

§ 58-64A-280. Grounds for discretionary refusal, restriction, or revocation of a permit, certificate, or license.

(a) The Commissioner may (i) deny an application or any other request for approval or (ii) restrict or revoke any permit, certificate, license, or other authorization issued under this Article if the Commissioner finds that the applicant or provider did any of the following:

- (1) Willfully violated any provision of this Article or of any rule or order of the Commissioner.
- (2) Made a material omission, misstatement, or misrepresentation, or committed fraud in obtaining a permit, certificate, license, or other authorization.
- (3) Engaged in any fraudulent or dishonest practices in the conduct of its business.
- (4) Misappropriated, converted, or improperly withheld any monies.
- (5) Failed to file an annual disclosure statement, annual audited financial statements, or any other materials requested by the Commissioner or otherwise required by this Article.
- (6) Failed to deliver to prospective residents a disclosure statement as required by this Article.
- (7) Delivered to prospective residents a disclosure statement that makes a material misstatement or omits a material fact and the provider, at the time of the delivery of the disclosure statement, had actual knowledge of the misstatement or omission.
- (8) Failed to make a revised disclosure statement available to residents.
- (9) Made any material misrepresentations to depositors, prospective residents, or residents of a continuing care retirement community operated or to be operated in this State.
- (10) Failed to maintain the escrow account required under this Article or released a portion of an escrow account required to be maintained under this Article.
- (11) Failed to deposit entrance fees and deposits into an escrow account as required by this Article.
- (12) Failed to maintain the operating reserve required under this Article or released a portion of the operating reserve required to be maintained under this Article without Commissioner approval.
- (13) Violated a restriction of its permit, certificate, or license.
- (14) After request by the Commissioner for an investigation or examination, refused access to records or information; refused to be investigated or examined or to produce its accounts, records, and files for an investigation or examination; refused to give information with respect to its affairs; or refused to perform any other legal obligations related to an investigation or examination.
- (15) Failed to fulfill obligations under continuing care and continuing care at home contracts.
- (16) Violated the provisions of G.S. 58-64A-230, 58-64A-235, or 58-64A-240.
- (17) Failed to comply with the terms of a cease and desist order.
- (18) Has been determined by the Commissioner to be in a hazardous condition.

(b) Findings of fact in support of a denial, restriction, or revocation shall be accompanied by an explicit statement of the Commissioner's understanding of the underlying facts supporting the findings.

(c) If the Commissioner has good cause to believe that a provider has committed a violation for which revocation could be ordered, the Commissioner may first issue a cease and desist order. If the cease and desist order is not or cannot be effective in remedying the violation, the Commissioner may, after notice and hearing, order that a permit, certificate, or license be

revoked. That revocation order may be appealed to the Superior Court of Wake County in the manner provided by G.S. 58-63-35. The provider shall accept no new deposits or entrance fees while the revocation order is under appeal.

(d) If the Commissioner issues a cease and desist order or restricts or revokes a provider's permit, certificate, or license, the provider shall notify all residents and depositors of the cease and desist order, restriction, or revocation within five business days.

(e) The Commissioner may, upon finding of changed circumstances, remove a restriction.

(f) The revocation by the Commissioner of a certificate or license shall not release the provider from obligations assumed through continuing care and continuing care at home contracts.

(g) Within 20 business days after receiving a notice of revocation of a license, a provider shall provide to the Commissioner and all residents a written plan detailing specifically how the provider intends to continue to meet its continuing care obligations.

(h) A provider who has their permanent license revoked shall continue to maintain an operating reserve and to file its annual audited financial statements, annual disclosure statement, and pay annual fees to the Commissioner as required under this Article as if the permanent license had continued in full force, but the provider shall not issue any new continuing care or continuing care at home contracts.

(i) A provider who has a permit, certificate, or license revoked shall provide written notice within five business days to all depositors, shall reimburse all deposits collected, and shall provide documentation to the Commissioner verifying that all deposits have been returned to depositors. (2025-58, s. 2.)