

4672

2015-2016 Regular Sessions

I N   S E N A T E

April 1, 2015

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Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Higher Education

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 AUTHORIZED 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  
23    ACCOUNTANTS LICENSED UNDER SECTION SEVENTY-FOUR HUNDRED FIVE OF THE  
24    EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM

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

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1 AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD FOR  
2 PUBLIC ACCOUNTANCY. NOTWITHSTANDING THE PROVISIONS OF THIS PARAGRAPH, A  
3 FIRM INCORPORATED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF  
4 THE FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR  
5 "CERTIFIED PUBLIC ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS".  
6 EACH NON-LICENSEE OWNER OF A FIRM THAT IS INCORPORATED UNDER THIS  
7 SECTION SHALL BE (1) A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE  
8 BUSINESS OF THE FIRM OR ITS AFFILIATED ENTITIES, OR (2) AN ENTITY,  
9 INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP OR PROFESSIONAL CORPO-  
10 RATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY INTEREST IN SUCH  
11 ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS  
12 CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS  
13 SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS  
14 OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR  
15 MANAGEMENT OF THE FIRM. SUCH A FIRM SHALL HAVE ATTACHED TO ITS CERTIF-  
16 ICATE OF INCORPORATION A CERTIFICATE OR CERTIFICATES DEMONSTRATING THE  
17 FIRM'S COMPLIANCE WITH THIS PARAGRAPH, IN LIEU OF THE CERTIFICATE OR  
18 CERTIFICATES REQUIRED BY SUBPARAGRAPH (II) OF PARAGRAPH (B) OF THIS  
19 SECTION.

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

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

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

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

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

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

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

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

1 CER OR OFFICERS ARE AUTHORIZED BY LAW TO PRACTICE IN THIS STATE A  
2 PROFESSION WHICH SUCH CORPORATION IS AUTHORIZED TO PRACTICE, AND ARE  
3 EITHER SHAREHOLDERS OF SUCH CORPORATION OR ENGAGED IN THE PRACTICE OF  
4 THEIR PROFESSIONS IN SUCH CORPORATION.

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

7 S 1509. Disqualification of shareholders, directors, officers and  
8 employees.

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

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

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

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

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

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

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

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

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

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

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

CORPORATION AND CERTIFY AS THE DATE OF CERTIFICATION AND AT ALL TIMES 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 RESPECTIVELY DEFINED UNDER ARTICLE ONE HUNDRED FORTY-NINE OF THE EDUCATION 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 FOR PUBLIC ACCOUNTANCY. 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 INCORPORATED UNDER THIS SECTION SHALL BE (1) A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, 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. The fourteenth undesignated paragraph of section 2 of the partnership law, as added by chapter 576 of the laws of 1994, is amended to read as follows:

1 "Professional partnership" means (1) a partnership without limited  
2 partners each of whose partners is a professional authorized by law to  
3 render a professional service within this state, (2) a partnership with-  
4 out limited partners each of whose partners is a professional, at least  
5 one of whom is authorized by law to render a professional service within  
6 this state or (3) a partnership without limited partners authorized by,  
7 or holding a license, certificate, registration or permit issued by the  
8 licensing authority pursuant to the education law to render a profes-  
9 sional service within this state; except that all partners of a profes-  
10 sional partnership that provides medical services in this state must be  
11 licensed pursuant to article 131 of the education law to practice medi-  
12 cine in this state and all partners of a professional partnership that  
13 provides dental services in this state must be licensed pursuant to  
14 article 133 of the education law to practice dentistry in this state;  
15 [and further] except that all partners of a professional partnership  
16 that provides professional engineering, land surveying, architectural  
17 and/or landscape architectural services in this state must be licensed  
18 pursuant to article 145, article 147 and/or article 148 of the education  
19 law to practice one or more of such professions in this state; AND  
20 FURTHER EXCEPT THAT ALL PARTNERS OF A PROFESSIONAL PARTNERSHIP THAT  
21 PROVIDES PUBLIC ACCOUNTANCY SERVICES, WHOSE PRINCIPAL PLACE OF BUSINESS  
22 IS IN THIS STATE AND WHO PROVIDE PUBLIC ACCOUNTANCY SERVICES, MUST BE  
23 LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRACTICE PUBLIC  
24 ACCOUNTANCY IN THIS STATE. NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW  
25 A PROFESSIONAL PARTNERSHIP FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF  
26 PUBLIC ACCOUNTANCY, AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTI-  
27 CLE 149 OF THE EDUCATION LAW, SHALL BE REQUIRED TO SHOW (1) THAT A  
28 SIMPLE MAJORITY OF THE OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL  
29 INTERESTS, INCLUDING OWNERSHIP-BASED COMPENSATION, AND VOTING RIGHTS  
30 HELD BY THE FIRM'S OWNERS, BELONGS TO INDIVIDUALS LICENSED TO PRACTICE  
31 PUBLIC ACCOUNTANCY IN SOME STATE, AND (2) THAT ALL SHAREHOLDERS OF A  
32 PROFESSIONAL PARTNERSHIP WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS  
33 STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY IN THIS  
34 STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION 7404 OF THE EDUCATION  
35 LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER SECTION 7405 OF THE EDUCA-  
36 TION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM AND  
37 ITS OWNERS MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD FOR  
38 PUBLIC ACCOUNTANCY. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED  
39 UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME  
40 INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC  
41 ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE  
42 OWNER OF A FIRM THAT IS INCORPORATED UNDER THIS SECTION SHALL BE (1) A  
43 NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR  
44 ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED  
45 TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL  
46 OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO  
47 ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM OR ITS  
48 AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTIC-  
49 IPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY  
50 TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

51 S 11. The fourteenth undesignated paragraph of section 2 of the part-  
52 nership law, as amended by chapter 475 of the laws of 2014, is amended  
53 to read as follows:

54 "Professional partnership" means (1) a partnership without limited  
55 partners each of whose partners is a professional authorized by law to  
56 render a professional service within this state, (2) a partnership with-

1 out limited partners each of whose partners is a professional, at least  
2 one of whom is authorized by law to render a professional service within  
3 this state or (3) a partnership without limited partners authorized by,  
4 or holding a license, certificate, registration or permit issued by the  
5 licensing authority pursuant to the education law to render a profes-  
6 sional service within this state; except that all partners of a profes-  
7 sional partnership that provides medical services in this state must be  
8 licensed pursuant to article 131 of the education law to practice medi-  
9 cine in this state and all partners of a professional partnership that  
10 provides dental services in this state must be licensed pursuant to  
11 article 133 of the education law to practice dentistry in this state;  
12 [and further] except that all partners of a professional partnership  
13 that provides professional engineering, land surveying, geologic, archi-  
14 tectural and/or landscape architectural services in this state must be  
15 licensed pursuant to article 145, article 147 and/or article 148 of the  
16 education law to practice one or more of such professions in this state;  
17 AND FURTHER EXCEPT THAT ALL PARTNERS OF A PROFESSIONAL PARTNERSHIP THAT  
18 PROVIDES PUBLIC ACCOUNTANCY SERVICES, WHOSE PRINCIPAL PLACE OF BUSINESS  
19 IS IN THIS STATE AND WHO PROVIDE PUBLIC ACCOUNTANCY SERVICES, MUST BE  
20 LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRACTICE PUBLIC  
21 ACCOUNTANCY IN THIS STATE. NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW  
22 A PROFESSIONAL PARTNERSHIP FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF  
23 PUBLIC ACCOUNTANCY, AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTI-  
24 CLE 149 OF THE EDUCATION LAW, SHALL BE REQUIRED TO SHOW (1) THAT A  
25 SIMPLE MAJORITY OF THE OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL  
26 INTERESTS, INCLUDING OWNERSHIP-BASED COMPENSATION, AND VOTING RIGHTS  
27 HELD BY THE FIRM'S OWNERS, BELONGS TO INDIVIDUALS LICENSED TO PRACTICE  
28 PUBLIC ACCOUNTANCY IN SOME STATE, AND (2) THAT ALL SHAREHOLDERS OF A  
29 PROFESSIONAL PARTNERSHIP WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS  
30 STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY IN THIS  
31 STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION 7404 OF THE EDUCATION  
32 LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER SECTION 7405 OF THE EDUCA-  
33 TION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM AND  
34 ITS OWNERS MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD FOR  
35 PUBLIC ACCOUNTANCY. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED  
36 UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME  
37 INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC  
38 ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE  
39 OWNER OF A FIRM THAT IS INCORPORATED UNDER THIS SECTION SHALL BE (1) A  
40 NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR  
41 ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED  
42 TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL  
43 OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO  
44 ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM OR ITS  
45 AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTIC-  
46 IPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY  
47 TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

48 S 12. Subdivision (q) of section 121-1500 of the partnership law, as  
49 amended by chapter 554 of the laws of 2013, is amended to read as  
50 follows:

51 (q) Each partner of a registered limited liability partnership formed  
52 to provide medical services in this state must be licensed pursuant to  
53 article 131 of the education law to practice medicine in this state and  
54 each partner of a registered limited liability partnership formed to  
55 provide dental services in this state must be licensed pursuant to arti-  
56 cle 133 of the education law to practice dentistry in this state. Each

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



1 AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTIC-  
2 IPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY  
3 TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

4 S 13. Subdivision (q) of section 121-1500 of the partnership law, as  
5 amended by chapter 475 of the laws of 2014, is amended to read as  
6 follows:

7 (q) Each partner of a registered limited liability partnership formed  
8 to provide medical services in this state must be licensed pursuant to  
9 article 131 of the education law to practice medicine in this state and  
10 each partner of a registered limited liability partnership formed to  
11 provide dental services in this state must be licensed pursuant to arti-  
12 cle 133 of the education law to practice dentistry in this state. Each  
13 partner of a registered limited liability partnership formed to provide  
14 veterinary services in this state must be licensed pursuant to article  
15 135 of the education law to practice veterinary medicine in this state.  
16 EACH PARTNER OF A REGISTERED LIMITED LIABILITY PARTNERSHIP FORMED TO  
17 PROVIDE PUBLIC ACCOUNTANCY SERVICES, WHOSE PRINCIPAL PLACE OF BUSINESS  
18 IS IN THIS STATE AND WHO PROVIDES PUBLIC ACCOUNTANCY SERVICES, MUST BE  
19 LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRACTICE PUBLIC  
20 ACCOUNTANCY IN THIS STATE. Each partner of a registered limited liabil-  
21 ity partnership formed to provide professional engineering, land survey-  
22 ing, geological services, architectural and/or landscape architectural  
23 services in this state must be licensed pursuant to article 145, article  
24 147 and/or article 148 of the education law to practice one or more of  
25 such professions in this state. Each partner of a registered limited  
26 liability partnership formed to provide licensed clinical social work  
27 services in this state must be licensed pursuant to article 154 of the  
28 education law to practice clinical social work in this state. Each part-  
29 ner of a registered limited liability partnership formed to provide  
30 creative arts therapy services in this state must be licensed pursuant  
31 to article 163 of the education law to practice creative arts therapy in  
32 this state. Each partner of a registered limited liability partnership  
33 formed to provide marriage and family therapy services in this state  
34 must be licensed pursuant to article 163 of the education law to prac-  
35 tice marriage and family therapy in this state. Each partner of a regis-  
36 tered limited liability partnership formed to provide mental health  
37 counseling services in this state must be licensed pursuant to article  
38 163 of the education law to practice mental health counseling in this  
39 state. Each partner of a registered limited liability partnership formed  
40 to provide psychoanalysis services in this state must be licensed pursu-  
41 ant to article 163 of the education law to practice psychoanalysis in  
42 this state. Each partner of a registered limited liability partnership  
43 formed to provide applied behavior analysis service in this state must  
44 be licensed or certified pursuant to article 167 of the education law to  
45 practice applied behavior analysis in this state. NOTWITHSTANDING ANY  
46 OTHER PROVISIONS OF LAW A LIMITED LIABILITY PARTNERSHIP FORMED TO  
47 LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUNTANCY, AS SUCH PRACTICE  
48 IS RESPECTIVELY DEFINED UNDER ARTICLE 149 OF THE EDUCATION LAW, SHALL BE  
49 REQUIRED TO SHOW (1) THAT A SIMPLE MAJORITY OF THE OWNERSHIP OF THE  
50 FIRM, IN TERMS OF FINANCIAL INTERESTS, INCLUDING OWNERSHIP-BASED COMPEN-  
51 SATION, AND VOTING RIGHTS HELD BY THE FIRM'S OWNERS, BELONGS TO INDIVID-  
52 UALS LICENSED TO PRACTICE PUBLIC ACCOUNTANCY IN SOME STATE, AND (2) THAT  
53 ALL PARTNERS OF A LIMITED LIABILITY PARTNERSHIP WHOSE PRINCIPAL PLACE OF  
54 BUSINESS IS IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC  
55 ACCOUNTANCY IN THIS STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION  
56 7404 OF THE EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER

1 SECTION 7405 OF THE EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICEN-  
2 SEE OWNERS, THE FIRM AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED  
3 BY THE STATE BOARD FOR PUBLIC ACCOUNTANCY. NOTWITHSTANDING THE FOREGO-  
4 ING, A FIRM REGISTERED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE  
5 OWNERS IF THE FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNT-  
6 ANT," OR "CERTIFIED PUBLIC ACCOUNTS," OR THE ABBREVIATIONS "CPA" OR  
7 "CPAS." EACH NON-LICENSEE OWNER OF A FIRM THAT IS INCORPORATED UNDER  
8 THIS SECTION SHALL BE (1) A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN  
9 THE BUSINESS OF THE FIRM OR ITS AFFILIATED ENTITIES, OR (2) AN ENTITY,  
10 INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP OR PROFESSIONAL CORPO-  
11 RATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY INTEREST IN SUCH  
12 ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS  
13 CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS  
14 SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS  
15 OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR  
16 MANAGEMENT OF THE FIRM.

17 S 14. Subdivision (q) of section 121-1502 of the partnership law, as  
18 amended by chapter 554 of the laws of 2013, is amended to read as  
19 follows:

20 (q) Each partner of a foreign limited liability partnership which  
21 provides medical services in this state must be licensed pursuant to  
22 article 131 of the education law to practice medicine in the state and  
23 each partner of a foreign limited liability partnership which provides  
24 dental services in the state must be licensed pursuant to article 133 of  
25 the education law to practice dentistry in this state. Each partner of a  
26 foreign limited liability partnership which provides veterinary service  
27 in the state shall be licensed pursuant to article 135 of the education  
28 law to practice veterinary medicine in this state. Each partner of a  
29 foreign limited liability partnership which provides professional engi-  
30 neering, land surveying, architectural and/or landscape architectural  
31 services in this state must be licensed pursuant to article 145, article  
32 147 and/or article 148 of the education law to practice one or more of  
33 such professions. EACH PARTNER OF A FOREIGN REGISTERED LIMITED LIABILITY  
34 PARTNERSHIP FORMED TO PROVIDE PUBLIC ACCOUNTANCY SERVICES, WHOSE PRINCI-  
35 PAL PLACE OF BUSINESS IS IN THIS STATE AND WHO PROVIDES PUBLIC ACCOUN-  
36 TANCY SERVICES, MUST BE LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCA-  
37 TION LAW TO PRACTICE PUBLIC ACCOUNTANCY IN THIS STATE. Each partner of a  
38 foreign limited liability partnership which provides licensed clinical  
39 social work services in this state must be licensed pursuant to article  
40 154 of the education law to practice licensed clinical social work in  
41 this state. Each partner of a foreign limited liability partnership  
42 which provides creative arts therapy services in this state must be  
43 licensed pursuant to article 163 of the education law to practice crea-  
44 tive arts therapy in this state. Each partner of a foreign limited  
45 liability partnership which provides marriage and family therapy  
46 services in this state must be licensed pursuant to article 163 of the  
47 education law to practice marriage and family therapy in this state.  
48 Each partner of a foreign limited liability partnership which provides  
49 mental health counseling services in this state must be licensed pursu-  
50 ant to article 163 of the education law to practice mental health coun-  
51 seling in this state. Each partner of a foreign limited liability part-  
52 nership which provides psychoanalysis services in this state must be  
53 licensed pursuant to article 163 of the education law to practice  
54 psychoanalysis in this state. Each partner of a foreign limited liabil-  
55 ity partnership which provides applied behavior analysis services in  
56 this state must be licensed or certified pursuant to article 167 of the

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

29 S 15. Subdivision (q) of section 121-1502 of the partnership law, as  
30 amended by chapter 475 of the laws of 2014, is amended to read as  
31 follows:

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

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

42 S 16. 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 FOR PUBLIC ACCOUN-  
7 TANCY. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED UNDER THIS  
8 SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME INCLUDES THE  
9 WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC ACCOUNTANTS,"  
10 OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE OWNER OF A FIRM  
11 THAT IS REGISTERED UNDER THIS SECTION SHALL BE (1) A NATURAL PERSON WHO  
12 ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR ITS AFFILIATED  
13 ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP  
14 OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY  
15 INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN  
16 THE BUSINESS CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR  
17 PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE  
18 SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE  
19 DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

20 S 17. 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 ARTICLE 149 OF THE EDUCATION LAW OR ARE PUBLIC ACCOUNT-  
34 ANTS LICENSED UNDER SECTION 7405 OF ARTICLE 149 OF THE EDUCATION LAW.  
35 ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM AND ITS OWNERS  
36 MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD FOR PUBLIC ACCOUN-  
37 TANCY. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED UNDER THIS  
38 SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME INCLUDES THE  
39 WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC ACCOUNTANTS,"  
40 OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE OWNER OF A FIRM  
41 THAT IS REGISTERED UNDER THIS SECTION SHALL BE (1) A NATURAL PERSON WHO  
42 ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR ITS AFFILIATED  
43 ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP  
44 OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY  
45 INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN  
46 THE BUSINESS CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR  
47 PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE  
48 SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE  
49 DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

50 S 18. 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 ARTICLE 149 OF THE EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS  
9 LICENSED UNDER SECTION 7405 OF ARTICLE 149 OF THE EDUCATION LAW.  
10 ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM AND ITS OWNERS  
11 MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD FOR PUBLIC ACCOUN-  
12 TANCY. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED UNDER THIS  
13 SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME INCLUDES THE  
14 WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC ACCOUNTANTS,"  
15 OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE OWNER OF A FIRM  
16 THAT IS REGISTERED UNDER THIS SECTION SHALL BE (1) A NATURAL PERSON WHO  
17 ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR ITS AFFILIATED  
18 ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP  
19 OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY  
20 INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN  
21 THE BUSINESS CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR  
22 PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE  
23 SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE  
24 DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

25 S 19. Subdivisions (a) and (f) of section 1301 of the limited liabil-  
26 ity company law, subdivision (a) as amended by chapter 554 of the laws  
27 of 2013 and subdivision (f) as amended by chapter 170 of the laws of  
28 1996, are amended to read as follows:

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



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

1 COMPANY FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUNTANCY,  
2 AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTICLE 149 OF THE EDUCA-  
3 TION LAW SHALL BE REQUIRED TO SHOW (1) THAT A SIMPLE MAJORITY OF THE  
4 OWNERSHIP OF THE FIRM, IN TERMS OF FINANCIAL INTERESTS, INCLUDING OWNER-  
5 SHIP-BASED COMPENSATION, AND VOTING RIGHTS HELD BY THE FIRM'S OWNERS,  
6 BELONGS TO INDIVIDUALS LICENSED TO PRACTICE PUBLIC ACCOUNTANCY IN SOME  
7 STATE, AND (2) THAT ALL MEMBERS OF A FOREIGN LIMITED PROFESSIONAL  
8 SERVICE LIMITED LIABILITY COMPANY, WHOSE PRINCIPAL PLACE OF BUSINESS IS  
9 IN THIS STATE, AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY  
10 IN THIS STATE, HOLD A VALID LICENSE ISSUED UNDER SECTION 7404 OF THE  
11 EDUCATION LAW OR ARE PUBLIC ACCOUNTANTS LICENSED UNDER SECTION 7405 OF  
12 THE EDUCATION LAW. ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE  
13 FIRM AND ITS OWNERS MUST COMPLY WITH RULES PROMULGATED BY THE STATE  
14 BOARD FOR PUBLIC ACCOUNTANCY. NOTWITHSTANDING THE FOREGOING, A FIRM  
15 REGISTERED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE  
16 FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTI-  
17 FIED PUBLIC ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH  
18 NON-LICENSEE OWNER OF A FIRM THAT IS REGISTERED UNDER THIS SECTION SHALL  
19 BE (1) A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE  
20 FIRM OR ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT  
21 LIMITED TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, PROVIDED EACH  
22 BENEFICIAL OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL  
23 PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM  
24 OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY  
25 PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDI-  
26 VIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

27 (f) "Professional partnership" means (1) a partnership without limited  
28 partners each of whose partners is a professional authorized by law to  
29 render a professional service within this state, (2) a partnership with-  
30 out limited partners each of whose partners is a professional, at least  
31 one of whom is authorized by law to render a professional service within  
32 this state or (3) a partnership without limited partners authorized by,  
33 or holding a license, certificate, registration or permit issued by the  
34 licensing authority pursuant to the education law to render a profes-  
35 sional service within this state; except that all partners of a profes-  
36 sional partnership that provides medical services in this state must be  
37 licensed pursuant to article 131 of the education law to practice medi-  
38 cine in this state and all partners of a professional partnership that  
39 provides dental services in this state must be licensed pursuant to  
40 article 133 of the education law to practice dentistry in this state;  
41 except that all partners of a professional partnership that provides  
42 veterinary services in this state must be licensed pursuant to article  
43 135 of the education law to practice veterinary medicine in this state;  
44 and further except that all partners of a professional partnership that  
45 provides professional engineering, land surveying, architectural, and/or  
46 landscape architectural services in this state must be licensed pursuant  
47 to article 145, article 147 and/or article 148 of the education law to  
48 practice one or more of such professions. WITH RESPECT TO A PROFES-  
49 SIONAL PARTNERSHIP WHICH PROVIDES PUBLIC ACCOUNTANCY SERVICES AS SUCH  
50 SERVICES ARE DEFINED IN ARTICLE 149 OF THE EDUCATION LAW, EACH MEMBER OF  
51 SUCH PROFESSIONAL PARTNERSHIP WHOSE PRINCIPAL PLACE OF BUSINESS IS IN  
52 THIS STATE AND WHO PROVIDES PUBLIC ACCOUNTANCY SERVICES, SHALL BE  
53 LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRACTICE PUBLIC  
54 ACCOUNTANCY. NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW A PROFESSIONAL  
55 PARTNERSHIP FORMED TO LAWFULLY ENGAGE IN THE PRACTICE OF PUBLIC ACCOUN-  
56 TANCY, AS SUCH PRACTICE IS RESPECTIVELY DEFINED UNDER ARTICLE 149 OF THE

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

25 S 20. Subdivisions (a) and (f) of section 1301 of the limited liabil-  
26 ity company law, as amended by chapter 475 of the laws of 2014, are  
27 amended to read 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 FOR PUBLIC ACCOUNTANCY. NOTWITHSTANDING THE FOREGOING, A FIRM  
14 REGISTERED UNDER THIS SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE  
15 FIRM'S NAME INCLUDES THE WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTI-  
16 FIED PUBLIC ACCOUNTANTS," OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH  
17 NON-LICENSEE OWNER OF A FIRM THAT IS REGISTERED UNDER THIS SECTION SHALL  
18 BE (1) A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS OF THE  
19 FIRM OR ITS AFFILIATED ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT  
20 LIMITED TO, A PARTNERSHIP OR PROFESSIONAL CORPORATION, PROVIDED EACH  
21 BENEFICIAL OWNER OF AN EQUITY INTEREST IN SUCH ENTITY IS A NATURAL  
22 PERSON WHO ACTIVELY PARTICIPATES IN THE BUSINESS CONDUCTED BY THE FIRM  
23 OR ITS AFFILIATED ENTITIES. FOR PURPOSES OF THIS SUBDIVISION, "ACTIVELY  
24 PARTICIPATE" MEANS TO PROVIDE SERVICES TO CLIENTS OR TO OTHERWISE INDI-  
25 VIDUALLY TAKE PART IN THE DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

26 (f) "Professional partnership" means (1) a partnership without limited  
27 partners each of whose partners is a professional authorized by law to  
28 render a professional service within this state, (2) a partnership with-  
29 out limited partners each of whose partners is a professional, at least  
30 one of whom is authorized by law to render a professional service within  
31 this state or (3) a partnership without limited partners authorized by,  
32 or holding a license, certificate, registration or permit issued by the  
33 licensing authority pursuant to the education law to render a profes-  
34 sional service within this state; except that all partners of a profes-  
35 sional partnership that provides medical services in this state must be  
36 licensed pursuant to article 131 of the education law to practice medi-  
37 cine in this state and all partners of a professional partnership that  
38 provides dental services in this state must be licensed pursuant to  
39 article 133 of the education law to practice dentistry in this state;  
40 except that all partners of a professional partnership that provides  
41 veterinary services in this state must be licensed pursuant to article  
42 135 of the education law to practice veterinary medicine in this state;  
43 and further except that all partners of a professional partnership that  
44 provides professional engineering, land surveying, geologic, architec-  
45 tural, and/or landscape architectural services in this state must be  
46 licensed pursuant to article 145, article 147 and/or article 148 of the  
47 education law to practice one or more of such professions. WITH RESPECT  
48 TO A PROFESSIONAL PARTNERSHIP WHICH PROVIDES PUBLIC ACCOUNTANCY SERVICES  
49 AS SUCH SERVICES ARE DEFINED IN ARTICLE 149 OF THE EDUCATION LAW, EACH  
50 MEMBER OF SUCH PROFESSIONAL PARTNERSHIP WHOSE PRINCIPAL PLACE OF BUSI-  
51 NESS IS IN THIS STATE AND WHO PROVIDES PUBLIC ACCOUNTANCY SERVICES,  
52 SHALL BE LICENSED PURSUANT TO ARTICLE 149 OF THE EDUCATION LAW TO PRAC-  
53 TICE PUBLIC ACCOUNTANCY. NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW A  
54 PROFESSIONAL PARTNERSHIP 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 PARTNERSHIP, WHOSE PRINCIPAL PLACE OF BUSINESS IS IN THIS STATE,  
6 AND WHO ARE ENGAGED IN THE PRACTICE OF PUBLIC ACCOUNTANCY IN THIS STATE,  
7 HOLD A VALID LICENSE ISSUED UNDER SECTION 7404 OF THE EDUCATION LAW OR  
8 ARE PUBLIC ACCOUNTANTS LICENSED UNDER SECTION 7405 OF THE EDUCATION LAW.  
9 ALTHOUGH FIRMS MAY INCLUDE NON-LICENSEE OWNERS, THE FIRM AND ITS OWNERS  
10 MUST COMPLY WITH RULES PROMULGATED BY THE STATE BOARD FOR PUBLIC ACCOUN-  
11 TANCY. NOTWITHSTANDING THE FOREGOING, A FIRM REGISTERED UNDER THIS  
12 SECTION MAY NOT HAVE NON-LICENSEE OWNERS IF THE FIRM'S NAME INCLUDES THE  
13 WORDS "CERTIFIED PUBLIC ACCOUNTANT," OR "CERTIFIED PUBLIC ACCOUNTANTS,"  
14 OR THE ABBREVIATIONS "CPA" OR "CPAS." EACH NON-LICENSEE OWNER OF A FIRM  
15 THAT IS REGISTERED UNDER THIS SECTION SHALL BE (1) A NATURAL PERSON WHO  
16 ACTIVELY PARTICIPATES IN THE BUSINESS OF THE FIRM OR ITS AFFILIATED  
17 ENTITIES, OR (2) AN ENTITY, INCLUDING, BUT NOT LIMITED TO, A PARTNERSHIP  
18 OR PROFESSIONAL CORPORATION, PROVIDED EACH BENEFICIAL OWNER OF AN EQUITY  
19 INTEREST IN SUCH ENTITY IS A NATURAL PERSON WHO ACTIVELY PARTICIPATES IN  
20 THE BUSINESS CONDUCTED BY THE FIRM OR ITS AFFILIATED ENTITIES. FOR  
21 PURPOSES OF THIS SUBDIVISION, "ACTIVELY PARTICIPATE" MEANS TO PROVIDE  
22 SERVICES TO CLIENTS OR TO OTHERWISE INDIVIDUALLY TAKE PART IN THE  
23 DAY-TO-DAY BUSINESS OR MANAGEMENT OF THE FIRM.

24 S 21. This act shall take effect immediately; provided that sections  
25 eleven, thirteen, fifteen, eighteen, and twenty of this act shall take  
26 effect on the same date as sections 25, 26, 27, 22 and 23, respectively,  
27 of chapter 475 of the laws of 2014 take effect.