

CHAPTER 25-16.1

RECEIVERS FOR DEVELOPMENTALLY DISABLED FACILITIES

25-16.1-01. Definitions. In this chapter, unless the context or subject matter otherwise requires:

1. "Department" means the department of human services.
2. "Treatment or care center" means any hospital, home, or other premises, operated to provide relief, care, custody, treatment, day activity, work activity, or extended employment services to developmentally disabled persons.

25-16.1-02. Conditions for appointment of receiver. When the department has revoked the license of a treatment or care center, or when the operator of a center has requested, the department may file a petition with the district court to place the center under the control of a receiver if necessary to protect the health or safety of clients at the center. The court may grant the petition upon a finding that the health or safety of the clients at the center would be seriously threatened if a condition existing at the time the petition was filed is permitted to continue. Such a finding may be based upon evidence concerning the physical plant, the program and services offered by the center, but not solely upon evidence that a center:

1. Has been denied a license to operate as a center, or has had a previously issued license revoked; or
2. Has been denied certification as an intermediate care facility for the mentally retarded, or has lost or had revoked such certification.

25-16.1-03. Appointment of receiver. The court shall appoint as receiver the executive director of the department who shall designate a qualified individual not employed by this state or its political subdivisions, or a nonprofit organization to execute the receivership. The receiver appointed by the court shall use the income and assets of the treatment or care center to maintain and operate the center and to attempt to correct the conditions which constitute a threat to the clients. The receiver may not liquidate the assets of the treatment or care center.

25-16.1-04. Termination of receivership. The receivership shall be terminated when the receiver and the court certify that the conditions which prompted the appointment have been corrected, when the license is restored, when a new license is issued, or, in the case of an election by the owner or owners to discontinue operation, when the clients are safely placed or provided services in other centers.

25-16.1-05. Accounting. Upon the termination of the receivership, the receiver shall render a complete accounting to the court and shall dispose of surplus funds as the court directs.