

(4) "Facility" means:

(i) A hospital that is classified as a special hospital; or

(ii) A related institution.

(d) (1) Each facility shall have adequate safeguards for property of a resident that is entrusted to the facility.

(2) (i) A facility to which money is entrusted shall deposit the money in an account if the facility cannot keep the money safely.

(ii) If the facility is operated by a State, county, or municipal agency and one resident entrusts more than \$300 to the facility, the facility shall deposit the amount in excess of \$300.

(iii) If the facility is operated by a person other than a State, county, or municipal agency and one resident entrusts more than \$100 to the facility, the facility shall deposit the amount in excess of \$100.

(iv) If the total amount of money that is entrusted to the facility by its residents exceeds \$50 per resident, the facility shall deposit the amount in excess of \$50 per resident or \$1,000, whichever is less.

~~(3) A FACILITY THAT IS A RELATED INSTITUTION CARING FOR INDIVIDUALS WHO ARE AT LEAST 60 YEARS OLD SHALL PROVIDE A BOND, IN THE AMOUNT THAT THE DEPARTMENT REQUIRES, TO COVER ANY ADMINISTRATOR OR BOOKKEEPER OF THE INSTITUTION WHO HAS CONTROL OVER OR ACCESS TO THE FUNDS OF A RESIDENT OF THE FACILITY.~~

(3) A FACILITY THAT IS A RELATED INSTITUTION CARING FOR INDIVIDUALS AND WHOSE ADMINISTRATOR OR BOOKKEEPER HAS CONTROL OVER OR ACCESS TO THE FUNDS OF A RESIDENT OF THE FACILITY, SHALL PROVIDE AS DETERMINED BY THE DEPARTMENT, EITHER:

1. A BOND IN AN AMOUNT THE DEPARTMENT REQUIRES;

2. A LETTER OF CREDIT EQUAL TO 3 TIMES THE AVERAGE YEARLY BALANCE OF FUNDS OF ALL RESIDENTS OF THE FACILITY; OR

3. SELF INSURANCE IF THE NET WORTH OF THE FACILITY IS AT LEAST 3 TIMES THE AVERAGE YEARLY BALANCE OF FUNDS OF ALL RESIDENTS OF THE FACILITY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1986 October 1, 1986.