

(1) machinery or equipment, a replacement part of machinery or equipment, or a service for the assembly or fabrication of machinery or equipment or replacement part that:

(i) is capitalized to claim depreciation, using acceptable and consistent accounting standards;

[(ii) is not used in administration, management, sales, or any other nonoperational activity;]

[(iii)] (II) at any stage of operation from the handling of raw material or components on the production activity site to the time the product is ready for delivery or storage, is used PREDOMINANTLY in a production activity; and

[(iv)] (III) except for a foundation to support other machinery or equipment or for an item required to conform to an air or water pollution law and normally considered part of real property, is not installed so that it becomes real property; or

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall remain effective for a period of ~~two~~ one and a half years and, at the end of June 30, ~~1999~~ 1998, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect contingent on the taking effect of S.B. 190 of the Acts of the General Assembly of 1996, and if S.B. 190 does not become effective, Section 2 of this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION ~~2.~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July 1, 1996~~ January 1, 1997.

Approved April 30, 1996.

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**CHAPTER 346**

**(Senate Bill 543)**

AN ACT concerning

**Continuing Care Contracts**

FOR the purpose of requiring a provider of continuing care to maintain certain reserves; requiring approval by the Office on Aging before a change in ownership or sale of more than a certain percentage of the ownership of a provider or facility; requiring approval by the Office on Aging before the transfer of assets of a provider in excess of a certain aggregate percentage within a certain time period; requiring a provider to issue a disclosure statement to current and prospective subscribers of continuing care; establishing minimum contents of the disclosure statement; requiring the provider to hold an annual meeting with resident representatives for a certain