

**CHAPTER 19**  
**CONTINUING CARE RETIREMENT**  
**COMMUNITY RULES**

**Authority**

N.J.S.A. 52:27D-358.

**Source and Effective Date**

R.1998 d.59, effective December 22, 1997.  
See: 29 N.J.R. 3761(a), 30 N.J.R. 335(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 19, Continuing Care Retirement Community Rules, expires on December 22, 2002.

**Chapter Historical Note**

This Chapter 19 was previously Rules of Practice of Bureau of Housing Inspection and was adopted pursuant to authority of N.J.S.A. 52:27D-21 and 55:13A-1 et seq. The chapter was filed as R.1971 d.94, effective June 18, 1971. See: 3 N.J.R. 75(b), 3 N.J.R. 129(b).

Chapter 19, Rules of Practice of Bureau of Housing Inspection was repealed on May 8, 1980 as R.1980 d.205 to become effective on June 1, 1980. See: 12 N.J.R. 305(a).

Chapter 19, Continuing Care Retirement Community Rules became effective February 1, 1988 as R.1988 d.60. See: 19 N.J.R. 597(a), 20 N.J.R. 256(b). Pursuant to the authority of N.J.S.A. 52:27D-332 and 338, Subchapter 8, Nonbinding Reservation Agreements, was adopted as R.1988 d.190 effective May 2, 1988. See: 20 N.J.R. 347(a), 20 N.J.R. 976(a). Pursuant to Executive Order No. 66(1978), Chapter 19 was readopted as 1993 d.79, effective January 15, 1993. See: 24 N.J.R. 1146(a), 25 N.J.R. 686(b).

Pursuant to Executive Order No. 66(1978), Chapter 19 was readopted as R.1998 d.59, effective December 22, 1997. See: Source and Effective Date. See, also, section annotations.

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**SUBCHAPTER 1. GENERAL PROVISIONS****5:19-1.1 Purpose**

The Continuing Care Retirement Community Regulation and Financial Disclosure Act (P.L.1986, c. 103, N.J.S.A.

52:27D-330 et seq.) became effective March 2, 1987. The rules contained in this chapter are intended to enable the Department of Community Affairs to implement the Act and to enable affected providers to more easily and more fully comply with the requirements of the Act.

### 5:19-1.2 Affirmative determination

(a) The Department shall issue a certificate of authority upon its affirmative determination that all of the following requirements have been met:

1. The provider can fulfill its obligations under the continuing care agreement if the resident complies with the terms of the offer;
2. There is reasonable assurance that all proposed improvements can be completed as represented;
3. The provider, its officers and/or principals have not been convicted of a crime in this State, the United States, or any other state or foreign country within the past 10 years, the seriousness of which, in the opinion of the Department, warrants the denial of certification;
4. The provider, its officers and/or principals have not been subject to any permanent injunction or final administrative order restraining a false or misleading plan involving a facility disposition, the seriousness of which, in the opinion of the Department, warrants the denial of certification; and
5. The disclosure statement requirements have been satisfied.

### 5:19-1.3 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Act” means the Continuing Care Retirement Community Regulation and Financial Disclosure Act (P.L.1986, Chapter 103, N.J.S.A. 52:27D-330 et seq.), together with any amendatory or supplementary acts.

“Advertising” means and includes the publication or causing to be published of any information offering for disposition or for the purpose of causing or inducing any other person to enter into a continuing care agreement in a continuing care retirement community, including the continuing care agreement to be used and any photographs or drawings or artist’s representation of physical conditions or facilities on the property existing or to exist by means of any:

1. Newspaper or periodical;
2. Radio or television broadcast;
3. Written, printed or photographic matter;

4. Billboards or signs;
5. Display of model facilities or units;
6. Material used in connection with the disposition or offer of the facility by radio, television, telephone or any other electronic means; or
7. Material used by provider or their agents to induce prospective residents to visit the facility, particularly gift certificates which require the holders of such certificates to attend or submit to a sales presentation by providers or their agents.

The term “advertising” does not include stockholder communications, such as annual reports, interim financial reports, proxy materials, certification statements, securities prospectuses, applications for listing securities on stock exchanges, and the like, and any and all communications addressed and relating to the account of any person who has previously executed a continuing care agreement.

“Application fee” means the fee an individual is charged, in addition to an entrance fee or any other fee, to cover the provider’s reasonable cost for processing the individual’s application to become a resident at the facility.

“Blanket encumbrance” means a trust deed, mortgage, judgment or other lien or encumbrance, including an option or contract to sell or a trust agreement, affecting a continuing care retirement community of more than one unit therein, but does not include any lien or other encumbrance arising as the result of the imposition of any tax assessment by any public authority.

“Commissioner” means the Commissioner, Department of Community Affairs.

“Continuing care” means the provision of lodging and nursing, medical or other health related services at the same or another location to an individual pursuant to an agreement effective for the life of the individual or for a period greater than one year, including mutually terminable contracts, and in consideration of the payment of an entrance fee with or without other periodic charges. An individual who is provided continuing care is one who is not related by consanguinity or affinity to the person who provides the care.

“Department” means the Department of Community Affairs.

“Entrance fee” means a transfer to a provider of a sum of money or other property made or promised to be made as full or partial consideration for acceptance of a specified person as a resident in a facility, and includes a fee which is refundable upon the death, departure or option of the resident.