**Section 300.170 Denial of Initial License**

a) A determination by the Director or his or her designee to deny the issuance of an initial license shall be based on a finding that one or more of the criteria outlined in Section 300.165 or the following criteria are met:

1) *Conviction of the applicant, or if the applicant is a firm, partnership or association, or any of its members or if a corporation, the conviction of the corporation or any of its officers and stockholders, or of the person designated to manage or supervise the facility* of any of the following crimes *during the previous 5 years*. Such convictions shall be verified by *a certified copy of the record of the court of conviction*.

A) *A felony; or*

B) *Two or more misdemeanors involving moral turpitude*. (Section 3-117(2) of the Act)

2) Prior license revocation. Both of the following conditions shall be met:

A) *Revocation of a facility license during the previous 5 years, if such prior license was issued to the individual applicant, a controlling owner or controlling combination of owners of the applicant; or any affiliate of the individual applicant or controlling owner of the applicant or affiliate of the applicant was a controlling owner of the prior license.* Operation for the purposes of this provision shall include individuals with responsibility for the overall management, direction, or supervision of the facility.

B) *The denial of an application for a license pursuant to this subsection* (a)(2) *must be supported by evidence that such prior revocation renders the applicant unqualified or incapable of meeting or maintaining a facility in accordance with* the Act and this Part. This determination will be based on the applicant's qualifications and ability to meet the criteria outlined in Section 300.165(b) as evidenced by the application and the applicant's prior history. (Section 3-117(5) of the Act)

3) *Personnel insufficient in number or unqualified by training or experience to properly care for the proposed number and type of residents.* (Section 3-117(3) of the Act)

4) *Insufficient financial or other resources to operate and conduct the facility in accordance with* this Part *and with contractual obligations assumed by a recipient of a grant under the Equity in Long-term Care Quality Act and the plan (if applicable) submitted by a grantee for continuing and increasing adherence to best practices in providing high-quality nursing home care.* (Section 3-117(4) of the Act)

5) *That the facility is not under the direct supervision of a full-time administrator, as defined by* this Part*, who is licensed, if required, under the Nursing Home Administrators Licensing and Disciplinary Act.* (Section 3-117(6) of the Act)

6) *That the facility is in receivership and the proposed licensee has not submitted a specific detailed plan to bring the facility into compliance with the requirements of* the *Act* and this Part, *and with federal certification requirements, if the facility is certified, and to keep the facility in such compliance.* (Section 3-117(7) of the Act)

b) The Department shall notify an applicant *immediately upon denial of any application*. Such notice shall be *in writing* and shall include:

1) *A clear and concise statement* of the basis of the denial. The statement shall include a citation to the provisions of Section 3-117 of the Act and the provisions of this Part under which the application is being denied.

2) A *notice of the opportunity for a hearing under Section 3-103* of the Act. *If the applicant desires to contest the denial of a license, it shall provide written notice to the Department of a request for a hearing within 10 days after receipt of the notice of denial*. (Section 3-118 of the Act)

(Source: Amended at 35 Ill. Reg. 11419, effective June 29, 2011)