§ 4664. Asset reserves. An operator shall maintain reserve liabilities and supporting assets in an amount for the purposes set forth in a regulation issued by the commissioner. Liquid assets shall be maintained for the following reserve liabilities:

1. Fifteen percent of the projected annual operating expenses of the facility, exclusive of depreciation.

2. A provider shall notify the commissioner in writing at least ten days prior to reducing the amount of funds available to satisfy the applicable liquid reserve requirement. A provider shall not expend more than one-half of the required balance each calendar year.

3. A provider may use funds in an endowment fund or escrow account, including an escrow account established by or pursuant to a mortgage loan, bond, indenture or other long-term financing, to satisfy the reserve requirements of this section, if the funds are available to make payments when operating funds are insufficient for these purposes.