. 24-A MRSA §6203-A is enacted to read:

§6203-A. Escrow account

1. Deposit of funds. When funds are required to be deposited in an escrow account pursuant to section 6203, the following shall apply.

A. The escrow account shall be established in a bank or trust company authorized to do business in this State within the meaning of Title 9-B, section 131, subsection 2 and acceptable to the superintendent. The funds deposited in the escrow account shall be kept and maintained in an account separate from the provider's business accounts.

B. An escrow agreement shall be entered into between the bank or trust company and the provider of the facility. The agreement shall state that its purpose is to protect the subscriber or the prospective subscriber. Upon presentation of evidence to the superintendent of compliance with applicable portions of this chapter, or upon order of a court of competent jurisdiction, the escrow agent shall release and pay over the funds or portions of the funds, together with any interest accrued on the funds or earned from investment of the funds, to the provider or subscriber as directed.

C. When funds are received from a prospective subscriber, the provider shall deliver to the subscriber a copy of the executed deposit agreement. The deposit agreement shall show the payor's name and address, the date, the price of the care agreement and the amount of money paid. A copy of each agreement together with the funds shall be deposited with the escrow agent.

D. Checks, drafts and money orders for deposit from prospective subscribers shall be made payable only to the escrow agent. At the request of a prospective subscriber of a facility, the escrow agent shall issue a statement indicating the status of the subscriber's portion of the escrow account.

E. All funds deposited in the escrow account shall remain the property of the subscriber until released to the provider in accordance with this chapter. The funds shall not be subject to any liens or charges by the escrow agent or judgments, garnishments or creditor's claims against the provider or facility.

F. At the request of either the provider or the superintendent, the escrow agent shall issue a statement indicating the status of the escrow account.

G. Upon determining that the requirements of section 6203, subsection 3, paragraph E, subparagraph (2), have been met, the superintendent shall authorize the escrow agent to release, and the escrow agent shall release, to the provider the amount of escrowed funds received from prospective subscribers and deposited in the account while the provider was operating under a preliminary certificate of authority.

2. Reserve funds. Reserve funds required to be held in escrow under section 6215 shall be invested in accordance with rules promulgated pursuant to section 6219.

3. Agreement. Any agreement establishing an escrow account required under the provisions of this chapter shall be subject to approval by the superintendent. The agreement shall be in writing and contain, in addition to any other provisions required by law, a provision by which the escrow agent agrees to abide by the duties imposed under this section.

4. Monthly statement; withdrawal of funds. The agreement shall require that the escrow agent furnish the provider with a monthly statement indicating the amount of any disbursements from or deposits to the escrow account and the condition of the account during the monthly period covered by the statement. On or before the 20th day of the month following the month for which the monthly statement is due, the provider shall file with the superintendent a copy of the escrow agent's monthly statement.

The escrow agent or the escrow agent's designee and the provider shall notify the superintendent in writing 10 days before the withdrawal of any portion of any funds required to be escrowed under the provisions of this chapter. In the event of an emergency and upon petition by the provider, the superintendent may waive the 10-day notification period and allow a withdrawal of up to 10% of the required minimum liquid reserve.

Sec. 17. 24-A MRSA §6205, sub-§1, ¶¶I and J, as enacted by PL 1987, c. 482, §1, are amended to read:

I. The provider has submitted false financial statements, organizational statements or documents; ~~or~~

J. The provider has otherwise failed to substantially comply with this chapter or any rules issued by the superintendent or the department pursuant to this chapter~~.~~; or

Sec. 18. 24-A MRSA §6205, sub-§1, ¶K is enacted to read:

K. The provider has misappropriated funds or otherwise breached the terms of a deposit agreement to the detriment of a subscriber.

Sec. 19. 24-A MRSA §6210, sub-§2, ¶D, as enacted by PL 1987, c. 482, §1, is amended to read:

D. A maximum of ~~1%~~ 2% of the entrance fee for each month of occupancy, if any; and

Sec. 20. 24-A MRSA §6215, as enacted by PL 1987, c. 482, §1, is repealed and the following enacted in its place:

§6215. Reserves

Each provider shall maintain reserves in accordance with the requirements of this section.

1. Reserve liabilities; actuarial valuation. Each provider shall establish and maintain reserve liabilities which shall place a sound value on its liabilities under its contracts with subscribers. The reserve shall equal the excess of the present value of future benefits promised under the continuing care agreement over the present value of future revenues and any other available resources, based on conservative actuarial assumptions. The superintendent shall annually make or cause to be made an actuarial valuation of the continuing care retirement community as a condition for renewal of the certificate of authority. The valuation shall be accompanied by the opinion of a qualified actuary that, based on reasonable assumptions and with margins specified in this section, the continuing care retirement community's assets, including the present value of future maintenance fees and any other available resources are at least equal to liabilities and any contingency reserves.

A. The liabilities of a continuing care retirement community shall include, but not be limited to:

(1) An amount equal to the present value of future health care expenses guaranteed pursuant to the continuing care contract; and

(2) The liabilities under this section shall be calculated for the continuing care retirement community population existing on the valuation date under assumptions which, in the actuary's opinion, fairly represent the expected value of future costs and population decrements adjusted by the margins specified in paragraph B.

B. Margins required to be included in the valuation assumptions to be added to the actuary's best estimate assumptions are as follows.

(1) Health care costs per resident or per health care facility bed shall be assumed to increase at a rate at least one percentage point higher than the general inflation rate.

(2) A mortality margin of 5% shall be subtracted from that assumed for active residents and 10% subtracted from those in the health care facilities.

(3) A health care utilization margin of 5% shall be added to the assumed rates at which residents require permanent transfer to a health care facility.

(4) The discount rate used to calculate present values shall be no more than 2 1/2 percentage points higher than the rate used in the valuation of long-term life insurance contracts to be issued in the year of valuation in this State.

(5) All other assumptions shall include margins which are adequate in the opinion of the actuary.

The superintendent may adopt reasonable rules further defining the standards contained in this section.

2. Reserve for mortgage debt. Each provider shall maintain in escrow a minimum liquid reserve in an amount equal to the aggregate amount of all principal and interest payments due during the fiscal year on any mortgage loan or other long-term financing of the facility, including taxes and insurance, and all leasehold payments and related costs. If principal payments are not due during the fiscal year, the provider shall maintain in escrow as a minimum liquid re-

serve an amount equal to interest payments due during the next 18 months on any mortgage loan or other long-term financing of the facility, including taxes and insurance.

3. Operating reserve. Each provider shall maintain in escrow an operating reserve in an amount equal to 20% of the total operating costs projected for the first 12 months of operation. Thereafter, each provider shall maintain in escrow an operating reserve in an amount equal to 20% of the total operating costs projected for the 12-month period following the period covered in the most recent annual statement. The projected revenue and expense summary required under section 6223, subsection 1-A shall serve as the basis for computing the operating reserve.

4. Extensive health care guarantee. Each provider which offers an extensive health care guarantee shall maintain an operating reserve in an amount equal to 25% of the total operating costs projected for 12 months of operation. The projected revenue and expense summary required under section 6223, subsection 1-A shall serve as the basis for computing the operating reserve. For the purposes of this subsection, the term "extensive health care guarantee" means a term in the continuing care agreement requiring the provision of health care to the subscriber on a prepaid basis for more than one year.

5. Fewer than all tenants under continuing care agreements. In facilities where not all tenants are under continuing care agreements, the reserve requirements of subsections 3 and 4 shall be computed only with respect to the proportional share of operating expenses that is applicable to subscribers.

6. Trust payments; waiver of escrow requirements. When principal and interest payments are paid to a trust which is beneficially held by the subscribers as described in section 6203-A, the superintendent may waive all or any portion of the escrow requirements for mortgage principal and interest contained in subsection 2 if the superintendent finds that a waiver is consistent with the security protections intended by this chapter.

7. Extension of time. The superintendent, upon approval of a plan for fulfilling the requirements in subsections 2 to 4 and upon demonstration by the facility of an annual increase in liquid reserves, may extend the time for compliance.

Sec. 21. 24-A MRSA §6223, sub-§1, as enacted by PL 1987, c. 482, §1, is amended to read:

1. Financial statements. Financial statements of the provider, including, as a minimum, a balance sheet, income statement and a statement of changes in financial position, presented in conformance with generally accepted accounting principles and certified by an independent certified public accountant, and including notes to the financial statements considered customary or necessary to full disclosure or adequate understanding of the financial statements, financial condition and operation;

Sec. 22. 24-A MRSA §6223, sub-§1-A is enacted to read:

1-A. Financial information. The following financial information:

A. A listing of the assets maintained in the liquid reserve required in section 6215;

B. The level of participation in Medicare or Medicaid programs, or both;

C. Other reasonable data, financial statements and pertinent information the superintendent may require with respect to the provider or the facility, or its directors, trustees, members, branches, subsidiaries or affiliates, to determine the financial status of the facility and the management capabilities of its managers and owners; and

D. A computation of the annual long-term debt service and a projected annual revenue and expense summary, on a form prescribed by the superintendent. This projection shall serve as the basis for determining the amount of the minimum liquid reserve required by section 6215;

Sec. 23. Sunset. This Act is repealed effective October 1, 1994 provided that it shall continue to apply to any continuing care retirement community which applied for a preliminary certificate of authority after the effective date of the Act but prior to October 1, 1994.

See title page for effective date.

CHAPTER 344

H.P. 294 - L.D. 406

An Act to Strengthen the Laws Concerning Marijuana

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 17-A MRSA §1103, sub-§2, ¶A, as amended by PL 1977, c. 647, §2, is further amended to read:

A. A Class B crime if the drug is a schedule W drug or if it is marijuana in a quantity of ~~1,000~~ 20 pounds or more;

Sec. 2. 17-A MRSA §1106, sub-§3, as amended by PL 1987, c. 535, §4, is further amended to read:

3. A person shall be presumed to be unlawfully furnishing a scheduled drug if ~~he~~ that person intentionally or knowingly possesses more than ~~1 1/2~~ 1 1/4 ounces of marijuana, 14 grams or more of cocaine or 14 grams or more of heroin.