

AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1003

Introduced by Assembly Member Maienschein

February 22, 2013

An act to amend 13401.5 of the Corporations Code, relating to professional corporations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1003, as amended, Maienschein. Professional corporations: healing arts practitioners.

The Moscone-Knox Professional Corporation Act provides for the organization of a corporation under certain existing law for the purposes of qualifying as a professional corporation under that act and rendering professional services. The act defines a professional corporation as a corporation organized under the General Corporation Law or pursuant to specified law that is engaged in rendering professional services in a single profession, except as otherwise authorized in the act, pursuant to a certificate of registration issued by the governmental agency regulating the profession and that in its practice or business designates itself as a professional or other corporation as may be required by statute. The act authorizes specified listed types of healing arts practitioners to be shareholders, officers, directors, or professional employees of a designated professional corporation, subject to certain limitations relating to ownership of shares.

~~This bill would delete professional employees from that authorization, and, instead, would provide that those provisions do not limit the employment of persons duly licensed under the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act to render professional~~

services, by a designated professional corporation, to the listed licensed professionals specified in the provisions *specify that those provisions do not limit the employment by a professional corporation to only those specified licensed professionals. The bill would authorize any person duly licensed under the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act to be employed to render professional services by a professional corporation.*

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 13401.5 of the Corporations Code is
2 amended to read:

3 13401.5. Notwithstanding subdivision (d) of Section 13401
4 and any other provision of law, the following licensed persons
5 may be shareholders, officers, directors, or professional employees
6 of the professional corporations designated in this section so long
7 as the sum of all shares owned by those licensed persons does not
8 exceed 49 percent of the total number of shares of the professional
9 corporation so designated herein, and so long as the number of
10 those licensed persons owning shares in the professional
11 corporation so designated herein does not exceed the number of
12 persons licensed by the governmental agency regulating the
13 designated professional corporation. *This section does not limit
14 the employment by a professional corporation designated in this
15 section to only those licensed professionals listed under each
16 subdivision. Any person duly licensed under the Business and
17 Professions Code, the Chiropractic Act, or the Osteopathic Act
18 may be employed to render professional services by a professional
19 corporation designated in this section.*

- 20 (a) Medical corporation.
 - 21 (1) Licensed doctors of podiatric medicine.
 - 22 (2) Licensed psychologists.
 - 23 (3) Registered nurses.
 - 24 (4) Licensed optometrists.
 - 25 (5) Licensed marriage and family therapists.
 - 26 (6) Licensed clinical social workers.
 - 27 (7) Licensed physician assistants.
 - 28 (8) Licensed chiropractors.

- 1 (9) Licensed acupuncturists.
- 2 (10) Naturopathic doctors.
- 3 (11) Licensed professional clinical counselors.
- 4 (b) Podiatric medical corporation.
- 5 (1) Licensed physicians and surgeons.
- 6 (2) Licensed psychologists.
- 7 (3) Registered nurses.
- 8 (4) Licensed optometrists.
- 9 (5) Licensed chiropractors.
- 10 (6) Licensed acupuncturists.
- 11 (7) Naturopathic doctors.
- 12 (c) Psychological corporation.
- 13 (1) Licensed physicians and surgeons.
- 14 (2) Licensed doctors of podiatric medicine.
- 15 (3) Registered nurses.
- 16 (4) Licensed optometrists.
- 17 (5) Licensed marriage and family therapists.
- 18 (6) Licensed clinical social workers.
- 19 (7) Licensed chiropractors.
- 20 (8) Licensed acupuncturists.
- 21 (9) Naturopathic doctors.
- 22 (10) Licensed professional clinical counselors.
- 23 (d) Speech-language pathology corporation.
- 24 (1) Licensed audiologists.
- 25 (e) Audiology corporation.
- 26 (1) Licensed speech-language pathologists.
- 27 (f) Nursing corporation.
- 28 (1) Licensed physicians and surgeons.
- 29 (2) Licensed doctors of podiatric medicine.
- 30 (3) Licensed psychologists.
- 31 (4) Licensed optometrists.
- 32 (5) Licensed marriage and family therapists.
- 33 (6) Licensed clinical social workers.
- 34 (7) Licensed physician assistants.
- 35 (8) Licensed chiropractors.
- 36 (9) Licensed acupuncturists.
- 37 (10) Naturopathic doctors.
- 38 (11) Licensed professional clinical counselors.
- 39 (g) Marriage and family therapist corporation.
- 40 (1) Licensed physicians and surgeons.

- 1 (2) Licensed psychologists.
- 2 (3) Licensed clinical social workers.
- 3 (4) Registered nurses.
- 4 (5) Licensed chiropractors.
- 5 (6) Licensed acupuncturists.
- 6 (7) Naturopathic doctors.
- 7 (8) Licensed professional clinical counselors.
- 8 (h) Licensed clinical social worker corporation.
- 9 (1) Licensed physicians and surgeons.
- 10 (2) Licensed psychologists.
- 11 (3) Licensed marriage and family therapists.
- 12 (4) Registered nurses.
- 13 (5) Licensed chiropractors.
- 14 (6) Licensed acupuncturists.
- 15 (7) Naturopathic doctors.
- 16 (8) Licensed professional clinical counselors.
- 17 (i) Physician assistants corporation.
- 18 (1) Licensed physicians and surgeons.
- 19 (2) Registered nurses.
- 20 (3) Licensed acupuncturists.
- 21 (4) Naturopathic doctors.
- 22 (j) Optometric corporation.
- 23 (1) Licensed physicians and surgeons.
- 24 (2) Licensed doctors of podiatric medicine.
- 25 (3) Licensed psychologists.
- 26 (4) Registered nurses.
- 27 (5) Licensed chiropractors.
- 28 (6) Licensed acupuncturists.
- 29 (7) Naturopathic doctors.
- 30 (k) Chiropractic corporation.
- 31 (1) Licensed physicians and surgeons.
- 32 (2) Licensed doctors of podiatric medicine.
- 33 (3) Licensed psychologists.
- 34 (4) Registered nurses.
- 35 (5) Licensed optometrists.
- 36 (6) Licensed marriage and family therapists.
- 37 (7) Licensed clinical social workers.
- 38 (8) Licensed acupuncturists.
- 39 (9) Naturopathic doctors.
- 40 (10) Licensed professional clinical counselors.

- 1 (l) Acupuncture corporation.
- 2 (1) Licensed physicians and surgeons.
- 3 (2) Licensed doctors of podiatric medicine.
- 4 (3) Licensed psychologists.
- 5 (4) Registered nurses.
- 6 (5) Licensed optometrists.
- 7 (6) Licensed marriage and family therapists.
- 8 (7) Licensed clinical social workers.
- 9 (8) Licensed physician assistants.
- 10 (9) Licensed chiropractors.
- 11 (10) Naturopathic doctors.
- 12 (11) Licensed professional clinical counselors.
- 13 (m) Naturopathic doctor corporation.
- 14 (1) Licensed physicians and surgeons.
- 15 (2) Licensed psychologists.
- 16 (3) Registered nurses.
- 17 (4) Licensed physician assistants.
- 18 (5) Licensed chiropractors.
- 19 (6) Licensed acupuncturists.
- 20 (7) Licensed physical therapists.
- 21 (8) Licensed doctors of podiatric medicine.
- 22 (9) Licensed marriage and family therapists.
- 23 (10) Licensed clinical social workers.
- 24 (11) Licensed optometrists.
- 25 (12) Licensed professional clinical counselors.
- 26 (n) Dental corporation.
- 27 (1) Licensed physicians and surgeons.
- 28 (2) Dental assistants.
- 29 (3) Registered dental assistants.
- 30 (4) Registered dental assistants in extended functions.
- 31 (5) Registered dental hygienists.
- 32 (6) Registered dental hygienists in extended functions.
- 33 (7) Registered dental hygienists in alternative practice.
- 34 (o) Professional clinical counselor corporation.
- 35 (1) Licensed physicians and surgeons.
- 36 (2) Licensed psychologists.
- 37 (3) Licensed clinical social workers.
- 38 (4) Licensed marriage and family therapists.
- 39 (5) Registered nurses.
- 40 (6) Licensed chiropractors.

1 (7) Licensed acupuncturists.

2 (8) Naturopathic doctors.

3 SECTION 1. ~~Section 13401.5 of the Corporations Code is~~
 4 ~~amended to read:~~

5 ~~13401.5. (a) Notwithstanding subdivision (d) of Section 13401~~
 6 ~~and any other provision of law, the following licensed persons~~
 7 ~~may be shareholders, officers, or directors of the professional~~
 8 ~~corporations designated in this section so long as the sum of all~~
 9 ~~shares owned by those licensed persons does not exceed 49 percent~~
 10 ~~of the total number of shares of the professional corporation so~~
 11 ~~designated herein, and so long as the number of those licensed~~
 12 ~~persons owning shares in the professional corporation so designated~~
 13 ~~herein does not exceed the number of persons licensed by the~~
 14 ~~governmental agency regulating the designated professional~~
 15 ~~corporation:~~

16 ~~(1) Medical corporation:~~

17 ~~(A) Licensed doctors of podiatric medicine.~~

18 ~~(B) Licensed psychologists.~~

19 ~~(C) Registered nurses.~~

20 ~~(D) Licensed optometrists.~~

21 ~~(E) Licensed marriage and family therapists.~~

22 ~~(F) Licensed clinical social workers.~~

23 ~~(G) Licensed physician assistants.~~

24 ~~(H) Licensed chiropractors.~~

25 ~~(I) Licensed acupuncturists.~~

26 ~~(J) Naturopathic doctors.~~

27 ~~(K) Licensed professional clinical counselors.~~

28 ~~(2) Podiatric medical corporation:~~

29 ~~(A) Licensed physicians and surgeons.~~

30 ~~(B) Licensed psychologists.~~

31 ~~(C) Registered nurses.~~

32 ~~(D) Licensed optometrists.~~

33 ~~(E) Licensed chiropractors.~~

34 ~~(F) Licensed acupuncturists.~~

35 ~~(G) Naturopathic doctors.~~

36 ~~(3) Psychological corporation:~~

37 ~~(A) Licensed physicians and surgeons.~~

38 ~~(B) Licensed doctors of podiatric medicine.~~

39 ~~(C) Registered nurses.~~

40 ~~(D) Licensed optometrists.~~

- 1 ~~(E) Licensed marriage and family therapists.~~
- 2 ~~(F) Licensed clinical social workers.~~
- 3 ~~(G) Licensed chiropractors.~~
- 4 ~~(H) Licensed acupuncturists.~~
- 5 ~~(I) Naturopathic doctors.~~
- 6 ~~(J) Licensed professional clinical counselors.~~
- 7 ~~(4) Speech-language pathology corporation.~~
- 8 ~~(A) Licensed audiologists.~~
- 9 ~~(5) Audiology corporation.~~
- 10 ~~(A) Licensed speech-language pathologists.~~
- 11 ~~(6) Nursing corporation.~~
- 12 ~~(A) Licensed physicians and surgeons.~~
- 13 ~~(B) Licensed doctors of podiatric medicine.~~
- 14 ~~(C) Licensed psychologists.~~
- 15 ~~(D) Licensed optometrists.~~
- 16 ~~(E) Licensed marriage and family therapists.~~
- 17 ~~(F) Licensed clinical social workers.~~
- 18 ~~(G) Licensed physician assistants.~~
- 19 ~~(H) Licensed chiropractors.~~
- 20 ~~(I) Licensed acupuncturists.~~
- 21 ~~(J) Naturopathic doctors.~~
- 22 ~~(K) Licensed professional clinical counselors.~~
- 23 ~~(7) Marriage and family therapist corporation.~~
- 24 ~~(A) Licensed physicians and surgeons.~~
- 25 ~~(B) Licensed psychologists.~~
- 26 ~~(C) Licensed clinical social workers.~~
- 27 ~~(D) Registered nurses.~~
- 28 ~~(E) Licensed chiropractors.~~
- 29 ~~(F) Licensed acupuncturists.~~
- 30 ~~(G) Naturopathic doctors.~~
- 31 ~~(H) Licensed professional clinical counselors.~~
- 32 ~~(8) Licensed clinical social worker corporation.~~
- 33 ~~(A) Licensed physicians and surgeons.~~
- 34 ~~(B) Licensed psychologists.~~
- 35 ~~(C) Licensed marriage and family therapists.~~
- 36 ~~(D) Registered nurses.~~
- 37 ~~(E) Licensed chiropractors.~~
- 38 ~~(F) Licensed acupuncturists.~~
- 39 ~~(G) Naturopathic doctors.~~
- 40 ~~(H) Licensed professional clinical counselors.~~

- 1 ~~(9) Physician assistants corporation.~~
- 2 ~~(A) Licensed physicians and surgeons.~~
- 3 ~~(B) Registered nurses.~~
- 4 ~~(C) Licensed acupuncturists.~~
- 5 ~~(D) Naturopathic doctors.~~
- 6 ~~(10) Optometric corporation.~~
- 7 ~~(A) Licensed physicians and surgeons.~~
- 8 ~~(B) Licensed doctors of podiatric medicine.~~
- 9 ~~(C) Licensed psychologists.~~
- 10 ~~(D) Registered nurses.~~
- 11 ~~(E) Licensed chiropractors.~~
- 12 ~~(F) Licensed acupuncturists.~~
- 13 ~~(G) Naturopathic doctors.~~
- 14 ~~(11) Chiropractic corporation.~~
- 15 ~~(A) Licensed physicians and surgeons.~~
- 16 ~~(B) Licensed doctors of podiatric medicine.~~
- 17 ~~(C) Licensed psychologists.~~
- 18 ~~(D) Registered nurses.~~
- 19 ~~(E) Licensed optometrists.~~
- 20 ~~(F) Licensed marriage and family therapists.~~
- 21 ~~(G) Licensed clinical social workers.~~
- 22 ~~(H) Licensed acupuncturists.~~
- 23 ~~(I) Naturopathic doctors.~~
- 24 ~~(J) Licensed professional clinical counselors.~~
- 25 ~~(12) Acupuncture corporation.~~
- 26 ~~(A) Licensed physicians and surgeons.~~
- 27 ~~(B) Licensed doctors of podiatric medicine.~~
- 28 ~~(C) Licensed psychologists.~~
- 29 ~~(D) Registered nurses.~~
- 30 ~~(E) Licensed optometrists.~~
- 31 ~~(F) Licensed marriage and family therapists.~~
- 32 ~~(G) Licensed clinical social workers.~~
- 33 ~~(H) Licensed physician assistants.~~
- 34 ~~(I) Licensed chiropractors.~~
- 35 ~~(J) Naturopathic doctors.~~
- 36 ~~(K) Licensed professional clinical counselors.~~
- 37 ~~(13) Naturopathic doctor corporation.~~
- 38 ~~(A) Licensed physicians and surgeons.~~
- 39 ~~(B) Licensed psychologists.~~
- 40 ~~(C) Registered nurses.~~

- 1 ~~(D) Licensed physician assistants.~~
- 2 ~~(E) Licensed chiropractors.~~
- 3 ~~(F) Licensed acupuncturists.~~
- 4 ~~(G) Licensed physical therapists.~~
- 5 ~~(H) Licensed doctors of podiatric medicine.~~
- 6 ~~(I) Licensed marriage and family therapists.~~
- 7 ~~(J) Licensed clinical social workers.~~
- 8 ~~(K) Licensed optometrists.~~
- 9 ~~(L) Licensed professional clinical counselors.~~
- 10 ~~(14) Dental corporation.~~
- 11 ~~(A) Licensed physicians and surgeons.~~
- 12 ~~(B) Dental assistants.~~
- 13 ~~(C) Registered dental assistants.~~
- 14 ~~(D) Registered dental assistants in extended functions.~~
- 15 ~~(E) Registered dental hygienists.~~
- 16 ~~(F) Registered dental hygienists in extended functions.~~
- 17 ~~(G) Registered dental hygienists in alternative practice.~~
- 18 ~~(15) Professional clinical counselor corporation.~~
- 19 ~~(A) Licensed physicians and surgeons.~~
- 20 ~~(B) Licensed psychologists.~~
- 21 ~~(C) Licensed clinical social workers.~~
- 22 ~~(D) Licensed marriage and family therapists.~~
- 23 ~~(E) Registered nurses.~~
- 24 ~~(F) Licensed chiropractors.~~
- 25 ~~(G) Licensed acupuncturists.~~
- 26 ~~(H) Naturopathic doctors.~~
- 27 ~~(b) This section does not limit the employment of persons duly~~
- 28 ~~licensed under the Business and Professions Code, the Chiropractic~~
- 29 ~~Act, or the Osteopathic Act to render professional services, by a~~
- 30 ~~professional corporation designated in the section, to the licensed~~
- 31 ~~professionals listed under each paragraph of subdivision (a).~~

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