

1-1 By: Madden (Senate Sponsor - Deuell) H.B. No. 2392
1-2 (In the Senate - Received from the House May 9, 2007;
1-3 May 10, 2007, read first time and referred to Committee on Health
1-4 and Human Services; May 18, 2007, reported adversely, with
1-5 favorable Committee Substitute by the following vote: Yeas 7,
1-6 Nays 0; May 18, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2392 By: Deuell

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to escrow fees required for the construction and leasing
1-11 of certain health facilities.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter D, Chapter 246, Health and Safety
1-14 Code, is amended by adding Sections 246.0735 and 246.0736 to read as
1-15 follows:

1-16 Sec. 246.0735. PHASE-IN FACILITIES. The commissioner may
1-17 create requirements for escrow release different from those under
1-18 Section 246.073 for facilities that obtain a certificate of
1-19 authority issued under this subchapter before the commencement of
1-20 facility construction. A facility that meets the commissioner's
1-21 requirements under this section is not required to satisfy Section
1-22 246.073.

1-23 Sec. 246.0736. CONTINUING RELEASE OF ESCROW. (a) After the
1-24 initial release of an entrance fee by an escrow agent for a specific
1-25 facility, the commissioner shall authorize an escrow agent to
1-26 continue to release escrowed entrance fees for that facility to the
1-27 provider without further proof of satisfying the requirements of
1-28 Section 246.073 if:

1-29 (1) the provider provides a monthly report to the
1-30 department on marketing activities for living units of the
1-31 facility; and

1-32 (2) the provider immediately informs the department of
1-33 any problems, issues, or irregularities encountered in its
1-34 marketing activities for the facility.

1-35 (b) If the provider fails to meet the requirements of
1-36 Subsection (a), the commissioner may require the provider to
1-37 satisfy the requirements of Section 246.073 before the commissioner
1-38 authorizes the escrow agent to continue releasing escrowed entrance
1-39 fees to the provider.

1-40 (c) The commissioner shall adopt rules to implement this
1-41 section.

1-42 SECTION 2. This Act takes effect immediately if it receives
1-43 a vote of two-thirds of all the members elected to each house, as
1-44 provided by Section 39, Article III, Texas Constitution. If this
1-45 Act does not receive the vote necessary for immediate effect, this
1-46 Act takes effect September 1, 2007.

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