

**LIVING CARE DISCLOSURE ACT (EXCERPT)**  
**Act 440 of 1976**

\*\*\*\*\* 554.805 THIS SECTION IS REPEALED BY ACT 448 OF 2014 EFFECTIVE APRIL 2, 2015 \*\*\*\*\*

**554.805 Applicability of act; offer or sale of life interest or long-term lease; making offer to sell; accepting offer to sell; facility offering long-term lease or life interest as profit or nonprofit corporation; compliance with federal law; limitation on purposes of corporations.**

Sec. 5. (1) This act applies to all written or oral arrangements between a facility and a member in connection with the offer or sale of a life interest or long-term lease.

(2) An offer or sale of a life interest or long-term lease is made in this state when an offer to sell is made in this state, or an offer to buy is accepted in this state, or, if the purchase is made in this state or the facility is or will be operated in this state.

(3) An offer to sell is made in this state when the offer either originates from this state or is directed by the offeror to this state and is received at the place to which the offer is directed. An offer to sell is accepted in this state when acceptance is communicated to the offeror in this state. An acceptance is communicated to the offeror in this state when the offeree directs the acceptance to the offeror in this state reasonably believing the offeror to be in this state and the acceptance is received at the place to which it is directed.

(4) An offer to sell is not made in this state merely because a publisher circulates or there is circulated on behalf of the publisher in this state a bona fide newspaper or other publication of general, regular, and paid circulation which has had more than 2/3 of its circulation outside this state during the past 12 months, or a radio or television program originating outside this state is received in this state.

(5) A facility offering a long-term lease or life interest may be organized and operated by either a profit or nonprofit corporation. However, a nonprofit corporation shall comply with the requirements of section 501(c)(3) or section 501(c)(4) of the internal revenue code. The purposes of these corporations shall be limited to ownership, organization, and operation of a facility or facilities as defined in section 3(4).

**History:** 1976, Act 440, Eff. July 1, 1977;—Am. 1980, Act 343, Imd. Eff. Dec. 23, 1980.

**Compiler's note:** For transfer of statutory authority, powers, duties, and functions of the corporations, securities and land development bureau to the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.

For transfer of securities division of office of finance and insurance regulation from office of finance and insurance regulation to department of licensing and regulatory affairs, see E.R.O. No. 2012-6, compiled at MCL 445.2034.