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I N S E N A T E

April 19, 2012

Introduced by Sen. RANZENHOFER -- read twice and ordered printed, and
when printed to be committed to the Committee on Corporations, Author-
ities and Commissions

AN ACT to amend the not-for-profit corporation law, in relation to the
organization of university faculty practice corporations

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraphs (a), (c) and (e) of section 1412 of the not-for-
2 profit corporation law, as amended by chapter 253 of the laws of 1999,
3 are amended to read as follows:
4 (a) Organization. Notwithstanding any other provision of law, one or
5 more individuals who are duly authorized by law to render the same
6 professional service, which shall be the practice of medicine, the prac-
7 tice of dentistry, the practice of chiropractics, THE PRACTICE OF PHYS-
8 ICAL THERAPY or the practice of optometry, and who are members of the
9 faculty of the same accredited medical school, dental school, chiroprac-
10 tic college, COLLEGE OR UNIVERSITY WITH AN ACCREDITED DOCTOR OF PHYSICAL
11 THERAPY PROGRAM or optometry college, as applicable, in the state of New
12 York may organize, or cause to be organized, a university faculty prac-
13 tice corporation under this article (1) for the purpose of supporting
14 the educational mission of such school by providing clinical instruction
15 and supervision of students of such school, interns and residents and,
16 incident thereto, rendering professional services and (2) which shall be
17 operated in compliance with (A) section 501(c)(3) of the United States
18 internal revenue code and (B) the faculty practice plan with which
19 members of the faculty of such school are required to comply, as amended
20 from time to time.
21 (c) Certificate of incorporation. The certificate of incorporation of
22 a university faculty practice corporation shall meet the requirements of
23 this chapter and shall have attached thereto a certificate or certif-
24 icates issued by the licensing authority certifying that each of the
25 proposed members, if any, directors and officers is authorized by law to
26 practice the profession which the corporation is being organized to
27 practice. The certificate shall also state (1) the name of the medical

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 school, dental school, chiropractic college, COLLEGE OR UNIVERSITY WITH
2 AN ACCREDITED DOCTOR OF PHYSICAL THERAPY PROGRAM or optometry college,
3 as applicable, in the state of New York of which the proposed members,
4 if any, directors and officers are faculty and (2) that such corporation
5 shall operate in compliance with (A) section 501(c)(3) of the United
6 States internal revenue code and (B) the faculty practice plan with
7 which members of the faculty of such school are required to comply, as
8 amended from time to time.

9 (e) Applicability of laws; members, directors and officers. This chap-
10 ter shall be applicable to a university faculty practice corporation
11 except to the extent that the provisions thereof conflict with this
12 section. A university faculty practice corporation may consolidate or
13 merge only with another university faculty practice corporation. The
14 following provisions of article fifteen of the business corporation law
15 shall be applicable to a university faculty practice corporation except
16 that each reference in such provisions to a "shareholder" shall be
17 deemed to be a reference to a "member" and each reference in such
18 provisions to "shareholders" shall be deemed a reference to "members":
19 paragraphs (a), (b), (c) and (e) of section fifteen hundred one; para-
20 graphs (b), (c) and (d) of section fifteen hundred three; paragraphs
21 (a), (c) and (g) of section fifteen hundred four; section fifteen
22 hundred five; section fifteen hundred nine except to the extent such
23 section refers to section fifteen hundred ten; paragraph (a) of section
24 fifteen hundred twelve; section fifteen hundred fourteen; and section
25 fifteen hundred fifteen. No individual may be a member, director or
26 officer of a university faculty practice corporation unless such indi-
27 vidual is authorized by law to practice in this state the profession
28 which such corporation is authorized to practice and is a member of the
29 faculty of the medical school, dental school, chiropractic college,
30 COLLEGE OR UNIVERSITY WITH AN ACCREDITED DOCTOR OF PHYSICAL THERAPY
31 PROGRAM or optometry college which such corporation is organized to
32 support.

33 S 2. This act shall take effect immediately.