

S T A T E   O F   N E W   Y O R K

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I N   A S S E M B L Y

May 1, 2012

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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:

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 certifi-  
24    cates 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  
28    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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1 AN ACCREDITED DOCTOR OF PHYSICAL THERAPY PROGRAM or optometry college,  
2 as applicable, in the state of New York of which the proposed members,  
3 if any, directors and officers are faculty and (2) that such corporation  
4 shall operate in compliance with (A) section 501(c)(3) of the United  
5 States internal revenue code and (B) the faculty practice plan with  
6 which members of the faculty of such school are required to comply, as  
7 amended from time to time.

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

32 S 2. This act shall take effect immediately.