

WAC 388-76-10105 Application—Change of ownership. (1) Under this section, "control of the provider" means the possession, directly or indirectly, of the power to direct the management, operation and/or policies of the adult family home, whether through ownership, voting control, by agreement, by contract, or otherwise.

(2) A change of ownership of an adult family home requires both a new license application and a new license.

(3) A change of ownership occurs when there is a change in:

- (a) The provider; or
- (b) The control of a provider.

(4) Events that constitute a change of ownership include, but are not limited to:

(a) The form of legal organization of the adult family home is changed, such as when an adult family home forms:

- (i) A partnership;
- (ii) A corporation;
- (iii) A limited liability company; or
- (iv) When it merges with another legal organization;

(b) The adult family home transfers business operations and management responsibility to another party, whether or not there is a partial or whole transfer of real property, personal property, or both;

(c) Dissolution of a business partnership that is licensed to operate the adult family home;

(d) If the adult family home is an entity and the entity:

- (i) Is dissolved;
- (ii) Merges with another entity, resulting in a change in the control of the provider;
- (iii) Consolidates with one or more entities to form a new entity; or

(iv) Whether by a single transaction or multiple transactions over any time period, transfers fifty percent or more of its shares to one or more of the following:

(A) New or former owners; or

(B) Present owners, each having less than five percent of the ownership interest before the initial transaction; or

(e) Any other event or combination of events that results in a substitution, elimination, or withdrawal of the provider's control of the adult family home.

(5) Events which do not by themselves constitute a change in ownership include:

(a) For a nonprofit entity only, a change of a member or members of the board of directors;

(b) A change in entity representative; or

(c) Two people are both licensed as a married couple or domestic partners to operate an adult family home and an event, such as separation, divorce, or death, results in only one person operating the home.

(6) The new owner:

(a) Must obtain a new license from the department before transfer of ownership;

(b) Must not begin operation of the adult family home until the department has granted the license unless a provisional license has been requested and granted for exceptional circumstances per RCW 70.128.064;

(c) Must correct all deficiencies that exist at the time of the ownership change;

(d) Is subject to the provisions of chapters 70.128, 70.129, 74.34 RCW, this chapter and other applicable laws and regulations;

(e) Must ensure that any funds in the resident's accounts at the time of the ownership change remain in an equivalent account. If any funds in resident's accounts are moved, the new owner must promptly notify residents or resident's representative in writing of the name, address, and location of the new depository; and

(f) Must provide the department with a copy of the written notice of the change of ownership that was given to each resident, or applicable resident representatives.

[Statutory Authority: RCW 70.128.040 and 70.128.060. WSR 20-05-016, § 388-76-10105, filed 2/6/20, effective 3/8/20. Statutory Authority: Chapter 70.128 RCW. WSR 12-01-004, § 388-76-10105, filed 12/7/11, effective 1/7/12. Statutory Authority: RCW 70.128.040. WSR 10-14-058, § 388-76-10105, filed 6/30/10, effective 7/31/10; WSR 10-04-008, § 388-76-10105, filed 1/22/10, effective 2/22/10; WSR 09-03-030, § 388-76-10105, filed 1/12/09, effective 2/12/09. Statutory Authority: RCW 70.128.040 and chapters 70.128 and 74.34 RCW. WSR 07-21-080, § 388-76-10105, filed 10/16/07, effective 1/1/08.]