SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1983 (Blanca Rubio) - Continuing care retirement communities: repayable contracts

Version: February 13, 2026
Urgency: No
Hearing Date: June 29, 2026

Policy Vote: HUMAN S. 5 - 0
Mandate: No
Consultant: Agnes Lee

Bill Summary: AB 1983 would make changes to the definition of a Continuing Care Retirement Communities (CCRC) "repayable contract."

Fiscal Impact: The California Department of Social Services (CDSS) estimates General Fund costs of $185,000 in 2026-27 and $181,000 ongoing thereafter to review contracts and create an additional repayment method to review within contracts, as well as to provide training to staff on these contract types.

Background: CCRCs offer people 60 years of age and older a full range of long-term care options that include independent living, assisted living, and skilled nursing care. This model allows senior residents to move from independence to high levels of care without leaving the community in which they reside. Typically, this is provided in a campus-like community setting, usually for a resident's lifetime, and always for at least one year. CCRCs must be licensed with CDSS as a residential care facility for the elderly, and must be licensed by the California Department of Public Health if the campus includes a skilled nursing facility.

CCRCs require residents to sign a contract that sets forth the range of services, sometimes at an additional cost, depending on the type of contract, to be provided to the resident. Services include housing, residential services, and nursing care. Most CCRCs require substantial entrance fees, along with monthly fees. These fees can vary significantly and depend on the level of services included in the contract and other factors. Current law defines a "repayable contract" to mean a continuing care contract that includes a promise to repay all or a portion of an entrance fee that is conditioned upon reoccupancy or resale of the unit previously occupied by the resident.

Proposed Law: Specific provisions of the bill would:

- Define a CCRC "repayable contract" to also mean a continuing care contract that includes a promise to repay all or a portion of an entrance fee that is based on the "sequential order" in which repayable contracts are terminated.

- Define "sequential order method" or "sequential order" to mean the repayment of entrance fees in the order in which repayable contracts are terminated; provide that to use the sequential order method, the provider must assign each terminated contract a sequential repayment number, to be paid from a sequential repayment account funded by entrance fees received from any reoccupied residential living units with sequential order contracts; provide that each time a unit is reoccupied, the repayment account must be credited with an amount equal to the repayment owed to unit's prior resident; and provide that when the funds in the repayment account are sufficient to repay the next terminated contract in sequential order, the provider must issue the repayment within 14 days.

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