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I N   A S S E M B L Y

May 24, 2012

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Introduced by M. of A. PRETLOW -- read once and referred to the Committee on Higher Education

AN ACT to amend the limited liability company law and the partnership law, in relation to permitting licensed clinical social workers, licensed creative arts therapists, licensed marriage and family therapists, licensed mental health counselors and licensed psychoanalysts to form a single corporate structure

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

1     Section 1. Subdivision (a) of section 1203 of the limited liability  
2     company law, as separately amended by chapters 420 and 676 of the laws  
3     of 2002, is amended to read as follows:  
4     (a) Notwithstanding the education law or any other provision of law,  
5     one or more professionals each of whom is authorized by law to render a  
6     professional service within the state, or one or more professionals, at  
7     least one of whom is authorized by law to render a professional service  
8     within the state, may form, or cause to be formed, a professional  
9     service limited liability company for pecuniary profit under this article  
10    for the purpose of rendering the professional service or services as  
11    such professionals are authorized to practice. With respect to a professional  
12    service limited liability company formed to provide medical  
13    services as such services are defined in article 131 of the education  
14    law, each member of such limited liability company must be licensed  
15    pursuant to article 131 of the education law to practice medicine in  
16    this state. With respect to a professional service limited liability  
17    company formed to provide dental services as such services are defined  
18    in article 133 of the education law, each member of such limited liability  
19    company must be licensed pursuant to article 133 of the education  
20    law to practice dentistry in this state. With respect to a professional  
21    service limited liability company formed to provide veterinary services  
22    as such services are defined in article 135 of the education law, each  
23    member of such limited liability company must be licensed pursuant to  
24    article 135 of the education law to practice veterinary medicine in this  
25    state. With respect to a professional service limited liability company

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

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1 formed to provide professional engineering, land surveying, architec-  
2 tural and/or landscape architectural services as such services are  
3 defined in article 145, article 147 and article 148 of the education  
4 law, each member of such limited liability company must be licensed  
5 pursuant to article 145, article 147 and/or article 148 of the education  
6 law to practice one or more of such professions in this state. [With  
7 respect to a professional service limited liability company formed to  
8 provide licensed clinical social work services as such services are  
9 defined in article 154 of the education law, each member of such limited  
10 liability company shall be licensed pursuant to article 154 of the  
11 education law to practice licensed clinical social work in this state.  
12 With respect to a professional service limited liability company formed  
13 to provide creative arts therapy services as such services are defined  
14 in article 163 of the education law, each member of such limited liabil-  
15 ity company must be licensed pursuant to article 163 of the education  
16 law to practice creative arts therapy in this state. With respect to a  
17 professional service limited liability company formed to provide  
18 marriage and family therapy services as such services are defined in  
19 article 163 of the education law, each member of such limited liability  
20 company must be licensed pursuant to article 163 of the education law to  
21 practice marriage and family therapy in this state. With respect to a  
22 professional service limited liability company formed to provide mental  
23 health counseling services as such services are defined in article 163  
24 of the education law, each member of such limited liability company must  
25 be licensed pursuant to article 163 of the education law to practice  
26 mental health counseling in this state. With respect to a professional  
27 service limited liability company formed to provide psychoanalysis  
28 services as such services are defined in article 163 of the education  
29 law, each member of such limited liability company must be licensed  
30 pursuant to article 163 of the education law to practice psychoanalysis  
31 in this state.] In addition to engaging in such profession or  
32 professions, a professional service limited liability company may engage  
33 in any other business or activities as to which a limited liability  
34 company may be formed under section two hundred one of this chapter.  
35 Notwithstanding any other provision of this section, a professional  
36 service limited liability company (i) authorized to practice law may  
37 only engage in another profession or business or activities or (ii)  
38 which is engaged in a profession or other business or activities other  
39 than law may only engage in the practice of law, to the extent not  
40 prohibited by any other law of this state or any rule adopted by the  
41 appropriate appellate division of the supreme court or the court of  
42 appeals.

43 S 2. Subdivision (b) of section 1207 of the limited liability company  
44 law, as separately amended by chapters 420 and 676 of the laws of 2002,  
45 is amended to read as follows:

46 (b) With respect to a professional service limited liability company  
47 formed to provide medical services as such services are defined in arti-  
48 cle 131 of the education law, each member of such limited liability  
49 company must be licensed pursuant to article 131 of the education law to  
50 practice medicine in this state. With respect to a professional service  
51 limited liability company formed to provide dental services as such  
52 services are defined in article 133 of the education law, each member of  
53 such limited liability company must be licensed pursuant to article 133  
54 of the education law to practice dentistry in this state. With respect  
55 to a professional service limited liability company formed to provide  
56 veterinary services as such services are defined in article 135 of the

1 education law, each member of such limited liability company must be  
2 licensed pursuant to article 135 of the education law to practice veter-  
3 inary medicine in this state. With respect to a professional service  
4 limited liability company formed to provide professional engineering,  
5 land surveying, architectural and/or landscape architectural services as  
6 such services are defined in article 145, article 147 and article 148 of  
7 the education law, each member of such limited liability company must be  
8 licensed pursuant to article 145, article 147 and/or article 148 of the  
9 education law to practice one or more of such professions in this state.  
10 [With respect to a professional service limited liability company formed  
11 to provide licensed clinical social work services as such services are  
12 defined in article 154 of the education law, each member of such limited  
13 liability company shall be licensed pursuant to article 154 of the  
14 education law to practice licensed clinical social work in this state.  
15 With respect to a professional service limited liability company formed  
16 to provide creative arts therapy services as such services are defined  
17 in article 163 of the education law, each member of such limited liabil-  
18 ity company must be licensed pursuant to article 163 of the education  
19 law to practice creative arts therapy in this state. With respect to a  
20 professional service limited liability company formed to provide  
21 marriage and family therapy services as such services are defined in  
22 article 163 of the education law, each member of such limited liability  
23 company must be licensed pursuant to article 163 of the education law to  
24 practice marriage and family therapy in this state. With respect to a  
25 professional service limited liability company formed to provide mental  
26 health counseling services as such services are defined in article 163  
27 of the education law, each member of such limited liability company must  
28 be licensed pursuant to article 163 of the education law to practice  
29 mental health counseling in this state. With respect to a professional  
30 service limited liability company formed to provide psychoanalysis  
31 services as such services are defined in article 163 of the education  
32 law, each member of such limited liability company must be licensed  
33 pursuant to article 163 of the education law to practice psychoanalysis  
34 in this state.]

35 S 3. Subdivision (a) of section 1301 of the limited liability company  
36 law, as separately amended by chapters 420 and 676 of the laws of 2002,  
37 is amended to read as follows:

38 (a) "Foreign professional service limited liability company" means a  
39 professional service limited liability company, whether or not denomi-  
40 nated as such, organized under the laws of a jurisdiction other than  
41 this state, (i) each of whose members and managers, if any, is a profes-  
42 sional authorized by law to render a professional service within this  
43 state and who is or has been engaged in the practice of such profession  
44 in such professional service limited liability company or a predecessor  
45 entity, or will engage in the practice of such profession in the profes-  
46 sional service limited liability company within thirty days of the date  
47 such professional becomes a member, or each of whose members and manag-  
48 ers, if any, is a professional at least one of such members is author-  
49 ized by law to render a professional service within this state and who  
50 is or has been engaged in the practice of such profession in such  
51 professional service limited liability company or a predecessor entity,  
52 or will engage in the practice of such profession in the professional  
53 service limited liability company within thirty days of the date such  
54 professional becomes a member, or (ii) authorized by, or holding a  
55 license, certificate, registration or permit issued by the licensing  
56 authority pursuant to, the education law to render a professional

1 service within this state; except that all members and managers, if any,  
2 of a foreign professional service limited liability company that  
3 provides health services in this state shall be licensed in this state.  
4 With respect to a foreign professional service limited liability company  
5 which provides veterinary services as such services are defined in arti-  
6 cle 135 of the education law, each member of such foreign professional  
7 service limited liability company shall be licensed pursuant to article  
8 135 of the education law to practice veterinary medicine. With respect  
9 to a foreign professional service limited liability company which  
10 provides medical services as such services are defined in article 131 of  
11 the education law, each member of such foreign professional service  
12 limited liability company must be licensed pursuant to article 131 of  
13 the education law to practice medicine in this state. With respect to a  
14 foreign professional service limited liability company which provides  
15 dental services as such services are defined in article 133 of the  
16 education law, each member of such foreign professional service limited  
17 liability company must be licensed pursuant to article 133 of the educa-  
18 tion law to practice dentistry in this state. With respect to a foreign  
19 professional service limited liability company which provides profes-  
20 sional engineering, land surveying, architectural and/or landscape  
21 architectural services as such services are defined in article 145,  
22 article 147 and article 148 of the education law, each member of such  
23 foreign professional service limited liability company must be licensed  
24 pursuant to article 145, article 147 and/or article 148 of the education  
25 law to practice one or more of such professions in this state. [With  
26 respect to a foreign professional service limited liability company  
27 which provides licensed clinical social work services as such services  
28 are defined in article 154 of the education law, each member of such  
29 foreign professional service limited liability company shall be licensed  
30 pursuant to article 154 of the education law to practice clinical social  
31 work in this state. With respect to a foreign professional service  
32 limited liability company which provides creative arts therapy services  
33 as such services are defined in article 163 of the education law, each  
34 member of such foreign professional service limited liability company  
35 must be licensed pursuant to article 163 of the education law to prac-  
36 tice creative arts therapy in this state. With respect to a foreign  
37 professional service limited liability company which provides marriage  
38 and family therapy services as such services are defined in article 163  
39 of the education law, each member of such foreign professional service  
40 limited liability company must be licensed pursuant to article 163 of  
41 the education law to practice marriage and family therapy in this state.  
42 With respect to a foreign professional service limited liability company  
43 which provides mental health counseling services as such services are  
44 defined in article 163 of the education law, each member of such foreign  
45 professional service limited liability company must be licensed pursuant  
46 to article 163 of the education law to practice mental health counseling  
47 in this state. With respect to a foreign professional service limited  
48 liability company which provides psychoanalysis services as such  
49 services are defined in article 163 of the education law, each member of  
50 such foreign professional service limited liability company must be  
51 licensed pursuant to article 163 of the education law to practice  
52 psychoanalysis in this state.]

53 S 4. Subdivision (q) of section 121-1500 of the partnership law, as  
54 separately amended by chapters 420 and 676 of the laws of 2002, is  
55 amended to read as follows:

1 (q) Each partner of a registered limited liability partnership formed  
2 to provide medical services in this state must be licensed pursuant to  
3 article 131 of the education law to practice medicine in this state and  
4 each partner of a registered limited liability partnership formed to  
5 provide dental services in this state must be licensed pursuant to arti-  
6 cle 133 of the education law to practice dentistry in this state. Each  
7 partner of a registered limited liability partnership formed to provide  
8 veterinary services in this state must be licensed pursuant to article  
9 135 of the education law to practice veterinary medicine in this state.  
10 Each partner of a registered limited liability partnership formed to  
11 provide professional engineering, land surveying, architectural and/or  
12 landscape architectural services in this state must be licensed pursuant  
13 to article 145, article 147 and/or article 148 of the education law to  
14 practice one or more of such professions in this state. [Each partner of  
15 a registered limited liability partnership formed to provide licensed  
16 clinical social work services in this state must be licensed pursuant to  
17 article 154 of the education law to practice clinical social work in  
18 this state. Each partner of a registered limited liability partnership  
19 formed to provide creative arts therapy services in this state must be  
20 licensed pursuant to article 163 of the education law to practice crea-  
21 tive arts therapy in this state. Each partner of a registered limited  
22 liability partnership formed to provide marriage and family therapy  
23 services in this state must be licensed pursuant to article 163 of the  
24 education law to practice marriage and family therapy in this state.  
25 Each partner of a registered limited liability partnership formed to  
26 provide mental health counseling services in this state must be licensed  
27 pursuant to article 163 of the education law to practice mental health  
28 counseling in this state. Each partner of a registered limited liability  
29 partnership formed to provide psychoanalysis services in this state must  
30 be licensed pursuant to article 163 of the education law to practice  
31 psychoanalysis in this state.]

32 S 5. Subdivision (q) of section 121-1502 of the partnership law, as  
33 amended by chapter 230 of the laws of 2004, is amended to read as  
34 follows:

35 (q) Each partner of a foreign limited liability partnership which  
36 provides medical services in this state must be licensed pursuant to  
37 article 131 of the education law to practice medicine in the state and  
38 each partner of a foreign limited liability partnership which provides  
39 dental services in the state must be licensed pursuant to article 133 of  
40 the education law to practice dentistry in this state. Each partner of a  
41 foreign limited liability partnership which provides veterinary service  
42 in the state shall be licensed pursuant to article 135 of the education  
43 law to practice veterinary medicine in this state. Each partner of a  
44 foreign limited liability partnership which provides professional engi-  
45 neering, land surveying, architectural and/or landscape architectural  
46 services in this state must be licensed pursuant to article 145, article  
47 147 and/or article 148 of the education law to practice one or more of  
48 such professions. [Each partner of a foreign limited liability partner-  
49 ship which provides licensed clinical social work services in this state  
50 must be licensed pursuant to article 154 of the education law to prac-  
51 tice licensed clinical social work in this state. Each partner of a  
52 foreign limited liability partnership which provides creative arts ther-  
53 apy services in this state must be licensed pursuant to article 163 of  
54 the education law to practice creative arts therapy in this state. Each  
55 partner of a foreign limited liability partnership which provides  
56 marriage and family therapy services in this state must be licensed

1 pursuant to article 163 of the education law to practice marriage and  
2 family therapy in this state. Each partner of a foreign limited liabil-  
3 ity partnership which provides mental health counseling services in this  
4 state must be licensed pursuant to article 163 of the education law to  
5 practice mental health counseling in this state. Each partner of a  
6 foreign limited liability partnership which provides psychoanalysis  
7 services in this state must be licensed pursuant to article 163 of the  
8 education law to practice psychoanalysis in this state.]

9 S 6. This act shall take effect immediately.