

Part 3. Expansion.

§ 58-64A-85. Expansion notification.

(a) Prior to marketing and collecting deposits for a proposed expansion of a continuing care retirement community that is twenty percent (20%) or more of existing independent living units, a provider shall do both of the following:

- (1) Notify and obtain written approval from the Commissioner.
- (2) Notify all residents in writing of the provider's intent to expand the number of independent living units at the continuing care retirement community. This notification shall include the description required by subdivision (b)(1) of this section.

(b) The expansion notification to the Commissioner required by this section shall include all of the following:

- (1) A description of the proposed expansion project, including the number of independent living units to be added.
- (2) If the provider intends to enter into nonbinding reservation agreements, binding reservation agreements, or both, a copy of the proposed agreements that the provider intends to use.
- (3) A proposed escrow agreement that meets the requirements of G.S. 58-64A-105.
- (4) An updated disclosure statement that meets the requirements of G.S. 58-64A-150.

(c) The Commissioner shall comply with the review schedule in G.S. 58-64A-70 in response to an expansion notification.

(d) The Commissioner shall approve the expansion notification if all of the following requirements are met:

- (1) The expansion notification complies with this section.
- (2) None of the grounds for denial listed in G.S. 58-64A-280 apply to the provider.
- (3) The proposed escrow agreement meets the requirements of G.S. 58-64A-105.
- (4) The proposed escrow agent and depository are acceptable in accordance with G.S. 58-64A-100.

(e) After the Commissioner approves the expansion notification, the provider shall submit periodic sales and development reports to the Commissioner in a form prescribed by the Commissioner.

(f) After the Commissioner approves the expansion notification, the provider may do all of the following:

- (1) Disseminate materials, including advertisements, describing the intent to expand the number of independent living units at the continuing care retirement community.
- (2) Enter into nonbinding reservation agreements, binding reservation agreements, and continuing care contracts for the proposed independent living units.
- (3) Collect entrance fees and deposits for the proposed independent living units. All deposits collected shall be placed in escrow and shall only be released in accordance with Part 4 of this Article, unless otherwise exempted by the Commissioner. (2025-58, s. 2.)