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

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2011-2012 Regular Sessions

I N A S S E M B L Y

April 6, 2011

Introduced by M. of A. BING, JAFFEE, STEVENSON, SCHROEDER, BRONSON, WEPRIN -- Multi-Sponsored by -- M. of A. GABRYSZAK, GALEF, McDONOUGH, P. RIVERA, TITONE -- read once and referred to the Committee on Higher Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the business corporation law, the education law and the limited liability company law, in relation to permitting interior designers to enter into joint enterprise or partnership of a design corporation

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

Section 1. Paragraph (a) of section 1503 of the business corporation law, as added by chapter 974 of the laws of 1970, is amended to read as follows:

(a) Notwithstanding any other provision of law, one or more individuals duly authorized by law to render the same professional service within the state may organize, or cause to be organized, a professional service corporation for pecuniary profit under this article for the purpose of rendering the same professional service, except that one or more individuals duly authorized by law to practice professional engineering, architecture, landscape architecture, INTERIOR DESIGN or land surveying within the state may organize, or cause to be organized, a professional service corporation for pecuniary profit under this article for the purpose of rendering such professional services as such individuals are authorized to practice.

S 2. Subdivision 4 of section 7209 of the education law, as added by chapter 987 of the laws of 1971, is amended to read as follows:

4. Engineers, land surveyors, architects, INTERIOR DESIGNERS, and landscape architects may join in the formation of a joint enterprise, or a partnership or a professional service corporation or may form any desired combination of such professions and may use in the name of such

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

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corporation the title of any of the professions which will be practiced. After the name of each member his profession shall be indicated.

S 3. Subdivision 2 of section 7307 of the education law, as added by chapter 987 of the laws of 1971, is amended to read as follows:

2. Engineers, land surveyors, architects, INTERIOR DESIGNERS, and landscape architects may join in the formation of a joint enterprise, or a partnership or a professional service corporation or may form any desired combination of such professions and may use in the name of such corporation the title of any of the professions which will be practiced. After the name of each member his profession shall be indicated.

S 4. Subdivision 2 of section 7327 of the education law, as added by chapter 987 of the laws of 1971, is amended to read as follows:

2. Engineers, land surveyors, architects, INTERIOR DESIGNERS, and landscape architects may join in the formation of a joint enterprise, or a partnership or a professional service corporation or may form any desired combination of such professions and may use in the name of such corporation the title of any of the professions which will be practiced. After the name of each member his profession shall be indicated.

S 5. Section 8307 of the education law is renumbered section 8308 and a new section 8307 is added to read as follows:

S 8307. SPECIAL PROVISIONS. 1. ENGINEERS, LAND SURVEYORS, ARCHITECTS, INTERIOR DESIGNERS, AND LANDSCAPE ARCHITECTS MAY JOIN IN THE FORMATION OF A JOINT ENTERPRISE, PARTNERSHIP, PROFESSIONAL SERVICE CORPORATION, LIMITED LIABILITY PARTNERSHIP OR CORPORATION OR MAY FORM ANY DESIRED COMBINATION OF SUCH PROFESSIONS AND MAY USE IN THE NAME OF SUCH CORPORATION OR PARTNERSHIP THE TITLE OF ANY OF THE PROFESSIONS WHICH WILL BE PRACTICED. AFTER THE NAME OF EACH MEMBER HIS PROFESSION SHALL BE INDICATED.

2. A FIRM NAME MAY BE CONTINUED BY EMPLOYEES HAVING AT LEAST FIFTEEN YEARS OF CONTINUOUS SERVICE IF THE RETIRED MEMBERS AND LEGAL REPRESENTATIVES OF DECEASED MEMBERS CONSENT TO SUCH CONTINUANCE.

3. IT SHALL BE LAWFUL FOR A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF NEW YORK, AND WHICH ON OR BEFORE THE FIRST DAY OF APRIL, NINETEEN HUNDRED SIXTY-ONE WAS LEGALLY INCORPORATED TO PRACTICE INTERIOR DESIGN, WHILE CONFORMING TO THE PROVISIONS OF THIS TITLE, AND WHICH HAS BEEN CONTINUOUSLY ENGAGED IN SUCH PRACTICE SINCE SUCH TIME TO CONTINUE SUCH PRACTICE PROVIDED THAT THE CHIEF EXECUTIVE OFFICER OF SUCH CORPORATION IN THE STATE OF NEW YORK SHALL BE AN INTERIOR DESIGNER LICENSED UNDER THIS ARTICLE. NO SUCH CORPORATION SHALL BE PERMITTED TO CHANGE ITS NAME AND CONTINUE TO PRACTICE INTERIOR DESIGN, EXCEPT UPON THE WRITTEN APPROVAL OF THE DEPARTMENT.

S 6. Subdivision (a) of section 1203 of the limited liability company law, as separately amended by chapters 420 and 676 of the laws of 2002, is amended to read as follows:

(a) Notwithstanding the education law or any other provision of law, one or more professionals each of whom is authorized by law to render a professional service within the state, or one or more professionals, at least one of whom is authorized by law to render a professional service within the state, may form, or cause to be formed, a professional service limited liability company for pecuniary profit under this article for the purpose of rendering the professional service or services as such professionals are authorized to practice. With respect to a professional service limited liability company formed to provide medical services as such services are defined in article 131 of the education law, each member of such limited liability company must be licensed pursuant to article 131 of the education law to practice medicine in

this state. With respect to a professional service limited liability company formed to provide dental services as such services are defined in article 133 of the education law, each member of such limited liability company must be licensed pursuant to article 133 of the education law to practice dentistry in this state. With respect to a professional service limited liability company formed to provide veterinary services as such services are defined in article 135 of the education law, each member of such limited liability company must be licensed pursuant to article 135 of the education law to practice veterinary medicine in this state. With respect to a professional service limited liability company formed to provide professional engineering, INTERIOR DESIGN, land surveying, architectural and/or landscape architectural services as such services are defined in article 145, article 147 and article 148 of the education law, each member of such limited liability company must be licensed pursuant to article 145, article 147 and/or article 148 of the education law to practice one or more of such professions in this state. With respect to a professional service limited liability company formed to provide licensed clinical social work services as such services are defined in article 154 of the education law, each member of such limited liability company shall be licensed pursuant to article 154 of the education law to practice licensed clinical social work in this state. With respect to a professional service limited liability company formed to provide creative arts therapy services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice creative arts therapy in this state. With respect to a professional service limited liability company formed to provide marriage and family therapy services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice marriage and family therapy in this state. With respect to a professional service limited liability company formed to provide mental health counseling services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice mental health counseling in this state. With respect to a professional service limited liability company formed to provide psychoanalysis services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice psychoanalysis in this state. In addition to engaging in such profession or professions, a professional service limited liability company may engage in any other business or activities as to which a limited liability company may be formed under section two hundred one of this chapter. Notwithstanding any other provision of this section, a professional service limited liability company (i) authorized to practice law may only engage in another profession or business or activities or (ii) which is engaged in a profession or other business or activities other than law may only engage in the practice of law, to the extent not prohibited by any other law of this state or any rule adopted by the appropriate appellate division of the supreme court or the court of appeals.

S 7. This act shall take effect immediately.