

## **CHANGE OF OPERATOR/OWNER GUIDELINES**

The following Guidelines are intended to illustrate instances in which a facility should file an application for a change of operator and have its permits reissued and those instances in which an administrative name change suffices and new permits are not required. These Guidelines do not constitute legal advice. The South Coast Air Quality Management District uses its technical and engineering expertise to make change of operator determinations on a case-by-case basis. For the purposes of the examples below, a “controlling share” of a corporation, partnership or limited liability company shall mean ownership of more than 50% of the voting equity interest in the entity.

### **CHANGE OF OPERATOR/OWNER – NEW PERMITS REQUIRED (FORM 400-CO)**

- An individual, partnership, limited liability company or corporation sells its equipment to another individual, partnership, limited liability company or corporation.
- An individual, partnership, limited liability company or corporation purchases equipment from another individual, partnership, limited liability company or corporation.
- A controlling share of the equity securities of a corporation, the partnership interests of a partnership or the member interests of a limited liability company, are transferred to new owners, whether in a single transaction or a number of transactions over time.
- A corporation holding a permit merges with another, unrelated corporation and is not the surviving corporation.
- A corporation spins off a new corporation.
- An individual owner transfers equipment to a partnership, corporation or limited liability company in which he or she does not own the controlling share of the equity interests.
- A lessor leases equipment to a lessee, and after the termination of a lease, lessor re-acquires equipment but active permits were not retained in lessor’s name.

### **NAME CHANGE – NEW PERMITS NOT REQUIRED (FORM 200-A)**

- An individual or a partnership composed of individuals incorporates or forms a limited liability company and there is no change in the ownership of the equity interests.
- A corporation, partnership or limited liability company undergoes a statutory conversion into another form of legal entity or the same legal entity in a new domicile state without any change in ownership.
- A corporation changes its name, but does not sell or transfer any assets to any other, separate corporation.
- An individual or partnership changes business name (dba) only.

- Less than a controlling share of the equity securities of a corporation, the partnership interests of a partnership or the member interests of a limited liability company are transferred to new owners, provided, however, that multiple transfers of less than a controlling share that in the aggregate exceed a controlling share shall require a new permit.
- A corporation merges with a parent corporation, a wholly owned subsidiary corporation, or another division of the same corporation.
- A corporation holding a permit merges with another, unrelated corporation and is the surviving corporation, provided that the controlling share of equity ownership of the surviving corporation does not change.
- A permitted corporation creates a new wholly-owned subsidiary corporation to own and operate the permitted equipment.
- An individual owner transfers equipment to a partnership in which he or she owns a controlling share of the equity interests.
- A partnership loses one or more partners and continues as a partnership or the partnership is dissolved and the assets are distributed proportionately to the remaining partners as individual owners.
- A partnership substitutes a new partner for an old partner or adds one or more partners, provided that there is not a change in ownership of a controlling share.
- A trustee operating a business is replaced by a new trustee.
- A lessor re-acquires assets from lessee after the termination of a lease, and active permits were retained in lessor's name.