

**Assembly Bill No. 1523**

CHAPTER 205

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

[Approved by Governor August 15, 2014. Filed with Secretary of State August 15, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1523, 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 liability insurance in an amount of at least \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate 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.

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

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

1569.605. On and after July 1, 2015, all residential care facilities for the elderly, except those facilities that are an integral part of a continuing care retirement community, shall maintain liability insurance covering injury to residents and guests in the amount of at least one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the total annual aggregate, caused by the negligent acts or omissions to act of, or neglect by, the licensee or its employees.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because

this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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