

State Corporation Commission 2010 Fiscal Impact Statement

1. **Bill Number:** HB117

House of Origin X Introduced ___ Substitute ___ Engrossed
Second House ___ In Committee ___ Substitute ___ Enrolled

2. **Patron:** Purkey

3. **Committee:** Commerce and Labor

4. **Title:** **Continuing care retirement community board of directors; resident representation.**

5. **Summary:** Requires that 20 percent of the members of the board of directors of a corporation engaged in the business of a continuing care retirement community (CCRC) located in Virginia, must be residents of the CCRC. These resident members will have the same voting rights as the other members of the board. The 20 percent requirement may be reached by either (i) increasing the number of directors, or (ii) replacing existing directors as their terms expire or as vacancies occur, or both. The State Corporation Commission is to determine a reasonable time period for a corporation to satisfy this requirement.

6. No Fiscal Impact on the State Corporation Commission

7. **Budget amendment necessary:** No

8. **Fiscal implications:** None on the State Corporation Commission

9. **Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance

10. **Technical amendment necessary:** The Bureau of Insurance offered the patron of HB 117 the following technical comments:

- The terms “corporation” and “corporate provider” are used throughout the bill. Since “provider” is the defined term used in the CCRC chapter of the Insurance Title (Chapter 49), the Bureau suggested substituting “provider” for “corporation” and “corporate provider” to minimize any possible misinterpretations as to whom the bill applies.
- Lines 17 – 18 -- A specific period of time should be included in place of “within a reasonable period, as determined by the Commission.” Two years, for example, would give the CCRCs enough time to seek board of director approval, amend bylaws, elect the residents to serve, and submit an annual or amended disclosure statement to show compliance.

11. Other comments: HB 117 is assigned to House Commerce & Labor Subcommittee #2.

Date: 01/24/10/V. Tompkins

cc: Secretary of Commerce and Trade