

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
 Buffy Wicks, Chair  
 AB 1983 (Blanca Rubio) – As Introduced February 13, 2026

Policy Committee:	Aging and Long Term Care	Vote:	6 - 0
	Human Services		6 - 0

Urgency: No                      State Mandated Local Program: No                      Reimbursable: No

**SUMMARY:**

This bill, for a continuing care retirement community (CCRC), additionally defines a CCRC repayable contract to include a contract containing a promise to repay all or a portion of an entrance fee based on the sequential order in which repayable contracts are terminated.

Specifically, this bill:

- 1) Requires a CCRC provider to assign each terminated contract a sequential repayment number.
- 2) Requires, each time entrance fees are paid for a reoccupied unit, a CCRC provider to credit a repayment account until funds are sufficient to repay the next terminated contract in sequential order.
- 3) Requires, when the funds in the repayment account are sufficient to repay the next terminated contract in sequential order, the CCRC provider to issue the repayment within 14 days.
- 4) Defines “sequential order method” or “sequential order” to mean the repayment of entrance fees in the order in which repayable contracts are terminated.

**FISCAL EFFECT:**

The California Department of Housing and Community Development (HCD) estimates ongoing General Fund costs of \$185,000 in the first year and \$181,000 annually ongoing for one permanent position to review the new contract types.

The Legislative Analyst’s Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

**COMMENTS:**

- 1) **Purpose.** According to the author:

[This bill] addresses delays and uncertainty in the repayment of entrance fees to residents of CCRCs. Under current law, refunds are tied to the re-occupancy of a specific unit, which can leave residents and their families waiting months or even years for repayment. The bill authorizes a sequential repayment method, in which refunds are

issued based on when residents vacate rather than when a unit is resold. This approach creates a more predictable, transparent, and equitable system, increasing fairness for residents and their families while giving providers flexibility to adopt a system that meets the needs of a growing older adult population.

- 2) **Background.** A CCRC is designed to allow adults aged 60 years or older a full range of long-term care options that includes independent living, assisted living, and skilled nursing care. This model allows seniors to “age in place” by residing in one facility or campus as their care needs increase overtime. Most CCRCs have designated assisted living units, known as residential care facilities for the elderly (RCFEs), and a skilled nursing facility either on or near the facility. CCRCs require a resident to sign a contract that sets forth the range of services to be provided by the CCRC to the resident, usually for the duration of the resident’s life. All CCRCs must obtain an RCFE license and, if a CCRC offers skilled nursing services, it must hold a Skilled Nursing Facility License issued by the California Department of Public Health. The California Department of Social Services (CDSS) regulates continuing care contracts that govern care provided to residents in CCRCs.

A CCRC continuing care contract may be refundable or non-refundable. A refundable contract refunds a portion of the entrance fees, sometimes on a scale that decreases over time the percentage of the entrance fee that is refunded. These types of contracts require a CCRC to maintain a reserve for refunds (in addition to reserves required for the operation of a CCRC).

In addition, a CCRC provider may instead offer a “repayable contract,” which includes a promise to repay all or a portion of an entrance fee, conditioned upon reoccupancy or resale of the unit previously occupied by the resident. Existing law prohibits a repayable contract from being considered a refundable contract for purposes of the refund reserve requirements, provided the conditional promise of repayment is not referred to by the applicant or provider as a “refund.” The timeline for reselling each individual unit varies, which means former residents’ beneficiaries may wait significant and varied amounts of time for repayment.

This bill allows CCRCs to update their contracts to allow for a sequential order repayable contract rather than a promise to repay. Under this scenario, entrance fees are repaid in the order in which the repayable contracts are terminated, rather than when a particular unit is sold. CDSS must still review and approve the contract.

According to the sponsor, Erickson Senior Living:

[Under this bill], residents can better anticipate repayment timelines, enabling more informed financial planning. All former residents stand in the same queue, regardless of their unit. Providers can communicate a clear, objective repayment process rather than one dependent on the re-occupancy of a single unit. Under the sequential method, both providers and families share a common goal — reoccupying any unit in the community — removing any potential conflict between a pending repayment and sales incentives.