

10-410. DEPOSITS.

(A) COLLECTION OF DEPOSITS.

A PROVIDER MAY COLLECT DEPOSITS FROM PROSPECTIVE SUBSCRIBERS IF:

(1) THE DEPARTMENT HAS APPROVED THE PROVIDER'S FEASIBILITY STUDY; AND

(2) FUNDS COLLECTED ARE MAINTAINED IN AN ESCROW ACCOUNT.

(B) DEPOSIT AGREEMENTS.

EACH DEPOSIT AGREEMENT SHALL COMPLY WITH THE REQUIREMENTS OF SUBSECTION (C) OR (D) OF THIS SECTION.

(C) REQUIREMENTS FOR DEPOSIT AGREEMENTS — WITHOUT APPROVAL TO WITHDRAW DEPOSITS.

IF A DEPOSIT AGREEMENT IS USED FOR A DEPOSIT ON A UNIT FOR WHICH THE PROVIDER HAS NOT RECEIVED WRITTEN APPROVAL TO WITHDRAW DEPOSITS, THE DEPOSIT AGREEMENT SHALL:

(1) STATE THAT ALL DEPOSITS AND ENTRANCE FEES WILL BE HELD IN ESCROW UNTIL:

(I) AN INITIAL CERTIFICATE OF REGISTRATION FOR THE UNIT IS ISSUED;

(II) CONSTRUCTION IS COMPLETED;

(III) A CERTIFICATE OF OCCUPANCY, OR ITS EQUIVALENT, IS ISSUED BY THE LOCAL JURISDICTION; AND

(IV) THE PROVIDER HAS THE APPROPRIATE LICENSES OR CERTIFICATES FROM THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, THE MARYLAND HEALTH CARE COMMISSION, AND THE DEPARTMENT;

(2) DESCRIBE THE DISPOSITION OF ANY INTEREST EARNED ON DEPOSITS AND ENTRANCE FEES;

(3) STATE THE AMOUNT OF ANY PROCESSING FEE AND WHETHER IT WILL BE REFUNDED IF THE DEPOSIT AGREEMENT IS CANCELED; AND

(4) DESCRIBE THE DISPOSITION OF THE DEPOSIT IF THE DEPOSIT AGREEMENT IS CANCELED BEFORE THE CONTINUING CARE AGREEMENT IS EXECUTED.

(D) REQUIREMENTS FOR DEPOSIT AGREEMENTS — WITH APPROVAL TO WITHDRAW DEPOSITS.

IF A DEPOSIT AGREEMENT IS USED FOR A DEPOSIT ON A UNIT FOR WHICH THE PROVIDER HAS RECEIVED WRITTEN APPROVAL TO WITHDRAW DEPOSITS, THE DEPOSIT AGREEMENT SHALL: