

HOUSE BILL NO. 649

INTRODUCED BY V. RICCI

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A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING CONSUMER PROTECTION LAWS TO PROVIDE A RESCISSION PERIOD FOR CONTRACTS WITH ASSISTED LIVING FACILITIES OR OTHER NURSING FACILITIES; PROVIDING CONDITIONS; PROVIDING A PENALTY FOR FAILURE TO MAKE REFUNDS; PROVIDING RULEMAKING AUTHORITY; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Contract rescission period -- penalty -- rulemaking. (1) (a) A person

entering into a residency agreement with an assisted living facility licensed under 50-5-227 has a right to rescind the agreement within 3 days of moving into the facility subject to the conditions in subsections (1)(b) and (1)(c).

(b) The facility shall provide information about the right of rescission and require from the person signing the residency agreement a signature on a separate document acknowledging the right of rescission.

(c) The person rescinding the agreement is responsible for a prorated daily charge for food, services, any medication furnished through the facility, and residency for the period between the day the person moved into the facility and the day the person moved out.

(2) This section applies to:

(a) a person who pays in advance under the assisted living facility agreement with personal funds; and

(b) a person who was represented by a personal representative who signed the agreement on that person's behalf.

(3) If a needs assessment was conducted prior to the person moving into the assisted living facility, the person is additionally responsible for the cost of the needs assessment, which may not be greater than \$100.

(4) (a) An assisted living facility that does not provide the temporary resident with a refund for the nonprorated portion of days remaining in the agreement is subject to a civil penalty of \$500 for each day beyond the 3-day rescission period for which the temporary resident paid in advance.

(b) The department shall deposit the penalties in a state special revenue account for use in providing elder abuse prevention services.



1 (5) The department may adopt rules to implement this section.

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3 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an
4 integral part of Title 50, chapter 5, and the provisions of Title 50, chapter 5, apply to [section 1].

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6 **NEW SECTION. Section 3. Effective date -- applicability.** [This act] is effective July 1, 2017, and
7 applies to residency contracts or assisted living facility agreements signed on or after [the effective date of this
8 act].

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