

4672--A

2015-2016 Regular Sessions

I N S E N A T E

April 1, 2015

Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Higher Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the education law, the business corporation law, the partnership law and the limited liability company law, in relation to certified public accountants

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

1 Section 1. Section 7408 of the education law is amended by adding a
2 new subdivision 6 to read as follows:

3 6. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ANY FIRM ESTABLISHED TO
4 LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUNTANCY PURSUANT TO ARTI-
5 CLE FIFTEEN OF THE BUSINESS CORPORATION LAW, ARTICLES ONE AND EIGHT-B OF
6 THE PARTNERSHIP LAW, OR ARTICLES TWELVE AND THIRTEEN OF THE LIMITED
7 LIABILITY COMPANY LAW SHALL BE DEEMED ELIGIBLE TO REGISTER PURSUANT TO
8 THIS SECTION.

9 S 2. Section 1503 of the business corporation law is amended by adding
10 a new paragraph (h) to read as follows:

11 (H) ANY FIRM ESTABLISHED FOR THE BUSINESS PURPOSE OF INCORPORATING AS
12 A PROFESSIONAL SERVICE CORPORATION FORMED TO LAWFULLY ENGAGE IN THE
13 PRACTICE OF PUBLIC ACCOUNTANCY, AS SUCH PRACTICE IS RESPECTIVELY DEFINED
14 UNDER ARTICLE ONE HUNDRED FORTY-NINE OF THE EDUCATION LAW SHALL BE
15 REQUIRED TO SHOW (1) THAT A SIMPLE MAJORITY OF THE OWNERSHIP OF THE
16 FIRM, IN TERMS OF FINANCIAL INTERESTS, INCLUDING OWNERSHIP-BASED COMPEN-
17 SATION, AND VOTING RIGHTS HELD BY THE FIRM'S OWNERS, BELONGS TO INDIVID-
18 UALS LICENSED TO PRACTICE PUBLIC ACCOUNTANCY IN SOME STATE, AND (2) THAT
19 ALL SHAREHOLDERS OF A PROFESSIONAL SERVICE CORPORATION WHOSE PRINCIPAL
20 PLACE OF BUSINESS IS IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE
21 OF PUBLIC ACCOUNTANCY IN THIS STATE, HOLD A VALID LICENSE ISSUED UNDER
22 SECTION SEVENTY-FOUR HUNDRED FOUR OF THE EDUCATION LAW OR ARE PUBLIC

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

LBD03159-02-5

1 ACCOUNTANTS LICENSED UNDER SECTION SEVENTY-FOUR HUNDRED FIVE OF THE
2 EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM
3 AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD OF
4 REGENTS. NOTWITHSTANDING THE PROVISIONS OF THIS PARAGRAPH, A FIRM
5 INCORPORATED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE
6 FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTI-
7 FIED PUBLIC ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS". EACH
8 NON-LICENSEE OWNER OF A FIRM THAT IS INCORPORATED UNDER THIS SECTION
9 SHALL BE A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF
10 THE FIRM OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION,
11 "ACTIVELY PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHER-
12 WISE INDIVIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF
13 THE FIRM. SUCH A FIRM SHALL HAVE ATTACHED TO ITS CERTIFICATE OF INCORPO-
14 RATION A CERTIFICATE OR CERTIFICATES DEMONSTRATING THE FIRM'S COMPLIANCE
15 WITH THIS PARAGRAPH, IN LIEU OF THE CERTIFICATE OR CERTIFICATES REQUIRED
16 BY SUBPARAGRAPH (II) OF PARAGRAPH (B) OF THIS SECTION.

17 S 3. Section 1507 of the business corporation law is amended by adding
18 a new paragraph (c) to read as follows:

19 (C) ANY FIRM ESTABLISHED FOR THE BUSINESS PURPOSE OF INCORPORATING AS
20 A PROFESSIONAL SERVICE CORPORATION PURSUANT TO PARAGRAPH (H) OF SECTION
21 FIFTEEN HUNDRED THREE OF THIS ARTICLE MAY ISSUE SHARES TO INDIVIDUALS
22 WHO ARE AUTHORIZED BY LAW TO PRACTICE IN THIS STATE A PROFESSION WHICH
23 SUCH CORPORATION IS AUTHORIZED TO PRACTICE AND WHO ARE OR HAVE BEEN
24 ENGAGED IN THE PRACTICE OF SUCH PROFESSION IN SUCH CORPORATION OR A
25 PREDECESSOR ENTITY, OR WHO WILL ENGAGE IN THE PRACTICE OF SUCH PROFES-
26 SION IN SUCH CORPORATION WITHIN THIRTY DAYS OF THE DATE SUCH SHARES ARE
27 ISSUED AND MAY ALSO ISSUE SHARES TO EMPLOYEES OF THE CORPORATION NOT
28 LICENSED AS CERTIFIED PUBLIC ACCOUNTANTS, PROVIDED THAT:

29 (I) AT LEAST FIFTY-ONE PERCENT OF THE OUTSTANDING SHARES OF STOCK OF
30 THE CORPORATION ARE OWNED BY CERTIFIED PUBLIC ACCOUNTANTS,

31 (II) AT LEAST FIFTY-ONE PERCENT OF THE DIRECTORS ARE CERTIFIED PUBLIC
32 ACCOUNTANTS,

33 (III) AT LEAST FIFTY-ONE PERCENT OF THE OFFICERS ARE CERTIFIED PUBLIC
34 ACCOUNTANTS,

35 (IV) THE PRESIDENT, THE CHAIRPERSON OF THE BOARD OF DIRECTORS AND THE
36 CHIEF EXECUTIVE OFFICER OR OFFICERS ARE CERTIFIED PUBLIC ACCOUNTANTS.
37 NO SHAREHOLDER OF A FIRM ESTABLISHED FOR THE BUSINESS PURPOSE OF INCOR-
38 PORATING AS A PROFESSIONAL SERVICE CORPORATION PURSUANT TO PARAGRAPH (H)
39 OF SECTION FIFTEEN HUNDRED THREE OF THIS ARTICLE SHALL ENTER INTO A
40 VOTING TRUST AGREEMENT, PROXY OR ANY OTHER TYPE OF AGREEMENT VESTING IN
41 ANOTHER PERSON, OTHER THAN ANOTHER SHAREHOLDER OF THE SAME CORPORATION,
42 THE AUTHORITY TO EXERCISE VOTING POWER OF ANY OR ALL OF HIS OR HER
43 SHARES. ALL SHARES ISSUED, AGREEMENTS MADE OR PROXIES GRANTED IN
44 VIOLATION OF THIS SECTION SHALL BE VOID.

45 S 4. Section 1508 of the business corporation law is amended by adding
46 a new paragraph (c) to read as follows:

47 (C) THE DIRECTORS AND OFFICERS OF ANY FIRM ESTABLISHED FOR THE BUSI-
48 NESS PURPOSE OF INCORPORATING AS A PROFESSIONAL SERVICE CORPORATION
49 PURSUANT TO PARAGRAPH (H) OF SECTION FIFTEEN HUNDRED THREE OF THIS ARTI-
50 CLE MAY INCLUDE INDIVIDUALS WHO ARE NOT LICENSED TO PRACTICE PUBLIC
51 ACCOUNTANCY, PROVIDED HOWEVER THAT AT LEAST FIFTY-ONE PERCENT OF THE
52 DIRECTORS, AT LEAST FIFTY-ONE PERCENT OF THE OFFICERS AND THE PRESIDENT,
53 THE CHAIRPERSON OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFI-
54 CER OR OFFICERS ARE AUTHORIZED BY LAW TO PRACTICE IN THIS STATE A
55 PROFESSION WHICH SUCH CORPORATION IS AUTHORIZED TO PRACTICE, AND ARE

1 EITHER SHAREHOLDERS OF SUCH CORPORATION OR ENGAGED IN THE PRACTICE OF
2 THEIR PROFESSIONS IN SUCH CORPORATION.

3 S 5. Section 1509 of the business corporation law, as amended by chap-
4 ter 550 of the laws of 2011, is amended to read as follows:

5 S 1509. Disqualification of shareholders, directors, officers and
6 employees.

7 If any shareholder, director, officer or employee of a professional
8 service corporation, including a design professional service corpo-
9 ration, OR ANY FIRM ESTABLISHED FOR THE BUSINESS PURPOSE OF INCORPORAT-
10 ING AS A PROFESSIONAL SERVICE CORPORATION PURSUANT TO PARAGRAPH (H) OF
11 SECTION FIFTEEN HUNDRED THREE OF THIS ARTICLE, who has been rendering
12 professional service to the public becomes legally disqualified to prac-
13 tice his profession within this state, he shall sever all employment
14 with, and financial interests (other than interests as a creditor) in,
15 such corporation forthwith or as otherwise provided in section 1510 of
16 this article. All provisions of law regulating the rendering of profes-
17 sional services by a person elected or appointed to a public office
18 shall be applicable to a shareholder, director, officer and employee of
19 such corporation in the same manner and to the same extent as if fully
20 set forth herein. Such legal disqualification to practice his profession
21 within this state shall be deemed to constitute an irrevocable offer by
22 the disqualified shareholder to sell his shares to the corporation,
23 pursuant to the provisions of section 1510 of this article or of the
24 certificate of incorporation, by-laws or agreement among the corporation
25 and all shareholders, whichever is applicable. Compliance with the terms
26 of such offer shall be specifically enforceable in the courts of this
27 state. A professional service corporation's failure to enforce compli-
28 ance with this provision shall constitute a ground for forfeiture of its
29 certificate of incorporation and its dissolution.

30 S 6. Paragraph (a) of section 1511 of the business corporation law, as
31 amended by chapter 550 of the laws of 2011, is amended and a new para-
32 graph (c) is added to read as follows:

33 (a) No shareholder of a professional service corporation [or], INCLUD-
34 ING a design professional service corporation, OR ANY FIRM ESTABLISHED
35 FOR THE BUSINESS PURPOSE OF INCORPORATING AS A PROFESSIONAL SERVICE
36 CORPORATION PURSUANT TO PARAGRAPH (H) OF SECTION FIFTEEN HUNDRED THREE
37 OF THIS ARTICLE, may sell or transfer his shares in such corporation
38 except to another individual who is eligible to have shares issued to
39 him by such corporation or except in trust to another individual who
40 would be eligible to receive shares if he were employed by the corpo-
41 ration. Nothing herein contained shall be construed to prohibit the
42 transfer of shares by operation of law or by court decree. No transfer-
43 ee of shares by operation of law or court decree may vote the shares for
44 any purpose whatsoever except with respect to corporate action under
45 sections 909 and 1001 of this chapter. The restriction in the preceding
46 sentence shall not apply, however, where such transferee would be eligi-
47 ble to have shares issued to him if he were an employee of the corpo-
48 ration and, if there are other shareholders, a majority of such other
49 shareholders shall fail to redeem the shares so transferred, pursuant to
50 section 1510 of this article, within sixty days of receiving written
51 notice of such transfer. Any sale or transfer, except by operation of
52 law or court decree or except for a corporation having only one share-
53 holder, may be made only after the same shall have been approved by the
54 board of directors, or at a shareholders' meeting specially called for
55 such purpose by such proportion, not less than a majority, of the
56 outstanding shares as may be provided in the certificate of incorpo-

1 ration or in the by-laws of such professional service corporation. At
2 such shareholders' meeting the shares held by the shareholder proposing
3 to sell or transfer his shares may not be voted or counted for any
4 purpose, unless all shareholders consent that such shares be voted or
5 counted. The certificate of incorporation or the by-laws of the profes-
6 sional service corporation, or the professional service corporation and
7 the shareholders by private agreement, may provide, in lieu of or in
8 addition to the foregoing provisions, for the alienation of shares and
9 may require the redemption or purchase of such shares by such corpo-
10 ration at prices and in a manner specifically set forth therein. The
11 existence of the restrictions on the sale or transfer of shares, as
12 contained in this article and, if applicable, in the certificate of
13 incorporation, by-laws, stock purchase or stock redemption agreement,
14 shall be noted conspicuously on the face or back of every certificate
15 for shares issued by a professional service corporation. Any sale or
16 transfer in violation of such restrictions shall be void.

17 (C) A FIRM ESTABLISHED FOR THE BUSINESS PURPOSE OF INCORPORATING AS A
18 PROFESSIONAL SERVICE CORPORATION PURSUANT TO PARAGRAPH (H) OF SECTION
19 FIFTEEN HUNDRED THREE OF THIS ARTICLE, SHALL PURCHASE OR REDEEM THE
20 SHARES OF A NON-LICENSED PROFESSIONAL SHAREHOLDER IN THE CASE OF HIS OR
21 HER TERMINATION OF EMPLOYMENT WITHIN THIRTY DAYS AFTER SUCH TERMINATION.
22 A FIRM ESTABLISHED FOR THE BUSINESS PURPOSE OF INCORPORATING AS A
23 PROFESSIONAL SERVICE CORPORATION PURSUANT TO PARAGRAPH (H) OF SECTION
24 FIFTEEN HUNDRED THREE OF THIS ARTICLE, SHALL NOT BE REQUIRED TO PURCHASE
25 OR REDEEM THE SHARES OF A TERMINATED NON-LICENSED PROFESSIONAL SHARE-
26 HOLDER IF SUCH SHARES, WITHIN THIRTY DAYS AFTER SUCH TERMINATION, ARE
27 SOLD OR TRANSFERRED TO ANOTHER EMPLOYEE OF THE CORPORATION PURSUANT TO
28 THIS ARTICLE.

29 S 7. Paragraph (a) of section 1512 of the business corporation law, as
30 amended by chapter 550 of the laws of 2011, is amended to read as
31 follows:

32 (a) Notwithstanding any other provision of law, the name of a profes-
33 sional service corporation, including a design professional service
34 corporation AND ANY FIRM ESTABLISHED FOR THE BUSINESS PURPOSE OF INCOR-
35 PORATING AS A PROFESSIONAL SERVICE CORPORATION PURSUANT TO PARAGRAPH (H)
36 OF SECTION FIFTEEN HUNDRED THREE OF THIS ARTICLE, may contain any word
37 which, at the time of incorporation, could be used in the name of a
38 partnership practicing a profession which the corporation is authorized
39 to practice, and may not contain any word which could not be used by
40 such a partnership. Provided, however, the name of a professional
41 service corporation may not contain the name of a deceased person unless

42 (1) such person's name was part of the corporate name at the time of
43 such person's death; or

44 (2) such person's name was part of the name of an existing partnership
45 and at least two-thirds of such partnership's partners become sharehold-
46 ers of the corporation.

47 S 8. Section 1514 of the business corporation law is amended by adding
48 a new paragraph (c) to read as follows:

49 (C) EACH FIRM ESTABLISHED FOR THE BUSINESS PURPOSE OF INCORPORATING AS
50 A PROFESSIONAL SERVICE CORPORATION PURSUANT TO PARAGRAPH (H) OF SECTION
51 FIFTEEN HUNDRED THREE OF THIS ARTICLE SHALL, AT LEAST ONCE EVERY THREE
52 YEARS ON OR BEFORE THE DATE PRESCRIBED BY THE LICENSING AUTHORITY,
53 FURNISH A STATEMENT TO THE LICENSING AUTHORITY LISTING THE NAMES AND
54 RESIDENCE ADDRESSES OF EACH SHAREHOLDER, DIRECTOR AND OFFICER OF SUCH
55 CORPORATION AND CERTIFY AS THE DATE OF CERTIFICATION AND AT ALL TIMES
56 OVER THE ENTIRE THREE YEAR PERIOD THAT:

(I) AT LEAST FIFTY-ONE PERCENT OF THE OUTSTANDING SHARES OF STOCK OF THE CORPORATION ARE AND WERE OWNED BY CERTIFIED PUBLIC ACCOUNTANTS,

(II) AT LEAST FIFTY-ONE PERCENT OF THE DIRECTORS ARE AND WERE CERTIFIED PUBLIC ACCOUNTANTS,

(III) AT LEAST FIFTY-ONE PERCENT OF THE OFFICERS ARE AND WERE CERTIFIED PUBLIC ACCOUNTANTS,

(IV) THE PRESIDENT, THE CHAIRPERSON OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER OR OFFICERS ARE AND WERE CERTIFIED PUBLIC ACCOUNTANTS.

THE STATEMENT SHALL BE SIGNED BY THE PRESIDENT OR ANY CERTIFIED PUBLIC ACCOUNTANT VICE-PRESIDENT AND ATTESTED TO BY THE SECRETARY OR ANY ASSISTANT SECRETARY OF THE CORPORATION.

S 9. Paragraph (d) of section 1525 of the business corporation law, as added by chapter 505 of the laws of 1983, is amended to read as follows:

(d) "Foreign professional service corporation" means a professional service corporation, whether or not denominated as such, organized under the laws of a jurisdiction other than this state, all of the shareholders, directors and officers of which are authorized and licensed to practice the profession for which such corporation is licensed to do business; except that all shareholders, directors and officers of a foreign professional service corporation which provides health services in this state shall be licensed in this state. NOTWITHSTANDING ANY OTHER PROVISION OF LAW A FOREIGN PROFESSIONAL SERVICE CORPORATION FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUNTANCY, AS SUCH PRACTICE IS DEFINED UNDER ARTICLE ONE HUNDRED FORTY-NINE OF THE EDUCATION LAW, OR EQUIVALENT STATE LAW, SHALL BE REQUIRED TO SHOW (1) THAT A SIMPLE MAJORITY OF THE OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL INTERESTS, INCLUDING OWNERSHIP-BASED COMPENSATION, AND VOTING RIGHTS HELD BY THE FIRM'S OWNERS, BELONGS TO INDIVIDUALS LICENSED TO PRACTICE PUBLIC ACCOUNTANCY IN SOME STATE, AND (2) THAT ALL SHAREHOLDERS OF A FOREIGN PROFESSIONAL SERVICE CORPORATION WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY IN THIS STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION SEVENTY-FOUR HUNDRED FOUR OF THE EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER SECTION SEVENTY-FOUR HUNDRED FIVE OF THE EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD OF REGENTS. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE OWNER OF A FIRM THAT IS OPERATING UNDER THIS SECTION SHALL BE A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR ITS AFFILIATED ENTITIES, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

S 10. Subdivision (q) of section 121-1500 of the partnership law, as amended by chapter 554 of the laws of 2013, is amended to read as follows:

(q) Each partner of a registered limited liability partnership formed to provide medical services in this state must be licensed pursuant to article 131 of the education law to practice medicine in this state and each partner of a registered limited liability partnership formed to

1 provide dental services in this state must be licensed pursuant to arti-
2 cle 133 of the education law to practice dentistry in this state. Each
3 partner of a registered limited liability partnership formed to provide
4 veterinary services in this state must be licensed pursuant to article
5 135 of the education law to practice veterinary medicine in this state.
6 EACH PARTNER OF A REGISTERED LIMITED LIABILITY PARTNERSHIP FORMED TO
7 PROVIDE PUBLIC ACCOUNTANCY SERVICES, WHOSE PRINCIPAL PLACE OF BUSINESS
8 IS IN THIS STATE AND WHO PROVIDES PUBLIC ACCOUNTANCY SERVICES, MUST BE
9 LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRACTICE PUBLIC
10 ACCOUNTANCY IN THIS STATE. Each partner of a registered limited liabil-
11 ity partnership formed to provide professional engineering, land survey-
12 ing, architectural and/or landscape architectural services in this state
13 must be licensed pursuant to article 145, article 147 and/or article 148
14 of the education law to practice one or more of such professions in this
15 state. Each partner of a registered limited liability partnership formed
16 to provide licensed clinical social work services in this state must be
17 licensed pursuant to article 154 of the education law to practice clin-
18 ical social work in this state. Each partner of a registered limited
19 liability partnership formed to provide creative arts therapy services
20 in this state must be licensed pursuant to article 163 of the education
21 law to practice creative arts therapy in this state. Each partner of a
22 registered limited liability partnership formed to provide marriage and
23 family therapy services in this state must be licensed pursuant to arti-
24 cle 163 of the education law to practice marriage and family therapy in
25 this state. Each partner of a registered limited liability partnership
26 formed to provide mental health counseling services in this state must
27 be licensed pursuant to article 163 of the education law to practice
28 mental health counseling in this state. Each partner of a registered
29 limited liability partnership formed to provide psychoanalysis services
30 in this state must be licensed pursuant to article 163 of the education
31 law to practice psychoanalysis in this state. Each partner of a regis-
32 tered limited liability partnership formed to provide applied behavior
33 analysis service in this state must be licensed or certified pursuant to
34 article 167 of the education law to practice applied behavior analysis
35 in this state. NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW A LIMITED
36 LIABILITY PARTNERSHIP FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF
37 PUBLIC ACCOUNTANCY, AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTI-
38 CLE 149 OF THE EDUCATION LAW, SHALL BE REQUIRED TO SHOW (1) THAT A
39 SIMPLE MAJORITY OF THE OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL
40 INTERESTS, INCLUDING OWNERSHIP-BASED COMPENSATION, AND VOTING RIGHTS
41 HELD BY THE FIRM'S OWNERS, BELONGS TO INDIVIDUALS LICENSED TO PRACTICE
42 PUBLIC ACCOUNTANCY IN SOME STATE, AND (2) THAT ALL PARTNERS OF A LIMITED
43 LIABILITY PARTNERSHIP WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS
44 STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY IN THIS
45 STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION 7404 OF THE EDUCATION
46 LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER SECTION 7405 OF THE EDUCA-
47 TION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM AND
48 ITS OWNERS MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD OF
49 REGENTS. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED UNDER THIS
50 SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME INCLUDES THE
51 WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC ACCOUNTANTS,"
52 OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE OWNER OF A FIRM
53 THAT IS INCORPORATED UNDER THIS SECTION SHALL BE (1) A NATURAL PERSON
54 WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR ITS AFFILIATED
55 ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP
56 OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY

1 INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN
2 THE BUSINESS CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR
3 PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE
4 SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE
5 DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

6 S 11. Subdivision (q) of section 121-1500 of the partnership law, as
7 amended by chapter 475 of the laws of 2014, is amended to read as
8 follows:

9 (q) Each partner of a registered limited liability partnership formed
10 to provide medical services in this state must be licensed pursuant to
11 article 131 of the education law to practice medicine in this state and
12 each partner of a registered limited liability partnership formed to
13 provide dental services in this state must be licensed pursuant to arti-
14 cle 133 of the education law to practice dentistry in this state. Each
15 partner of a registered limited liability partnership formed to provide
16 veterinary services in this state must be licensed pursuant to article
17 135 of the education law to practice veterinary medicine in this state.
18 EACH PARTNER OF A REGISTERED LIMITED LIABILITY PARTNERSHIP FORMED TO
19 PROVIDE PUBLIC ACCOUNTANCY SERVICES, WHOSE PRINCIPAL PLACE OF BUSINESS
20 IS IN THIS STATE AND WHO PROVIDES PUBLIC ACCOUNTANCY SERVICES, MUST BE
21 LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRACTICE PUBLIC
22 ACCOUNTANCY IN THIS STATE. Each partner of a registered limited liabil-
23 ity partnership formed to provide professional engineering, land survey-
24 ing, geological services, architectural and/or landscape architectural
25 services in this state must be licensed pursuant to article 145, article
26 147 and/or article 148 of the education law to practice one or more of
27 such professions in this state. Each partner of a registered limited
28 liability partnership formed to provide licensed clinical social work
29 services in this state must be licensed pursuant to article 154 of the
30 education law to practice clinical social work in this state. Each part-
31 ner of a registered limited liability partnership formed to provide
32 creative arts therapy services in this state must be licensed pursuant
33 to article 163 of the education law to practice creative arts therapy in
34 this state. Each partner of a registered limited liability partnership
35 formed to provide marriage and family therapy services in this state
36 must be licensed pursuant to article 163 of the education law to prac-
37 tice marriage and family therapy in this state. Each partner of a regis-
38 tered limited liability partnership formed to provide mental health
39 counseling services in this state must be licensed pursuant to article
40 163 of the education law to practice mental health counseling in this
41 state. Each partner of a registered limited liability partnership formed
42 to provide psychoanalysis services in this state must be licensed pursu-
43 ant to article 163 of the education law to practice psychoanalysis in
44 this state. Each partner of a registered limited liability partnership
45 formed to provide applied behavior analysis service in this state must
46 be licensed or certified pursuant to article 167 of the education law to
47 practice applied behavior analysis in this state. NOTWITHSTANDING ANY
48 OTHER PROVISIONS OF LAW A LIMITED LIABILITY PARTNERSHIP FORMED TO
49 LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUNTANCY, AS SUCH PRACTICE
50 IS RESPECTIVELY DEFINED UNDER ARTICLE 149 OF THE EDUCATION LAW, SHALL BE
51 REQUIRED TO SHOW (1) THAT A SIMPLE MAJORITY OF THE OWNERSHIP OF THE
52 FIRM, IN TERMS OF FINANCIAL INTERESTS, INCLUDING OWNERSHIP-BASED COMPEN-
53 SATION, AND VOTING RIGHTS HELD BY THE FIRM'S OWNERS, BELONGS TO INDIVID-
54 UALS LICENSED TO PRACTICE PUBLIC ACCOUNTANCY IN SOME STATE, AND (2) THAT
55 ALL PARTNERS OF A LIMITED LIABILITY PARTNERSHIP WHOSE PRINCIPAL PLACE OF
56 BUSINESS IS IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC

1 ACCOUNTANCY IN THIS STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION
2 7404 OF THE EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER
3 SECTION 7405 OF THE EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICEN-
4 SEE OWNERS, THE FIRM AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED
5 BY THE STATE BOARD OF REGENTS. NOTWITHSTANDING THE FOREGOING, A FIRM
6 REGISTERED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE
7 FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTI-
8 FIED PUBLIC ACCOUNTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH
9 NON-LICENSEE OWNER OF A FIRM THAT IS INCORPORATED UNDER THIS SECTION
10 SHALL BE (1) A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS
11 OF THE FIRM OR ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT
12 NOT LIMITED TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, PROVIDED EACH
13 BENEFICIAL OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL
14 PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM
15 OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY
16 PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDI-
17 VIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.
18 S 12. Subdivision (q) of section 121-1502 of the partnership law, as
19 amended by chapter 554 of the laws of 2013, is amended to read as
20 follows:

21 (q) Each partner of a foreign limited liability partnership which
22 provides medical services in this state must be licensed pursuant to
23 article 131 of the education law to practice medicine in the state and
24 each partner of a foreign limited liability partnership which provides
25 dental services in the state must be licensed pursuant to article 133 of
26 the education law to practice dentistry in this state. Each partner of a
27 foreign limited liability partnership which provides veterinary service
28 in the state shall be licensed pursuant to article 135 of the education
29 law to practice veterinary medicine in this state. Each partner of a
30 foreign limited liability partnership which provides professional engi-
31 neering, land surveying, architectural and/or landscape architectural
32 services in this state must be licensed pursuant to article 145, article
33 147 and/or article 148 of the education law to practice one or more of
34 such professions. EACH PARTNER OF A FOREIGN REGISTERED LIMITED LIABILITY
35 PARTNERSHIP FORMED TO PROVIDE PUBLIC ACCOUNTANCY SERVICES, WHOSE PRINCI-
36 PAL PLACE OF BUSINESS IS IN THIS STATE AND WHO PROVIDES PUBLIC ACCOUN-
37 TANCY SERVICES, MUST BE LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCA-
38 TION LAW TO PRACTICE PUBLIC ACCOUNTANCY IN THIS STATE. Each partner of a
39 foreign limited liability partnership which provides licensed clinical
40 social work services in this state must be licensed pursuant to article
41 154 of the education law to practice licensed clinical social work in
42 this state. Each partner of a foreign limited liability partnership
43 which provides creative arts therapy services in this state must be
44 licensed pursuant to article 163 of the education law to practice crea-
45 tive arts therapy in this state. Each partner of a foreign limited
46 liability partnership which provides marriage and family therapy
47 services in this state must be licensed pursuant to article 163 of the
48 education law to practice marriage and family therapy in this state.
49 Each partner of a foreign limited liability partnership which provides
50 mental health counseling services in this state must be licensed pursu-
51 ant to article 163 of the education law to practice mental health coun-
52 seling in this state. Each partner of a foreign limited liability part-
53 nership which provides psychoanalysis services in this state must be
54 licensed pursuant to article 163 of the education law to practice
55 psychoanalysis in this state. Each partner of a foreign limited liabil-
56 ity partnership which provides applied behavior analysis services in

1 this state must be licensed or certified pursuant to article 167 of the
2 education law to practice applied behavior analysis in this state.
3 NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW A FOREIGN LIMITED LIABILITY
4 PARTNERSHIP FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUN-
5 TANCY, AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTICLE 149 OF THE
6 EDUCATION LAW, SHALL BE REQUIRED TO SHOW (1) THAT A SIMPLE MAJORITY OF
7 THE OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL INTERESTS, INCLUDING
8 OWNERSHIP-BASED COMPENSATION, AND VOTING RIGHTS HELD BY THE FIRM'S
9 OWNERS, BELONGS TO INDIVIDUALS LICENSED TO PRACTICE PUBLIC ACCOUNTANCY
10 IN SOME STATE, AND (2) THAT ALL PARTNERS OF A FOREIGN LIMITED LIABILITY
11 PARTNERSHIP WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS STATE, AND WHO
12 ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY IN THIS STATE, HOLD A
13 VALID LICENSE ISSUED UNDER SECTION 7404 OF THE EDUCATION LAW OR ARE
14 PUBLIC ACCOUNTANTS LICENSED UNDER SECTION 7405 OF THE EDUCATION LAW.
15 ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM AND ITS OWNERS
16 MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD OF REGENTS.
17 NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED UNDER THIS SECTION MAY
18 NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME INCLUDES THE WORDS
19 "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC ACCOUNTANTS," OR THE
20 ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE OWNER OF A FIRM THAT IS
21 INCORPORATED UNDER THIS SECTION SHALL BE (1) A NATURAL PERSON WHO
22 ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR ITS AFFILIATED
23 ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP
24 OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY
25 INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN
26 THE BUSINESS CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR
27 PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE
28 SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE
29 DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

30 S 13. Subdivision (q) of section 121-1502 of the partnership law, as
31 amended by chapter 475 of the laws of 2014, is amended to read as
32 follows:

33 (q) Each partner of a foreign limited liability partnership which
34 provides medical services in this state must be licensed pursuant to
35 article 131 of the education law to practice medicine in the state and
36 each partner of a foreign limited liability partnership which provides
37 dental services in the state must be licensed pursuant to article 133 of
38 the education law to practice dentistry in this state. Each partner of a
39 foreign limited liability partnership which provides veterinary service
40 in the state shall be licensed pursuant to article 135 of the education
41 law to practice veterinary medicine in this state. Each partner of a
42 foreign limited liability partnership which provides professional engi-
43 neering, land surveying, geological services, architectural and/or land-
44 scape architectural services in this state must be licensed pursuant to
45 article 145, article 147 and/or article 148 of the education law to
46 practice one or more of such professions. EACH PARTNER OF A FOREIGN
47 REGISTERED LIMITED LIABILITY PARTNERSHIP FORMED TO PROVIDE PUBLIC
48 ACCOUNTANCY SERVICES, WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS STATE
49 AND WHO PROVIDES PUBLIC ACCOUNTANCY SERVICES, MUST BE LICENSED PURSUANT
50 TO ARTICLE 149 OF THE EDUCATION LAW TO PRACTICE PUBLIC ACCOUNTANCY IN
51 THIS STATE. Each partner of a foreign limited liability partnership
52 which provides licensed clinical social work services in this state must
53 be licensed pursuant to article 154 of the education law to practice
54 licensed clinical social work in this state. Each partner of a foreign
55 limited liability partnership which provides creative arts therapy
56 services in this state must be licensed pursuant to article 163 of the

1 education law to practice creative arts therapy in this state. Each
2 partner of a foreign limited liability partnership which provides
3 marriage and family therapy services in this state must be licensed
4 pursuant to article 163 of the education law to practice marriage and
5 family therapy in this state. Each partner of a foreign limited liabil-
6 ity partnership which provides mental health counseling services in this
7 state must be licensed pursuant to article 163 of the education law to
8 practice mental health counseling in this state. Each partner of a
9 foreign limited liability partnership which provides psychoanalysis
10 services in this state must be licensed pursuant to article 163 of the
11 education law to practice psychoanalysis in this state. Each partner of
12 a foreign limited liability partnership which provides applied behavior
13 analysis services in this state must be licensed or certified pursuant
14 to article 167 of the education law to practice applied behavior analy-
15 sis in this state. NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW A
16 FOREIGN LIMITED LIABILITY PARTNERSHIP FORMED TO LAWFULLY ENGAGE IN THE
17 PRACTICE OF PUBLIC ACCOUNTANCY, AS SUCH PRACTICE IS RESPECTIVELY DEFINED
18 UNDER ARTICLE 149 OF THE EDUCATION LAW, SHALL BE REQUIRED TO SHOW (1)
19 THAT A SIMPLE MAJORITY OF THE OWNERSHIP OF THE FIRM, IN TERMS OF FINAN-
20 CIAL INTERESTS, INCLUDING OWNERSHIP-BASED COMPENSATION, AND VOTING
21 RIGHTS HELD BY THE FIRM'S OWNERS, BELONGS TO INDIVIDUALS LICENSED TO
22 PRACTICE PUBLIC ACCOUNTANCY IN SOME STATE, AND (2) THAT ALL PARTNERS OF
23 A FOREIGN LIMITED LIABILITY PARTNERSHIP WHOSE PRINCIPAL PLACE OF BUSI-
24 NESS IS IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC
25 ACCOUNTANCY IN THIS STATE, HOLD A VALID LICENCE ISSUED UNDER SECTION
26 7404 OF THE EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER
27 SECTION 7405 OF THE EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICEN-
28 SEE OWNERS, THE FIRM AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED
29 BY THE STATE BOARD OF REGENTS. NOTWITHSTANDING THE FOREGOING, A FIRM
30 REGISTERED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE
31 FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTI-
32 FIED PUBLIC ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH
33 NON-LICENSEE OWNER OF A FIRM THAT IS INCORPORATED UNDER THIS SECTION
34 SHALL BE (1) A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS
35 OF THE FIRM OR ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT
36 NOT LIMITED TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, PROVIDED EACH
37 BENEFICIAL OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL
38 PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM
39 OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY
40 PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDI-
41 VIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

42 S 14. Subdivision (h) of section 121-101 of the partnership law, as
43 added by chapter 950 of the laws of 1990, is amended to read as follows:

44 (h) "Limited partnership" and "domestic limited partnership" mean,
45 unless the context otherwise requires, a partnership (i) formed by two
46 or more persons pursuant to this article or which complies with subdivi-
47 sion (a) of section 121-1202 of this article and (ii) having one or more
48 general partners and one or more limited partners. NOTWITHSTANDING ANY
49 OTHER PROVISIONS OF LAW A LIMITED PARTNERSHIP OR DOMESTIC LIMITED PART-
50 NERSHIP FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUNTANCY,
51 AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTICLE 149 OF THE EDUCA-
52 TION LAW SHALL BE REQUIRED TO SHOW (1) THAT A SIMPLE MAJORITY OF THE
53 OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL INTERESTS, INCLUDING OWNER-
54 SHIP-BASED COMPENSATION, AND VOTING RIGHTS HELD BY THE FIRM'S OWNERS,
55 BELONGS TO INDIVIDUALS LICENSED TO PRACTICE PUBLIC ACCOUNTANCY IN SOME
56 STATE, AND (2) THAT ALL PARTNERS OF A LIMITED PARTNERSHIP OR DOMESTIC

1 LIMITED PARTNERSHIP, WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS STATE,
2 AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY IN THIS STATE,
3 HOLD A VALID LICENSE ISSUED UNDER SECTION 7404 OF THE EDUCATION LAW OR
4 ARE PUBLIC ACCOUNTANTS LICENSED UNDER SECTION 7405 OF THE EDUCATION LAW.
5 ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM AND ITS OWNERS
6 MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD OF REGENTS.
7 NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED UNDER THIS SECTION MAY
8 NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME INCLUDES THE WORDS
9 "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC ACCOUNTANTS," OR THE
10 ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE OWNER OF A FIRM THAT IS
11 REGISTERED UNDER THIS SECTION SHALL BE (1) A NATURAL PERSON WHO ACTIVELY
12 PARTICIPATES IN THE BUSINESS OF THE FIRM OR ITS AFFILIATED ENTITIES, OR
13 (2) AN ENTITY, INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP OR PROFES-
14 SIONAL CORPORATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY INTEREST
15 IN SUCH ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE
16 BUSINESS CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR PURPOSES
17 OF THIS SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE SERVICES TO
18 CLIENTS OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE DAY-TO-DAY BUSI-
19 NESS OR MANAGEMENT OF THE FIRM.

20 S 15. Subdivision (b) of section 1207 of the limited liability company
21 law, as amended by chapter 554 of the laws of 2013, is amended to read
22 as follows:

23 (b) With respect to a professional service limited liability company
24 formed to provide medical services as such services are defined in arti-
25 cle 131 of the education law, each member of such limited liability
26 company must be licensed pursuant to article 131 of the education law to
27 practice medicine in this state. With respect to a professional service
28 limited liability company formed to provide dental services as such
29 services are defined in article 133 of the education law, each member of
30 such limited liability company must be licensed pursuant to article 133
31 of the education law to practice dentistry in this state. With respect
32 to a professional service limited liability company formed to provide
33 veterinary services as such services are defined in article 135 of the
34 education law, each member of such limited liability company must be
35 licensed pursuant to article 135 of the education law to practice veter-
36 inary medicine in this state. With respect to a professional service
37 limited liability company formed to provide professional engineering,
38 land surveying, architectural and/or landscape architectural services as
39 such services are defined in article 145, article 147 and article 148 of
40 the education law, each member of such limited liability company must be
41 licensed pursuant to article 145, article 147 and/or article 148 of the
42 education law to practice one or more of such professions in this state.
43 WITH RESPECT TO A PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY FORMED
44 TO PROVIDE PUBLIC ACCOUNTANCY SERVICES AS SUCH SERVICES ARE DEFINED IN
45 ARTICLE 149 OF THE EDUCATION LAW EACH MEMBER OF SUCH LIMITED LIABILITY
46 COMPANY WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS STATE AND WHO
47 PROVIDES PUBLIC ACCOUNTANCY SERVICES, MUST BE LICENSED PURSUANT TO ARTI-
48 CLE 149 OF THE EDUCATION LAW TO PRACTICE PUBLIC ACCOUNTANCY IN THIS
49 STATE. With respect to a professional service limited liability company
50 formed to provide licensed clinical social work services as such
51 services are defined in article 154 of the education law, each member of
52 such limited liability company shall be licensed pursuant to article 154
53 of the education law to practice licensed clinical social work in this
54 state. With respect to a professional service limited liability company
55 formed to provide creative arts therapy services as such services are
56 defined in article 163 of the education law, each member of such limited

1 liability company must be licensed pursuant to article 163 of the educa-
2 tion law to practice creative arts therapy in this state. With respect
3 to a professional service limited liability company formed to provide
4 marriage and family therapy services as such services are defined in
5 article 163 of the education law, each member of such limited liability
6 company must be licensed pursuant to article 163 of the education law to
7 practice marriage and family therapy in this state. With respect to a
8 professional service limited liability company formed to provide mental
9 health counseling services as such services are defined in article 163
10 of the education law, each member of such limited liability company must
11 be licensed pursuant to article 163 of the education law to practice
12 mental health counseling in this state. With respect to a professional
13 service limited liability company formed to provide psychoanalysis
14 services as such services are defined in article 163 of the education
15 law, each member of such limited liability company must be licensed
16 pursuant to article 163 of the education law to practice psychoanalysis
17 in this state. With respect to a professional service limited liability
18 company formed to provide applied behavior analysis services as such
19 services are defined in article 167 of the education law, each member of
20 such limited liability company must be licensed or certified pursuant to
21 article 167 of the education law to practice applied behavior analysis
22 in this state. NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW A PROFES-
23 SIONAL SERVICE LIMITED LIABILITY COMPANY FORMED TO LAWFULLY ENGAGE IN
24 THE PRACTICE OF PUBLIC ACCOUNTANCY, AS SUCH PRACTICE IS RESPECTIVELY
25 DEFINED UNDER ARTICLE 149 OF THE EDUCATION LAW SHALL BE REQUIRED TO SHOW
26 (1) THAT A SIMPLE MAJORITY OF THE OWNERSHIP OF THE FIRM, IN TERMS OF
27 FINANCIAL INTERESTS, INCLUDING OWNERSHIP-BASED COMPENSATION, AND VOTING
28 RIGHTS HELD BY THE FIRM'S OWNERS, BELONGS TO INDIVIDUALS LICENSED TO
29 PRACTICE PUBLIC ACCOUNTANCY IN SOME STATE, AND (2) THAT ALL MEMBERS OF A
30 LIMITED PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY, WHOSE PRINCIPAL
31 PLACE OF BUSINESS IS IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE
32 OF PUBLIC ACCOUNTANCY IN THIS STATE, HOLD A VALID LICENSE ISSUED UNDER
33 SECTION 7404 OF THE EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS LICENSED
34 UNDER SECTION 7405 OF THE EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE
35 NON-LICENSEE OWNERS, THE FIRM AND ITS OWNERS MUST COMPLY WITH RULES
36 PROMULGATED BY THE STATE BOARD OF REGENTS. NOTWITHSTANDING THE FOREGO-
37 ING, A FIRM REGISTERED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE
38 OWNERS IF THE FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNT-
39 ANT," OR "CERTIFIED PUBLIC ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR
40 "CPAS." EACH NON-LICENSEE OWNER OF A FIRM THAT IS REGISTERED UNDER THIS
41 SECTION SHALL BE (1) A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE
42 BUSINESS OF THE FIRM OR ITS AFFILIATED ENTITIES, OR (2) AN ENTITY,
43 INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP OR PROFESSIONAL CORPO-
44 RATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY INTEREST IN SUCH
45 ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS
46 CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS
47 SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS
48 OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR
49 MANAGEMENT OF THE FIRM.

50 S 16. Subdivision (b) of section 1207 of the limited liability company
51 law, as amended by chapter 475 of the laws of 2014, is amended to read
52 as follows:

53 (b) With respect to a professional service limited liability company
54 formed to provide medical services as such services are defined in arti-
55 cle 131 of the education law, each member of such limited liability
56 company must be licensed pursuant to article 131 of the education law to

1 practice medicine in this state. With respect to a professional service
2 limited liability company formed to provide dental services as such
3 services are defined in article 133 of the education law, each member of
4 such limited liability company must be licensed pursuant to article 133
5 of the education law to practice dentistry in this state. With respect
6 to a professional service limited liability company formed to provide
7 veterinary services as such services are defined in article 135 of the
8 education law, each member of such limited liability company must be
9 licensed pursuant to article 135 of the education law to practice veter-
10 inary medicine in this state. With respect to a professional service
11 limited liability company formed to provide professional engineering,
12 land surveying, architectural, landscape architectural and/or geological
13 services as such services are defined in article 145, article 147 and
14 article 148 of the education law, each member of such limited liability
15 company must be licensed pursuant to article 145, article 147 and/or
16 article 148 of the education law to practice one or more of such
17 professions in this state. WITH RESPECT TO A PROFESSIONAL SERVICE
18 LIMITED LIABILITY COMPANY FORMED TO PROVIDE PUBLIC ACCOUNTANCY SERVICES
19 AS SUCH SERVICES ARE DEFINED IN ARTICLE 149 OF THE EDUCATION LAW EACH
20 MEMBER OF SUCH LIMITED LIABILITY COMPANY WHOSE PRINCIPAL PLACE OF BUSI-
21 NESS IS IN THIS STATE AND WHO PROVIDES PUBLIC ACCOUNTANCY SERVICES, MUST
22 BE LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRACTICE
23 PUBLIC ACCOUNTANCY IN THIS STATE. With respect to a professional service
24 limited liability company formed to provide licensed clinical social
25 work services as such services are defined in article 154 of the educa-
26 tion law, each member of such limited liability company shall be
27 licensed pursuant to article 154 of the education law to practice
28 licensed clinical social work in this state. With respect to a profes-
29 sional service limited liability company formed to provide creative arts
30 therapy services as such services are defined in article 163 of the
31 education law, each member of such limited liability company must be
32 licensed pursuant to article 163 of the education law to practice crea-
33 tive arts therapy in this state. With respect to a professional service
34 limited liability company formed to provide marriage and family therapy
35 services as such services are defined in article 163 of the education
36 law, each member of such limited liability company must be licensed
37 pursuant to article 163 of the education law to practice marriage and
38 family therapy in this state. With respect to a professional service
39 limited liability company formed to provide mental health counseling
40 services as such services are defined in article 163 of the education
41 law, each member of such limited liability company must be licensed
42 pursuant to article 163 of the education law to practice mental health
43 counseling in this state. With respect to a professional service limited
44 liability company formed to provide psychoanalysis services as such
45 services are defined in article 163 of the education law, each member of
46 such limited liability company must be licensed pursuant to article 163
47 of the education law to practice psychoanalysis in this state. With
48 respect to a professional service limited liability company formed to
49 provide applied behavior analysis services as such services are defined
50 in article 167 of the education law, each member of such limited liabil-
51 ity company must be licensed or certified pursuant to article 167 of the
52 education law to practice applied behavior analysis in this state.
53 NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW A PROFESSIONAL SERVICE
54 LIMITED LIABILITY COMPANY FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF
55 PUBLIC ACCOUNTANCY, AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTI-
56 CLE 149 OF THE EDUCATION LAW SHALL BE REQUIRED TO SHOW (1) THAT A SIMPLE

1 MAJORITY OF THE OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL INTERESTS,
2 INCLUDING OWNERSHIP-BASED COMPENSATION, AND VOTING RIGHTS HELD BY THE
3 FIRM'S OWNERS, BELONGS TO INDIVIDUALS LICENSED TO PRACTICE PUBLIC
4 ACCOUNTANCY IN SOME STATE, AND (2) THAT ALL MEMBERS OF A LIMITED PROFES-
5 SIONAL SERVICE LIMITED LIABILITY COMPANY, WHOSE PRINCIPAL PLACE OF BUSI-
6 NESS IS IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC
7 ACCOUNTANCY IN THIS STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION
8 7404 OF THE EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER
9 SECTION 7405 OF THE EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICEN-
10 SEE OWNERS, THE FIRM AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED
11 BY THE STATE BOARD OF REGENTS. NOTWITHSTANDING THE FOREGOING, A FIRM
12 REGISTERED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE
13 FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTI-
14 FIED PUBLIC ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH
15 NON-LICENSEE OWNER OF A FIRM THAT IS REGISTERED UNDER THIS SECTION SHALL
16 BE (1) A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE
17 FIRM OR ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT
18 LIMITED TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, PROVIDED EACH
19 BENEFICIAL OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL
20 PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM
21 OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY
22 PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDI-
23 VIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

24 S 17. Subdivision (a) of section 1301 of the limited liability company
25 law, as amended by chapter 554 of the laws of 2013, is amended to read
26 as follows:

27 (a) "Foreign professional service limited liability company" means a
28 professional service limited liability company, whether or not denomi-
29 nated as such, organized under the laws of a jurisdiction other than
30 this state, (i) each of whose members and managers, if any, is a profes-
31 sional authorized by law to render a professional service within this
32 state and who is or has been engaged in the practice of such profession
33 in such professional service limited liability company or a predecessor
34 entity, or will engage in the practice of such profession in the profes-
35 sional service limited liability company within thirty days of the date
36 such professional becomes a member, or each of whose members and manag-
37 ers, if any, is a professional at least one of such members is author-
38 ized by law to render a professional service within this state and who
39 is or has been engaged in the practice of such profession in such
40 professional service limited liability company or a predecessor entity,
41 or will engage in the practice of such profession in the professional
42 service limited liability company within thirty days of the date such
43 professional becomes a member, or (ii) authorized by, or holding a
44 license, certificate, registration or permit issued by the licensing
45 authority pursuant to, the education law to render a professional
46 service within this state; except that all members and managers, if any,
47 of a foreign professional service limited liability company that
48 provides health services in this state shall be licensed in this state.
49 With respect to a foreign professional service limited liability company
50 which provides veterinary services as such services are defined in arti-
51 cle 135 of the education law, each member of such foreign professional
52 service limited liability company shall be licensed pursuant to article
53 135 of the education law to practice veterinary medicine. With respect
54 to a foreign professional service limited liability company which
55 provides medical services as such services are defined in article 131 of
56 the education law, each member of such foreign professional service

1 limited liability company must be licensed pursuant to article 131 of
2 the education law to practice medicine in this state. With respect to a
3 foreign professional service limited liability company which provides
4 dental services as such services are defined in article 133 of the
5 education law, each member of such foreign professional service limited
6 liability company must be licensed pursuant to article 133 of the educa-
7 tion law to practice dentistry in this state. With respect to a foreign
8 professional service limited liability company which provides profes-
9 sional engineering, land surveying, architectural and/or landscape
10 architectural services as such services are defined in article 145,
11 article 147 and article 148 of the education law, each member of such
12 foreign professional service limited liability company must be licensed
13 pursuant to article 145, article 147 and/or article 148 of the education
14 law to practice one or more of such professions in this state. WITH
15 RESPECT TO A FOREIGN PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY
16 WHICH PROVIDES PUBLIC ACCOUNTANCY SERVICES AS SUCH SERVICES ARE DEFINED
17 IN ARTICLE 149 OF THE EDUCATION LAW, EACH MEMBER OF SUCH FOREIGN PROFES-
18 SIONAL SERVICE LIMITED LIABILITY COMPANY WHOSE PRINCIPAL PLACE OF BUSI-
19 NESS IS IN THIS STATE AND WHO PROVIDES PUBLIC ACCOUNTANCY SERVICES,
20 SHALL BE LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRAC-
21 TICE PUBLIC ACCOUNTANCY IN THIS STATE. With respect to a foreign profes-
22 sional service limited liability company which provides licensed clin-
23 ical social work services as such services are defined in article 154 of
24 the education law, each member of such foreign professional service
25 limited liability company shall be licensed pursuant to article 154 of
26 the education law to practice clinical social work in this state. With
27 respect to a foreign professional service limited liability company
28 which provides creative arts therapy services as such services are
29 defined in article 163 of the education law, each member of such foreign
30 professional service limited liability company must be licensed pursuant
31 to article 163 of the education law to practice creative arts therapy in
32 this state. With respect to a foreign professional service limited
33 liability company which provides marriage and family therapy services as
34 such services are defined in article 163 of the education law, each
35 member of such foreign professional service limited liability company
36 must be licensed pursuant to article 163 of the education law to prac-
37 tice marriage and family therapy in this state. With respect to a
38 foreign professional service limited liability company which provides
39 mental health counseling services as such services are defined in arti-
40 cle 163 of the education law, each member of such foreign professional
41 service limited liability company must be licensed pursuant to article
42 163 of the education law to practice mental health counseling in this
43 state. With respect to a foreign professional service limited liability
44 company which provides psychoanalysis services as such services are
45 defined in article 163 of the education law, each member of such foreign
46 professional service limited liability company must be licensed pursuant
47 to article 163 of the education law to practice psychoanalysis in this
48 state. With respect to a foreign professional service limited liability
49 company which provides applied behavior analysis services as such
50 services are defined in article 167 of the education law, each member of
51 such foreign professional service limited liability company must be
52 licensed or certified pursuant to article 167 of the education law to
53 practice applied behavior analysis in this state. NOTWITHSTANDING ANY
54 OTHER PROVISIONS OF LAW A FOREIGN PROFESSIONAL SERVICE LIMITED LIABILITY
55 COMPANY FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUNTANCY,
56 AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTICLE 149 OF THE EDUCA-

1 TION LAW SHALL BE REQUIRED TO SHOW (1) THAT A SIMPLE MAJORITY OF THE
2 OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL INTERESTS, INCLUDING OWNER-
3 SHIP-BASED COMPENSATION, AND VOTING RIGHTS HELD BY THE FIRM'S OWNERS,
4 BELONGS TO INDIVIDUALS LICENSED TO PRACTICE PUBLIC ACCOUNTANCY IN SOME
5 STATE, AND (2) THAT ALL MEMBERS OF A FOREIGN LIMITED PROFESSIONAL
6 SERVICE LIMITED LIABILITY COMPANY, WHOSE PRINCIPAL PLACE OF BUSINESS IS
7 IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY
8 IN THIS STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION 7404 OF THE
9 EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER SECTION 7405 OF
10 THE EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE
11 FIRM AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED BY THE STATE
12 BOARD OF REGENTS. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED
13 UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME
14 INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC
15 ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE
16 OWNER OF A FIRM THAT IS REGISTERED UNDER THIS SECTION SHALL BE (1) A
17 NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR
18 ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED
19 TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL
20 OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO
21 ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM OR ITS
22 AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTIC-
23 IPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY
24 TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

25 S 18. Subdivision (a) of section 1301 of the limited liability company
26 law, as amended by chapter 475 of the laws of 2014, is amended to read
27 as follows:

28 (a) "Foreign professional service limited liability company" means a
29 professional service limited liability company, whether or not denomi-
30 nated as such, organized under the laws of a jurisdiction other than
31 this state, (i) each of whose members and managers, if any, is a profes-
32 sional authorized by law to render a professional service within this
33 state and who is or has been engaged in the practice of such profession
34 in such professional service limited liability company or a predecessor
35 entity, or will engage in the practice of such profession in the profes-
36 sional service limited liability company within thirty days of the date
37 such professional becomes a member, or each of whose members and manag-
38 ers, if any, is a professional at least one of such members is author-
39 ized by law to render a professional service within this state and who
40 is or has been engaged in the practice of such profession in such
41 professional service limited liability company or a predecessor entity,
42 or will engage in the practice of such profession in the professional
43 service limited liability company within thirty days of the date such
44 professional becomes a member, or (ii) authorized by, or holding a
45 license, certificate, registration or permit issued by the licensing
46 authority pursuant to, the education law to render a professional
47 service within this state; except that all members and managers, if any,
48 of a foreign professional service limited liability company that
49 provides health services in this state shall be licensed in this state.
50 With respect to a foreign professional service limited liability company
51 which provides veterinary services as such services are defined in arti-
52 cle 135 of the education law, each member of such foreign professional
53 service limited liability company shall be licensed pursuant to article
54 135 of the education law to practice veterinary medicine. With respect
55 to a foreign professional service limited liability company which
56 provides medical services as such services are defined in article 131 of

1 the education law, each member of such foreign professional service
2 limited liability company must be licensed pursuant to article 131 of
3 the education law to practice medicine in this state. With respect to a
4 foreign professional service limited liability company which provides
5 dental services as such services are defined in article 133 of the
6 education law, each member of such foreign professional service limited
7 liability company must be licensed pursuant to article 133 of the educa-
8 tion law to practice dentistry in this state. With respect to a foreign
9 professional service limited liability company which provides profes-
10 sional engineering, land surveying, geologic, architectural and/or land-
11 scape architectural services as such services are defined in article
12 145, article 147 and article 148 of the education law, each member of
13 such foreign professional service limited liability company must be
14 licensed pursuant to article 145, article 147 and/or article 148 of the
15 education law to practice one or more of such professions in this state.
16 WITH RESPECT TO A FOREIGN PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY
17 WHICH PROVIDES PUBLIC ACCOUNTANCY SERVICES AS SUCH SERVICES ARE DEFINED
18 IN ARTICLE 149 OF THE EDUCATION LAW, EACH MEMBER OF SUCH FOREIGN PROFES-
19 SIONAL SERVICE LIMITED LIABILITY COMPANY WHOSE PRINCIPAL PLACE OF BUSI-
20 NESS IS IN THIS STATE AND WHO PROVIDES PUBLIC ACCOUNTANCY SERVICES,
21 SHALL BE LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRAC-
22 TICE PUBLIC ACCOUNTANCY IN THIS STATE. With respect to a foreign profes-
23 sional service limited liability company which provides licensed clin-
24 ical social work services as such services are defined in article 154 of
25 the education law, each member of such foreign professional service
26 limited liability company shall be licensed pursuant to article 154 of
27 the education law to practice clinical social work in this state. With
28 respect to a foreign professional service limited liability company
29 which provides creative arts therapy services as such services are
30 defined in article 163 of the education law, each member of such foreign
31 professional service limited liability company must be licensed pursuant
32 to article 163 of the education law to practice creative arts therapy in
33 this state. With respect to a foreign professional service limited
34 liability company which provides marriage and family therapy services as
35 such services are defined in article 163 of the education law, each
36 member of such foreign professional service limited liability company
37 must be licensed pursuant to article 163 of the education law to prac-
38 tice marriage and family therapy in this state. With respect to a
39 foreign professional service limited liability company which provides
40 mental health counseling services as such services are defined in arti-
41 cle 163 of the education law, each member of such foreign professional
42 service limited liability company must be licensed pursuant to article
43 163 of the education law to practice mental health counseling in this
44 state. With respect to a foreign professional service limited liability
45 company which provides psychoanalysis services as such services are
46 defined in article 163 of the education law, each member of such foreign
47 professional service limited liability company must be licensed pursuant
48 to article 163 of the education law to practice psychoanalysis in this
49 state. With respect to a foreign professional service limited liability
50 company which provides applied behavior analysis services as such
51 services are defined in article 167 of the education law, each member of
52 such foreign professional service limited liability company must be
53 licensed or certified pursuant to article 167 of the education law to
54 practice applied behavior analysis in this state. NOTWITHSTANDING ANY
55 OTHER PROVISIONS OF LAW A FOREIGN PROFESSIONAL SERVICE LIMITED LIABILITY
56 COMPANY FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUNTANCY,

1 AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTICLE 149 OF THE EDUCA-
2 TION LAW SHALL BE REQUIRED TO SHOW (1) THAT A SIMPLE MAJORITY OF THE
3 OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL INTERESTS, INCLUDING OWNER-
4 SHIP-BASED COMPENSATION, AND VOTING RIGHTS HELD BY THE FIRM'S OWNERS,
5 BELONGS TO INDIVIDUALS LICENSED TO PRACTICE PUBLIC ACCOUNTANCY IN SOME
6 STATE, AND (2) THAT ALL MEMBERS OF A FOREIGN LIMITED PROFESSIONAL
7 SERVICE LIMITED LIABILITY COMPANY, WHOSE PRINCIPAL PLACE OF BUSINESS IS
8 IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY
9 IN THIS STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION 7404 OF THE
10 EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER SECTION 7405 OF
11 THE EDUCATION LAW, ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE
12 FIRM AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED BY THE STATE
13 BOARD OF REGENTS. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED
14 UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME
15 INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC
16 ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE
17 OWNER OF A FIRM THAT IS REGISTERED UNDER THIS SECTION SHALL BE (1) A
18 NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR
19 ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED
20 TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL
21 OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO
22 ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM OR ITS
23 AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTIC-
24 IPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY
25 TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.
26 S 19. This act shall take effect immediately; provided that sections
27 eleven, thirteen, sixteen, and eighteen of this act shall take effect on
28 the same date as sections 26, 27, 22 and 23, respectively, of chapter
29 475 of the laws of 2014 take effect.