

BOARD AND COMMISSIONS
Board of Pharmacy
(Amended at ARRS Committee)

201 KAR 2:470. Change of ownership.

RELATES TO: KRS 315.035(5), 315.036(1), 315.340(6), 315.350(4), 315.4104(1)

STATUTORY AUTHORITY: 315.191(1)

NECESSITY, FUNCTION, AND CONFORMITY: 315.191(1) authorizes the board to promulgate administrative regulations to regulate pharmacists, pharmacies, wholesalers, and manufacturers. KRS 315.035(5) requires that if there is a change of ownership of a pharmacy notice is to be provided by a buyer at least five (5) days prior to the date of sale and authorizes a buyer to operate under a seller's permit pending the application. This administrative regulation clarifies criteria in making determinations for when a change of ownership of a regulated entity is considered to occur for various business structures.

Section 1. Change of entity ownership requiring a new license or permit means:

- (1) Partnership. For a partnership, the removal, addition, or substitution of a partner.
- (2) Unincorporated sole proprietorship. For an unincorporated sole proprietorship, the transfer of title and property to another party.
- (3) Corporation.
 - (a) For a corporation, the merger of the licensed corporation into another corporation or the consolidation of two (2) or more corporations, resulting in the creation of a new corporation.
 - (b) Transfer of corporate stock or the merger of another corporation into the licensed corporation does not constitute change of entity ownership; however, notification pursuant to Section 2 of this administrative regulation shall be provided within thirty (30) days of the transaction occurring.
- (4) Limited liability company (LLC).
 - (a) For an LLC, the merger of the licensed LLC into another LLC or the consolidation of two (2) or more LLCs, resulting in the creation of a new LLC.
 - (b) Transfer of company stock or the merger of another LLC into the licensed LLC does not constitute change of ownership; however, notification pursuant to Section 2 of this administrative regulation shall be provided within thirty (30) days of the transaction occurring.

Section 2. Procedure.

- (1) Written notice of the following shall be provided to the board no more than thirty (30) calendar days after the transaction occurs:
 - (a) A transfer of stock of greater than ten (10) percent in a non-publicly traded corporation which is the direct owner of an entity;
 - (b) A transfer of membership interest in an LLC which is the direct owner of an entity; and
 - (c) A change of corporate officer.
- (2) Written notification shall include providing a copy of the purchase agreement if there is a stock or membership interest transfer. Purchase amounts and proprietary information may be redacted.

Section 3. Responsibility. A permit or license holder which has been served with a complaint and notice of hearing pursuant to KRS Chapter 13B for a pending disciplinary proceeding with the board of Pharmacy shall not change ownership until the issuance of a final order by the board or upon the agreement of all parties to the terms of a settlement.

(50 Ky.R. 2091; eff. 10-23-2024.)

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