S T A T E O F N E W Y O R K

10002

I N A S S E M B L Y

May 1, 2012

Introduced by M. of A. BRENNAN -- read once and referred to the Committee on Corporations, Authorities 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 ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraphs (a), (c) and (e) of section 1412 of the not-for-profit corporation law, as amended by chapter 253 of the laws of 1999, are amended to read as follows:

(a) Organization. Notwithstanding any other provision of law, one or more individuals who are duly authorized by law to render the same professional service, which shall be the practice of medicine, the practice of dentistry, the practice of chiropractics, THE PRACTICE OF PHYSICAL THERAPY or the practice of optometry, and who are members of the faculty of the same accredited medical school, dental school, chiropractic college, COLLEGE OR UNIVERSITY WITH AN ACCREDITED DOCTOR OF PHYSICAL THERAPY PROGRAM or optometry college, as applicable, in the state of New York may organize, or cause to be organized, a university faculty practice corporation under this article (1) for the purpose of supporting the educational mission of such school by providing clinical instruction and supervision of students of such school, interns and residents and, incident thereto, rendering professional services and (2) which shall be operated in compliance with (A) section 501(c)(3) of the United States internal revenue code and (B) the faculty practice plan with which members of the faculty of such school are required to comply, as amended from time to time.

(c) Certificate of incorporation. The certificate of incorporation of a university faculty practice corporation shall meet the requirements of this chapter and shall have attached thereto a certificate or certificates issued by the licensing authority certifying that each of the proposed members, if any, directors and officers is authorized by law to practice the profession which the corporation is being organized to practice. The certificate shall also state (1) the name of the medical school, dental school, chiropractic college, COLLEGE OR UNIVERSITY WITH

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

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

(e) Applicability of laws; members, directors and officers. This chapter shall be applicable to a university faculty practice corporation except to the extent that the provisions thereof conflict with this section. A university faculty practice corporation may consolidate or merge only with another university faculty practice corporation. The following provisions of article fifteen of the business corporation law shall be applicable to a university faculty practice corporation except that each reference in such provisions to a "shareholder" shall be deemed to be a reference to a "member" and each reference in such provisions to "shareholders" shall be deemed a reference to "members": paragraphs (a), (b), (c) and (e) of section fifteen hundred one; paragraphs (b), (c) and (d) of section fifteen hundred three; paragraphs (a), (c) and (g) of section fifteen hundred four; section fifteen hundred five; section fifteen hundred nine except to the extent such section refers to section fifteen hundred ten; paragraph (a) of section fifteen hundred twelve; section fifteen hundred fourteen; and section fifteen hundred fifteen. No individual may be a member, director or officer of a university faculty practice corporation unless such individual is authorized by law to practice in this state the profession which such corporation is authorized to practice and is a member of the faculty of the medical school, dental school, chiropractic college, COLLEGE OR UNIVERSITY WITH AN ACCREDITED DOCTOR OF PHYSICAL THERAPY PROGRAM or optometry college which such corporation is organized to support.

S 2. This act shall take effect immediately.