

AMENDED IN ASSEMBLY APRIL 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1523

**Introduced by Assembly Members Atkins and Weber
(Principal coauthor: Assembly Member Maienschein)
(Coauthors: Assembly Members Ian Calderon, Skinner, and
Waldron)**

(Coauthors: Senators Block and Corbett)

January 17, 2014

An act to add Section 1569.605 to the Health and Safety Code, relating to residential care facilities for the elderly.

LEGISLATIVE COUNSEL'S DIGEST

AB 1523, as amended, Atkins. Residential care facilities for the elderly: liability insurance.

Existing law provides for the licensure and regulation of residential care facilities for the elderly by the State Department of Social Services, including requiring, as a condition of licensure, bonds issued by a surety company for a licensee that handles the moneys of a person in the facility. Violation of these provisions is a misdemeanor.

This bill, *on and after July 1, 2015*, would require all residential care facilities for the elderly to maintain either liability insurance in an amount of at least \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate or a bond in the aggregate amount of \$3,000,000 *to cover injury to residents or guests caused by the negligent acts or omissions to act of, or neglect by, the licensee or its employees*. By creating a new crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1569.605 is added to the Health and
2 Safety Code, to read:

3 1569.605. ~~At~~ *On and after July 1, 2015, all residential care*
4 *facilities for the elderly, except those facilities that are an integral*
5 *part of a continuing care retirement community, shall maintain*
6 *either liability insurance covering injury to residents and guests*
7 *in the amount of at least one million dollars (\$1,000,000) per*
8 *occurrence and three million dollars (\$3,000,000) in the total*
9 *annual aggregate, ~~sustained on account of the acts, caused by the~~*
10 *negligent acts or omissions to act, or negligence of act of, or*
11 *neglect by, the licensee or its employees, or a bond in the aggregate*
12 *amount of three million dollars (\$3,000,000).*

13 SEC. 2. No reimbursement is required by this act pursuant to
14 Section 6 of Article XIII B of the California Constitution because
15 the only costs that may be incurred by a local agency or school
16 district will be incurred because this act creates a new crime or
17 infraction, eliminates a crime or infraction, or changes the penalty
18 for a crime or infraction, within the meaning of Section 17556 of
19 the Government Code, or changes the definition of a crime within
20 the meaning of Section 6 of Article XIII B of the California
21 Constitution.