

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

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

(e) If the adult family home is a corporation and the corporation:

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

(iv) Whether by a single transaction or multiple transactions within a continuous twenty-four month period, transfers fifty percent or more of its shares to one or more of the following:

- (A) New or former shareholders; or
- (B) Present shareholders, each having less than five percent of the shares before the initial transaction.

(f) 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) 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;

(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; and

(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: 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.]