

1                   A bill to be entitled  
 2           An act relating to continuing care provider minimum liquid  
 3           reserve requirements; amending s. 651.035, F.S.; deleting  
 4           certain additional minimum debt service reserve  
 5           requirements for certain years; providing an effective  
 6           date.

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 8   Be It Enacted by the Legislature of the State of Florida:

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 10           Section 1. Paragraph (a) of subsection (2) of section  
 11   651.035, Florida Statutes, is amended to read:

12           651.035 Minimum liquid reserve requirements.--

13           (2)(a) A provider shall maintain in escrow as a debt  
 14   service reserve an amount equal to the aggregate amount of all  
 15   principal and interest payments due during the fiscal year on  
 16   any mortgage loan or other long-term financing of the facility,  
 17   including taxes and insurance as recorded in the audited  
 18   financial statements required under s. 651.026. The amount shall  
 19   include any leasehold payments and all costs related to such  
 20   payments ~~same~~. If principal payments are not due during the  
 21   fiscal year, the provider shall maintain in escrow as a minimum  
 22   liquid reserve an amount equal to interest payments due during  
 23   the next 12 months on any mortgage loan or other long-term  
 24   financing of the facility, including taxes and insurance. For  
 25   the purpose of this paragraph, the amount of property insurance  
 26   premiums used in calculating the debt service reserve shall not  
 27   exceed the amount paid in calendar year 1999. For providers  
 28   initially licensed during or after calendar year 1999, the

HB 377

2006

29 amount of property insurance premiums used in calculating the  
30 debt service reserve shall not exceed the amount paid during the  
31 first 12 months of facility operation. ~~However, beginning~~  
32 ~~January 1, 2006, and each year thereafter, until the amount~~  
33 ~~maintained in escrow attributable to property insurance equals~~  
34 ~~100 percent of the premium, the provider shall increase the~~  
35 ~~amount maintained in escrow for property insurance by 10 percent~~  
36 ~~of the premium paid that year.~~

37 Section 2. This act shall take effect July 1, 2006.