

# STATE OF NEW YORK

5581--A

2023-2024 Regular Sessions

## IN SENATE

March 8, 2023

Introduced by Sen. SCARCELLA-SPANTON -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- recommitted to the Committee on Corporations, Authorities and Commissions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the limited liability company law, the business corporation law, the partnership law, the education law and the public health law, in relation to authorizing certain licensed health services professionals to form limited liability companies

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision (a) of section 1203 of the limited liability  
2 company law, as amended by chapter 475 of the laws of 2014, is amended  
3 to read as follows:  
4 (a) Notwithstanding the education law or any other provision of law,  
5 one or more professionals each of whom is authorized by law to render a  
6 professional service within the state, or one or more professionals, at  
7 least one of whom is authorized by law to render a professional service  
8 within the state, may form, or cause to be formed, a professional  
9 service limited liability company for pecuniary profit under this arti-  
10 cle for the purpose of rendering the professional service or services as  
11 such professionals are authorized to practice. With respect to a profes-  
12 sional service limited liability company formed to provide medical  
13 services as such services are defined in article 131 of the education  
14 law, each member of such limited liability company must be licensed  
15 pursuant to article 131 of the education law to practice medicine in  
16 this state. Notwithstanding any other provision of this section, any  
17 person licensed pursuant to article 131 of the education law to practice  
18 medicine and any person licensed pursuant to articles 132, 137, 140,  
19 141, 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section

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

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1 6902 of article 139 of the education law may form, or cause to be  
2 formed, a professional service limited liability company to provide  
3 multidisciplinary services with one or more licensed professionals,  
4 subject to the following conditions: (i) each member of such limited  
5 liability company must be licensed pursuant to title eight of the educa-  
6 tion law to practice such member's profession in this state; (ii) each  
7 member shall only practice such member's profession as specified in such  
8 member's respective professional enabling statute under title eight of  
9 the education law; and (iii) any clinical integration of professional  
10 practices under this section shall not alter, expand or curtail the  
11 scope of practice of any of the members; provided further that: (A) no  
12 member shall, directly or indirectly, interfere with the clinical judg-  
13 ment or legitimate clinical practice of another member; and (B) no  
14 member shall order or direct another member to practice beyond the scope  
15 of such member's license.

16 With respect to a professional service limited  
17 liability company formed to provide dental services as such services are  
18 defined in article 133 of the education law, each member of such limited  
19 liability company must be licensed pursuant to article 133 of the educa-  
20 tion law to practice dentistry in this state. With respect to a profes-  
21 sional service limited liability company formed to provide veterinary  
22 services as such services are defined in article 135 of the education  
23 law, each member of such limited liability company must be licensed  
24 pursuant to article 135 of the education law to practice veterinary  
25 medicine in this state. With respect to a professional service limited  
26 liability company formed to provide professional engineering, land  
27 surveying, architectural, landscape architectural and/or geological  
28 services as such services are defined in article 145, article 147 and  
29 article 148 of the education law, each member of such limited liability  
30 company must be licensed pursuant to article 145, article 147 and/or  
31 article 148 of the education law to practice one or more of such  
32 professions in this state.

~~32 [With respect to a professional service  
33 limited liability company formed to provide licensed clinical social  
34 work services as such services are defined in article 154 of the educa-  
35 tion law, each member of such limited liability company shall be  
36 licensed pursuant to article 154 of the education law to practice  
37 licensed clinical social work in this state.]~~

37 With respect to a profes-  
38 sional service limited liability company formed to provide creative arts  
39 therapy services as such services are defined in article 163 of the  
40 education law, each member of such limited liability company must be  
41 licensed pursuant to article 163 of the education law to practice crea-  
42 tive arts therapy in this state. With respect to a professional service  
43 limited liability company formed to provide marriage and family therapy  
44 services as such services are defined in article 163 of the education  
45 law, each member of such limited liability company must be licensed  
46 pursuant to article 163 of the education law to practice marriage and  
47 family therapy in this state. With respect to a professional service  
48 limited liability company formed to provide mental health counseling  
49 services as such services are defined in article 163 of the education  
50 law, each member of such limited liability company must be licensed  
51 pursuant to article 163 of the education law to practice mental health  
52 counseling in this state. With respect to a professional service limited  
53 liability company formed to provide psychoanalysis services as such  
54 services are defined in article 163 of the education law, each member of  
55 such limited liability company must be licensed pursuant to article 163  
56 of the education law to practice psychoanalysis in this state.

~~56 [With respect to a professional service limited liability company formed to~~

~~1 provide applied behavior analysis services as such services are defined  
2 in article 167 of the education law, each member of such limited liabil-  
3 ity company must be licensed or certified pursuant to article 167 of the  
4 education law to practice applied behavior analysis in this state.]~~

In addition to engaging in such profession or professions, a professional service limited liability company may engage in any other business or activities as to which a limited liability company may be formed under section two hundred one of this chapter. Notwithstanding any other provision of this section, a professional service limited liability company (i) authorized to practice law may only engage in another profession or business or activities or (ii) which is engaged in a profession or other business or activities other than law may only engage in the practice of law, to the extent not prohibited by any other law of this state or any rule adopted by the appropriate appellate division of the supreme court or the court of appeals.

§ 2. Subdivision (b) of section 1207 of the limited liability company law, as amended by chapter 475 of the laws of 2014, is amended to read as follows:

(b) With respect to a professional service limited liability company formed to provide medical services as such services are defined in article 131 of the education law, each member of such limited liability company must be licensed pursuant to article 131 of the education law to practice medicine in this state. Notwithstanding any other provision of this section, any person licensed pursuant to article 131 of the education law to practice medicine and any person licensed pursuant to articles 132, 137, 140, 141, 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of article 139 of the education law may form, or cause to be formed, a professional service limited liability company to provide multidisciplinary services with one or more licensed professionals, subject to the following conditions: (i) each member of such limited liability company must be licensed pursuant to title eight of the education law to practice such member's profession in this state; (ii) each member shall only practice such member's profession as specified in such member's respective professional enabling statute under title eight of the education law; and (iii) any clinical integration of professional practices under this section shall not alter, expand or curtail the scope of practice of any of the members; provided further that: (A) no member shall, directly or indirectly, interfere with the clinical judgement or legitimate clinical practice of another member; and (B) no member shall order or direct another member to practice beyond the scope of such member's license.

With respect to a professional service limited liability company formed to provide dental services as such services are defined in article 133 of the education law, each member of such limited liability company must be licensed pursuant to article 133 of the education law to practice dentistry in this state. With respect to a professional service limited liability company formed to provide veterinary services as such services are defined in article 135 of the education law, each member of such limited liability company must be licensed pursuant to article 135 of the education law to practice veterinary medicine in this state. With respect to a professional service limited liability company formed to provide professional engineering, land surveying, architectural, landscape architectural and/or geological services as such services are defined in article 145, article 147 and article 148 of the education law, each member of such limited liability company must be licensed pursuant to article 145, article 147 and/or article 148 of the education law to

1 practice one or more of such professions in this state. [~~With respect to~~  
2 ~~a professional service limited liability company formed to provide~~  
3 ~~licensed clinical social work services as such services are defined in~~  
4 ~~article 154 of the education law, each member of such limited liability~~  
5 ~~company shall be licensed pursuant to article 154 of the education law~~  
6 ~~to practice licensed clinical social work in this state.~~] With respect  
7 to a professional service limited liability company formed to provide  
8 creative arts therapy services as such services are defined in article  
9 163 of the education law, each member of such limited liability company  
10 must be licensed pursuant to article 163 of the education law to prac-  
11 tice creative arts therapy in this state. With respect to a professional  
12 service limited liability company formed to provide marriage and family  
13 therapy services as such services are defined in article 163 of the  
14 education law, each member of such limited liability company must be  
15 licensed pursuant to article 163 of the education law to practice  
16 marriage and family therapy in this state. With respect to a profes-  
17 sional service limited liability company formed to provide mental health  
18 counseling services as such services are defined in article 163 of the  
19 education law, each member of such limited liability company must be  
20 licensed pursuant to article 163 of the education law to practice mental  
21 health counseling in this state. With respect to a professional service  
22 limited liability company formed to provide psychoanalysis services as  
23 such services are defined in article 163 of the education law, each  
24 member of such limited liability company must be licensed pursuant to  
25 article 163 of the education law to practice psychoanalysis in this  
26 state. [~~With respect to a professional service limited liability company~~  
27 ~~formed to provide applied behavior analysis services as such services~~  
28 ~~are defined in article 167 of the education law, each member of such~~  
29 ~~limited liability company must be licensed or certified pursuant to~~  
30 ~~article 167 of the education law to practice applied behavior analysis~~  
31 ~~in this state.~~]

32 § 3. Subdivision (b) of section 1207 of the limited liability company  
33 law, as amended by chapter 701 of the laws of 2023, is amended to read  
34 as follows:

35 (b) With respect to a professional service limited liability company  
36 formed to provide medical services as such services are defined in arti-  
37 cle 131 of the education law, each member of such limited liability  
38 company must be licensed pursuant to article 131 of the education law to  
39 practice medicine in this state. Notwithstanding any other provision of  
40 this section, any person licensed pursuant to article 131 of the educa-  
41 tion law to practice medicine and any person licensed pursuant to arti-  
42 cles 132, 137, 140, 141, 143, 144, 153, 154, 155, 156, or 167 or subdi-  
43 vision 3 of section 6902 of article 139 of the education law may form,  
44 or cause to be formed, a professional service limited liability company  
45 to provide multidisciplinary services with one or more licensed profes-  
46 sionals, subject to the following conditions: (i) each member of such  
47 limited liability company must be licensed pursuant to title eight of  
48 the education law to practice such member's profession in this state;  
49 (ii) each member shall only practice such member's profession as spec-  
50 ified in such member's respective professional enabling statute under  
51 title eight of the education law; and (iii) any clinical integration  
52 of professional practices under this section shall not alter, expand or  
53 curtail the scope of practice of any of the members; provided further  
54 that: (A) no member shall, directly or indirectly, interfere with the  
55 clinical judgement or legitimate clinical practice of another member;  
56 and (B) no member shall order or direct another member to practice

1 beyond the scope of such member's license. With respect to a profes-  
2 sional service limited liability company formed to provide dental  
3 services as such services are defined in article 133 of the education  
4 law, each member of such limited liability company must be licensed  
5 pursuant to article 133 of the education law to practice dentistry in  
6 this state. With respect to a professional service limited liability  
7 company formed to provide veterinary services as such services are  
8 defined in article 135 of the education law, each member of such limited  
9 liability company must be licensed pursuant to article 135 of the educa-  
10 tion law to practice veterinary medicine in this state. With respect to  
11 a professional service limited liability company formed to provide  
12 professional engineering, land surveying, architectural, landscape  
13 architectural and/or geological services as such services are defined in  
14 article 145, article 147 and article 148 of the education law, each  
15 member of such limited liability company must be licensed pursuant to  
16 article 145, article 147 and/or article 148 of the education law to  
17 practice one or more of such professions in this state. With respect to  
18 a professional service limited liability company formed to provide  
19 public accountancy services as such services are defined in article 149  
20 of the education law each member of such limited liability company whose  
21 principal place of business is in this state and who provides public  
22 accountancy services, must be licensed pursuant to article 149 of the  
23 education law to practice public accountancy in this state. [~~With  
24 respect to a professional service limited liability company formed to  
25 provide licensed clinical social work services as such services are  
26 defined in article 154 of the education law, each member of such limited  
27 liability company shall be licensed pursuant to article 154 of the  
28 education law to practice licensed clinical social work in this state.~~]  
29 With respect to a professional service limited liability company formed  
30 to provide creative arts therapy services as such services are defined  
31 in article 163 of the education law, each member of such limited liabil-  
32 ity company must be licensed pursuant to article 163 of the education  
33 law to practice creative arts therapy in this state. With respect to a  
34 professional service limited liability company formed to provide  
35 marriage and family therapy services as such services are defined in  
36 article 163 of the education law, each member of such limited liability  
37 company must be licensed pursuant to article 163 of the education law to  
38 practice marriage and family therapy in this state. With respect to a  
39 professional service limited liability company formed to provide mental  
40 health counseling services as such services are defined in article 163  
41 of the education law, each member of such limited liability company must  
42 be licensed pursuant to article 163 of the education law to practice  
43 mental health counseling in this state. With respect to a professional  
44 service limited liability company formed to provide psychoanalysis  
45 services as such services are defined in article 163 of the education  
46 law, each member of such limited liability company must be licensed  
47 pursuant to article 163 of the education law to practice psychoanalysis  
48 in this state. [~~With respect to a professional service limited liability  
49 company formed to provide applied behavior analysis services as such  
50 services are defined in article 167 of the education law, each member of  
51 such limited liability company must be licensed or certified pursuant to  
52 article 167 of the education law to practice applied behavior analysis  
53 in this state.~~] A professional service limited liability company formed  
54 to lawfully engage in the practice of public accountancy as a firm, as  
55 such practice is defined under article 149 of the education law shall be  
56 required to show (1) that a simple majority of the ownership of the

1 firm, in terms of financial interests and voting rights held by the  
2 firm's owners, belongs to individuals licensed to practice public  
3 accountancy in some state, and (2) that all members of a limited profes-  
4 sional service limited liability company, whose principal place of busi-  
5 ness is in this state, and who are engaged in the practice of public  
6 accountancy in this state, hold a valid license issued under section  
7 seventy-four hundred four of the education law. For purposes of this  
8 subdivision, "financial interest" means capital stock, capital accounts,  
9 capital contributions, capital interest, or interest in undistributed  
10 earnings of a business entity. Although firms registered with the educa-  
11 tion department may include non-licensee owners, a registered firm and  
12 its owners must comply with rules promulgated by the state board of  
13 regents. Notwithstanding the foregoing, a firm registered with the  
14 education department 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 or an  
26 affiliated entity.

27 § 4. Subdivision (a) of section 1301 of the limited liability company  
28 law, as amended by chapter 475 of the laws of 2014, is amended to read  
29 as follows:

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

1 to a foreign professional service limited liability company which  
2 provides medical services as such services are defined in article 131 of  
3 the education law, each member of such foreign professional service  
4 limited liability company must be licensed pursuant to article 131 of  
5 the education law to practice medicine in this state.

6 Notwithstanding any other provision of this section, any person licensed pursuant to  
7 article 131 of the education law to practice medicine and any person  
8 licensed pursuant to articles 132, 137, 140, 141, 143, 144, 153, 154,  
9 155, 156, or 167 or subdivision 3 of section 6902 of article 139 of the  
10 education law may form, or cause to be formed, a foreign professional  
11 service limited liability company to provide multidisciplinary services  
12 with one or more licensed professionals, subject to the following condi-  
13 tions: (i) each member of such limited liability company must be  
14 licensed pursuant to title eight of the education law to practice such  
15 member's profession in this state; (ii) each member shall only practice  
16 such member's profession as specified in such member's respective  
17 professional enabling statute under title eight of the education law;  
18 and (iii) any clinical integration of professional practices under this  
19 section shall not alter, expand or curtail the scope of practice of any  
20 of the members; provided further that: (A) no member shall, directly or  
21 indirectly, interfere with the clinical judgment or legitimate clinical  
22 practice of another member; and (B) no member shall order or direct  
23 another member to practice beyond the scope of such member's license.

24 With respect to a foreign professional service limited liability company  
25 which provides dental services as such services are defined in article  
26 133 of the education law, each member of such foreign professional  
27 service limited liability company must be licensed pursuant to article  
28 133 of the education law to practice dentistry in this state. With  
29 respect to a foreign professional service limited liability company  
30 which provides professional engineering, land surveying, geologic,  
31 architectural and/or landscape architectural services as such services  
32 are defined in article 145, article 147 and article 148 of the education  
33 law, each member of such foreign professional service limited liability  
34 company must be licensed pursuant to article 145, article 147 and/or  
35 article 148 of the education law to practice one or more of such  
36 professions in this state. ~~[With respect to a foreign professional~~  
37 ~~service limited liability company which provides licensed clinical~~  
38 ~~social work services as such services are defined in article 154 of the~~  
39 ~~education law, each member of such foreign professional service limited~~  
40 ~~liability company shall be licensed pursuant to article 154 of the~~  
41 ~~education law to practice clinical social work in this state.]~~

42 With respect to a foreign professional service limited liability company  
43 which provides creative arts therapy services as such services are  
44 defined in article 163 of the education law, each member of such foreign  
45 professional service limited liability company must be licensed pursuant  
46 to article 163 of the education law to practice creative arts therapy in  
47 this state. With respect to a foreign professional service limited  
48 liability company which provides marriage and family therapy services as  
49 such services are defined in article 163 of the education law, each  
50 member of such foreign professional service limited liability company  
51 must be licensed pursuant to article 163 of the education law to prac-  
52 tice marriage and family therapy in this state. With respect to a  
53 foreign professional service limited liability company which provides  
54 mental health counseling services as such services are defined in arti-  
55 cle 163 of the education law, each member of such foreign professional  
56 service limited liability company must be licensed pursuant to article

1 163 of the education law to practice mental health counseling in this  
2 state. With respect to a foreign professional service limited liability  
3 company which provides psychoanalysis services as such services are  
4 defined in article 163 of the education law, each member of such foreign  
5 professional service limited liability company must be licensed pursuant  
6 to article 163 of the education law to practice psychoanalysis in this  
7 state. [~~With respect to a foreign professional service limited liability  
8 company which provides applied behavior analysis services as such  
9 services are defined in article 167 of the education law, each member of  
10 such foreign professional service limited liability company must be  
11 licensed or certified pursuant to article 167 of the education law to  
12 practice applied behavior analysis in this state.~~]

13 § 5. Subdivision (a) of section 1301 of the limited liability company  
14 law, as amended by chapter 701 of the laws of 2023, is amended to read  
15 as follows:

16 (a) "Foreign professional service limited liability company" means a  
17 professional service limited liability company, whether or not denomi-  
18 nated as such, organized under the laws of a jurisdiction other than  
19 this state, (i) each of whose members and managers, if any, is a profes-  
20 sional authorized by law to render a professional service within this  
21 state and who is or has been engaged in the practice of such profession  
22 in such professional service limited liability company or a predecessor  
23 entity, or will engage in the practice of such profession in the profes-  
24 sional service limited liability company within thirty days of the date  
25 such professional becomes a member, or each of whose members and manag-  
26 ers, if any, is a professional at least one of such members is author-  
27 ized by law to render a professional service within this state and who  
28 is or has been engaged in the practice of such profession in such  
29 professional service limited liability company or a predecessor entity,  
30 or will engage in the practice of such profession in the professional  
31 service limited liability company within thirty days of the date such  
32 professional becomes a member, or (ii) authorized by, or holding a  
33 license, certificate, registration or permit issued by the licensing  
34 authority pursuant to, the education law to render a professional  
35 service within this state; except that all members and managers, if any,  
36 of a foreign professional service limited liability company that  
37 provides health services in this state shall be licensed in this state.  
38 With respect to a foreign professional service limited liability company  
39 which provides veterinary services as such services are defined in arti-  
40 cle 135 of the education law, each member of such foreign professional  
41 service limited liability company shall be licensed pursuant to article  
42 135 of the education law to practice veterinary medicine. With respect  
43 to a foreign professional service limited liability company which  
44 provides medical services as such services are defined in article 131 of  
45 the education law, each member of such foreign professional service  
46 limited liability company must be licensed pursuant to article 131 of  
47 the education law to practice medicine in this state. Notwithstanding  
48 any other provision of this section, any person licensed pursuant to  
49 article 131 of the education law to practice medicine and any person  
50 licensed pursuant to articles 132, 137, 140, 141, 143, 144, 153, 154,  
51 155, 156, or 167 or subdivision 3 of section 6902 of article 139 of the  
52 education law may form, or cause to be formed, a foreign professional  
53 service limited liability company to provide multidisciplinary services  
54 with one or more licensed professionals, subject to the following condi-  
55 tions: (i) each member of such limited liability company must be  
56 licensed pursuant to title eight of the education law to practice such



1 member's profession in this state; (ii) each member shall only practice  
2 such member's profession as specified in such member's respective  
3 professional enabling statute under title eight of the education law;  
4 and (iii) any clinical integration of professional practices under this  
5 section shall not alter, expand or curtail the scope of practice of any  
6 of the members; provided further that: (A) no member shall, directly or  
7 indirectly, interfere with the clinical judgment or legitimate clinical  
8 practice of another member; and (B) no member shall order or direct  
9 another member to practice beyond the scope of such member's license.

10 With respect to a foreign professional service limited liability company  
11 which provides dental services as such services are defined in article  
12 133 of the education law, each member of such foreign professional  
13 service limited liability company must be licensed pursuant to article  
14 133 of the education law to practice dentistry in this state. With  
15 respect to a foreign professional service limited liability company  
16 which provides professional engineering, land surveying, geologic,  
17 architectural and/or landscape architectural services as such services  
18 are defined in article 145, article 147 and article 148 of the education  
19 law, each member of such foreign professional service limited liability  
20 company must be licensed pursuant to article 145, article 147 and/or  
21 article 148 of the education law to practice one or more of such  
22 professions in this state. With respect to a foreign professional  
23 service limited liability company which provides public accountancy  
24 services as such services are defined in article 149 of the education  
25 law, each member of such foreign professional service limited liability  
26 company whose principal place of business is in this state and who  
27 provides public accountancy services, shall be licensed pursuant to  
28 article 149 of the education law to practice public accountancy in this  
29 state. [~~With respect to a foreign professional service limited liability~~

30 ~~company which provides licensed clinical social work services as such~~  
31 ~~services are defined in article 154 of the education law, each member of~~  
32 ~~such foreign professional service limited liability company shall be~~  
33 ~~licensed pursuant to article 154 of the education law to practice clin-~~  
34 ~~ical social work in this state.]~~

35 With respect to a foreign professional service limited liability company which provides creative arts therapy  
36 services as such services are defined in article 163 of the education  
37 law, each member of such foreign professional service limited liability  
38 company must be licensed pursuant to article 163 of the education law to  
39 practice creative arts therapy in this state. With respect to a foreign  
40 professional service limited liability company which provides marriage  
41 and family therapy services as such services are defined in article 163  
42 of the education law, each member of such foreign professional service  
43 limited liability company must be licensed pursuant to article 163 of  
44 the education law to practice marriage and family therapy in this state.

45 With respect to a foreign professional service limited liability company  
46 which provides mental health counseling 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 mental health counseling  
50 in this state. With respect to a foreign professional service limited  
51 liability company which provides psychoanalysis services as such  
52 services are defined in article 163 of the education law, each member of  
53 such foreign professional service limited liability company must be  
54 licensed pursuant to article 163 of the education law to practice  
55 psychoanalysis in this state. [~~With respect to a foreign professional~~  
56 ~~service limited liability company which provides applied behavior analy-~~

~~1 sis services as such services are defined in article 167 of the educa-  
2 tion law, each member of such foreign professional service limited  
3 liability company must be licensed or certified pursuant to article 167  
4 of the education law to practice applied behavior analysis in this  
5 state.]~~

A foreign professional service limited liability company formed to lawfully engage in the practice of public accountancy as a firm, as such practice is defined under article 149 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 and voting rights held by the firm's owners, belongs to individuals licensed to practice public accountancy in some state, and (2) that all members of a foreign limited professional service limited liability company, 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. For purposes of this subdivision, "financial interest" means capital stock, capital accounts, capital contributions, capital interest, or interest in undistributed earnings of a business entity. Although firms registered with the education department may include non-licensee owners, a registered firm and its owners must comply with rules promulgated by the state board of regents. Notwithstanding the foregoing, a firm registered with the education department 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 registered 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 or an affiliated entity.

§ 6. Paragraph (a) of section 1503 of the business corporation law, as amended by chapter 475 of the laws of 2014, is amended to read as follows:

(a) Notwithstanding any other provision of law, (i) one or more individuals duly authorized by law to render the same professional service within the state may organize, or cause to be organized, a professional service corporation for pecuniary profit under this article for the purpose of rendering the same professional service, except that one or more individuals duly authorized by law to practice professional engineering, architecture, landscape architecture, land surveying or geology within the state may organize, or cause to be organized, a professional service corporation or a design professional service corporation for pecuniary profit under this article for the purpose of rendering such professional services as such individuals are authorized to practice, and (ii) one or more individuals licensed to practice pursuant to article one hundred thirty-one and one or more individuals licensed pursuant to articles one hundred thirty-two, one hundred thirty-seven, one hundred forty, one hundred forty-one, one hundred forty-three, one hundred forty-four, one hundred fifty-three, one hundred fifty-four, one hundred fifty-five, one hundred fifty-six, or one hundred sixty-seven or subdivision three of section six thousand nine hundred two of article one hundred thirty-nine of title eight of the education law may organ-

1 ize, or cause to be organized, for business purposes only, a profes-  
2 sional service corporation formed for pecuniary profit under this arti-  
3 cle for the purpose of rendering multidisciplinary services within such  
4 a corporation as such individuals are authorized to practice individual-  
5 ly in such individual's respective professions, subject to the following  
6 conditions: (A) individual who organizes, or causes to organize, such  
7 corporation must be licensed pursuant to title eight of the education  
8 law to practice such individual's profession in this state; (B) each  
9 member shall only practice such member's profession as specified in such  
10 member's respective professional enabling statute under title eight of  
11 the education law; and (C) any clinical integration of professional  
12 practices under this section shall not alter, expand or curtail the  
13 scope of practice of any of the members; (D) no individual shall,  
14 directly or indirectly, interfere with the clinical judgment or legiti-  
15 mate clinical practice of another individual; and (E) no individual  
16 shall order or direct another individual to practice beyond the scope of  
17 such individual's license.

18 § 7. Subdivision (q) of section 121-1500 of the partnership law, as  
19 amended by chapter 475 of the laws of 2014, is amended to read as  
20 follows:

21 (q) Each partner of a registered limited liability partnership formed  
22 to provide medical services in this state must be licensed pursuant to  
23 article 131 of the education law to practice medicine in this state [~~and~~  
24 ~~each~~]. Notwithstanding any other provision of this section, any person  
25 licensed pursuant to article 131 of the education law to practice medi-  
26 cine and any person licensed pursuant to articles 132, 137, 140, 141,  
27 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of  
28 article 139 of the education law may form, or cause to be formed, a  
29 registered limited liability partnership to provide multidisciplinary  
30 services with one or more licensed professionals, subject to the follow-  
31 ing conditions: (i) each partner of such limited liability partnership  
32 must be licensed pursuant to title eight of the education law to prac-  
33 tice such partner's profession in this state; (ii) each partner shall  
34 only practice such partner's profession as specified in such partner's  
35 respective professional enabling statute under title eight of the educa-  
36 tion law; and (iii) any clinical integration of the professional prac-  
37 tices under this section shall not alter, expand or curtail the scope of  
38 practice of any of the partners; provided further that: (A) no partner  
39 shall, directly or indirectly, interfere with the clinical judgment or  
40 legitimate clinical practice of another partner; and (B) no partner  
41 shall order or direct another partner to practice beyond the scope of  
42 such partner's license. Each partner of a registered limited liability  
43 partnership formed to provide dental services in this state must be  
44 licensed pursuant to article 133 of the education law to practice  
45 dentistry in this state. Each partner of a registered limited liability  
46 partnership formed to provide veterinary services in this state must be  
47 licensed pursuant to article 135 of the education law to practice veter-  
48 inary medicine in this state. Each partner of a registered limited  
49 liability partnership formed to provide professional engineering, land  
50 surveying, geological services, architectural and/or landscape architec-  
51 tural services in this state must be licensed pursuant to article 145,  
52 article 147 and/or article 148 of the education law to practice one or  
53 more of such professions in this state. [~~Each partner of a registered~~  
54 limited liability partnership formed to provide licensed clinical social  
55 work services in this state must be licensed pursuant to article 154 of  
56 the education law to practice clinical social work in this state.] Each

1 partner of a registered limited liability partnership formed to provide  
2 creative arts therapy services in this state must be licensed pursuant  
3 to article 163 of the education law to practice creative arts therapy in  
4 this state. Each partner of a registered limited liability partnership  
5 formed to provide marriage and family therapy services in this state  
6 must be licensed pursuant to article 163 of the education law to prac-  
7 tice marriage and family therapy in this state. Each partner of a regis-  
8 tered limited liability partnership formed to provide mental health  
9 counseling services in this state must be licensed pursuant to article  
10 163 of the education law to practice mental health counseling in this  
11 state. Each partner of a registered limited liability partnership formed  
12 to provide psychoanalysis services in this state must be licensed pursu-  
13 ant to article 163 of the education law to practice psychoanalysis in  
14 this state. [~~Each partner of a registered limited liability partnership  
15 formed to provide applied behavior analysis service in this state must  
16 be licensed or certified pursuant to article 167 of the education law to  
17 practice applied behavior analysis in this state.~~]

18 § 8. Subdivision (q) of section 121-1500 of the partnership law, as  
19 amended by chapter 701 of the laws of 2023, is amended to read as  
20 follows:

21 (q) Each partner of a registered limited liability partnership formed  
22 to provide medical services in this state must be licensed pursuant to  
23 article 131 of the education law to practice medicine in this state [~~and~~  
24 ~~each~~]. Notwithstanding any other provision of this section, any person  
25 licensed pursuant to article 131 of the education law to practice medi-  
26 cine and any person licensed pursuant to articles 132, 137, 140, 141,  
27 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of  
28 article 139 of the education law may form, or cause to be formed, a  
29 registered limited liability partnership to provide multidisciplinary  
30 services with one or more licensed professionals, subject to the follow-  
31 ing conditions: (i) each partner of such limited liability partnership  
32 must be licensed pursuant to title eight of the education law to prac-  
33 tice such partner's profession in this state; (ii) each partner shall  
34 only practice such partner's profession as specified in such partner's  
35 respective professional enabling statute under title eight of the educa-  
36 tion law; and (iii) any clinical integration of the professional prac-  
37 tices under this section shall not alter, expand or curtail the scope of  
38 practice of any of the partners; provided further that: (A) no partner  
39 shall, directly or indirectly, interfere with the clinical judgment or  
40 legitimate clinical practice of another partner; and (B) no partner  
41 shall order or direct another partner to practice beyond the scope of  
42 such partner's license. Each partner of a registered limited liability  
43 partnership formed to provide dental services in this state must be  
44 licensed pursuant to article 133 of the education law to practice  
45 dentistry in this state. Each partner of a registered limited liability  
46 partnership formed to provide veterinary services in this state must be  
47 licensed pursuant to article 135 of the education law to practice veter-  
48 inary medicine in this state. Each partner of a registered limited  
49 liability partnership formed to provide public accountancy services as a  
50 firm, whose principal place of business is in this state and who  
51 provides public accountancy services, must be licensed pursuant to arti-  
52 cle 149 of the education law to practice public accountancy in this  
53 state. Each partner of a registered limited liability partnership formed  
54 to provide professional engineering, land surveying, geological  
55 services, architectural and/or landscape architectural services in this  
56 state must be licensed pursuant to article 145, article 147 and/or arti-

1 cle 148 of the education law to practice one or more of such professions  
2 in this state. [~~Each partner of a registered limited liability partner-~~  
3 ~~ship formed to provide licensed clinical social work services in this~~  
4 ~~state must be licensed pursuant to article 154 of the education law to~~  
5 ~~practice clinical social work in this state.~~] Each partner of a regis-  
6 tered limited liability partnership formed to provide creative arts  
7 therapy services in this state must be licensed pursuant to article 163  
8 of the education law to practice creative arts therapy in this state.  
9 Each partner of a registered limited liability partnership formed to  
10 provide marriage and family therapy services in this state must be  
11 licensed pursuant to article 163 of the education law to practice  
12 marriage and family therapy in this state. Each partner of a registered  
13 limited liability partnership formed to provide mental health counseling  
14 services in this state must be licensed pursuant to article 163 of the  
15 education law to practice mental health counseling in this state. Each  
16 partner of a registered limited liability partnership formed to provide  
17 psychoanalysis services in this state must be licensed pursuant to arti-  
18 cle 163 of the education law to practice psychoanalysis in this state.  
19 [~~Each partner of a registered limited liability partnership formed to~~  
20 ~~provide applied behavior analysis service in this state must be licensed~~  
21 ~~or certified pursuant to article 167 of the education law to practice~~  
22 ~~applied behavior analysis in this state.~~] A registered limited liability  
23 partnership formed to lawfully engage in the practice of public accoun-  
24 tancy as a firm, as such practice is defined under article 149 of the  
25 education law, shall be required to show (1) that a simple majority of  
26 the ownership of the firm, in terms of financial interests and voting  
27 rights held by the firm's owners, belongs to individuals licensed to  
28 practice public accountancy in some state, and (2) that all partners of  
29 a limited liability partnership whose principal place of business is in  
30 this state, and who are engaged in the practice of public accountancy in  
31 this state, hold a valid license issued under section seventy-four  
32 hundred four of the education law. For purposes of this subdivision,  
33 "financial interest" means capital stock, capital accounts, capital  
34 contributions, capital interest, or interest in undistributed earnings  
35 of a business entity. Although firms registered with the education  
36 department may include non-licensee owners, the firm and its owners must  
37 comply with rules promulgated by the state board of regents. Notwith-  
38 standing the foregoing, a firm registered with the education department  
39 may not have non-licensee owners if the firm's name includes the words  
40 "certified public accountant," or "certified public accounts," or the  
41 abbreviations "CPA" or "CPAs". Each non-licensee owner of a firm that is  
42 formed under this section shall be (1) a natural person who actively  
43 participates in the business of the firm or its affiliated entities, or  
44 (2) an entity, including, but not limited to, a partnership or profes-  
45 sional corporation, provided each beneficial owner of an equity interest  
46 in such entity is a natural person who actively participates in the  
47 business conducted by the firm or its affiliated entities. For purposes  
48 of this subdivision, "actively participate" means to provide services to  
49 clients or to otherwise individually take part in the day-to-day busi-  
50 ness or management of the firm or an affiliated entity.

51 § 9. Subdivision (q) of section 121-1502 of the partnership law, as  
52 amended by chapter 475 of the laws of 2014, is amended to read as  
53 follows:

54 (q) Each partner of a foreign limited liability partnership which  
55 provides medical services in this state must be licensed pursuant to  
56 article 131 of the education law to practice medicine in the state [~~and~~

1 ~~each~~]. Notwithstanding any other provision of this section, any person  
2 licensed pursuant to article 131 of the education law to practice medi-  
3 cine and any person licensed pursuant to articles 132, 137, 140, 141,  
4 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of  
5 article 139 of the education law may form, or cause to be formed, a  
6 foreign limited liability partnership to provide multidisciplinary  
7 services with one or more licensed professionals, subject to the follow-  
8 ing conditions: (i) each partner of such foreign limited liability part-  
9 nership must be licensed pursuant to title eight of the education law to  
10 practice such partner's profession in this state; (ii) each partner  
11 shall only practice such partner's profession as specified in such part-  
12 ner's respective professional enabling statute under title eight of the  
13 education law; and (iii) any clinical integration of professional prac-  
14 tices under this section shall not alter, expand or curtail the scope of  
15 practice of any of the partners; provided further that: (A) no partner  
16 shall, directly or indirectly, interfere with the clinical judgment or  
17 legitimate clinical practice of another partner; and (B) no partner  
18 shall order or direct another partner to practice beyond the scope of  
19 such partner's license. Each partner of a foreign limited liability  
20 partnership which provides dental services in the state must be licensed  
21 pursuant to article 133 of the education law to practice dentistry in  
22 this state. Each partner of a foreign limited liability partnership  
23 which provides veterinary service in the state shall be licensed pursu-  
24 ant to article 135 of the education law to practice veterinary medicine  
25 in this state. Each partner of a foreign limited liability partnership  
26 which provides professional engineering, land surveying, geological  
27 services, architectural and/or landscape architectural services in this  
28 state must be licensed pursuant to article 145, article 147 and/or arti-  
29 cle 148 of the education law to practice one or more of such  
30 professions. [~~Each partner of a foreign limited liability partnership~~  
31 ~~which provides licensed clinical social work services in this state must~~  
32 ~~be licensed pursuant to article 154 of the education law to practice~~  
33 ~~licensed clinical social work in this state.~~] Each partner of a foreign  
34 limited liability partnership which provides creative arts therapy  
35 services in this state must be licensed pursuant to article 163 of the  
36 education law to practice creative arts therapy in this state. Each  
37 partner of a foreign limited liability partnership which provides  
38 marriage and family therapy services in this state must be licensed  
39 pursuant to article 163 of the education law to practice marriage and  
40 family therapy in this state. Each partner of a foreign limited liabil-  
41 ity partnership which provides mental health counseling services in this  
42 state must be licensed pursuant to article 163 of the education law to  
43 practice mental health counseling in this state. Each partner of a  
44 foreign limited liability partnership which provides psychoanalysis  
45 services in this state must be licensed pursuant to article 163 of the  
46 education law to practice psychoanalysis in this state. [~~Each partner of~~  
47 ~~a foreign limited liability partnership which provides applied behavior~~  
48 ~~analysis services in this state must be licensed or certified pursuant~~  
49 ~~to article 167 of the education law to practice applied behavior analy-~~  
50 ~~sis in this state.~~]

51 § 10. Subdivision (q) of section 121-1502 of the partnership law, as  
52 amended by chapter 701 of the laws of 2023, is amended to read as  
53 follows:

54 (q) Each partner of a foreign limited liability partnership which  
55 provides medical services in this state must be licensed pursuant to  
56 article 131 of the education law to practice medicine in the state [~~and~~

1 ~~each~~]. Notwithstanding any other provision of this section, any person  
2 licensed pursuant to article 131 of the education law to practice medi-  
3 cine and any person licensed pursuant to articles 132, 137, 140, 141,  
4 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of  
5 article 139 of the education law may form, or cause to be formed, a  
6 registered limited liability partnership to provide multidisciplinary  
7 services with one or more licensed professionals, subject to the follow-  
8 ing conditions: (i) each partner of such limited liability partnership  
9 must be licensed pursuant to title eight of the education law to prac-  
10 tice such partner's profession in this state; (ii) each partner shall  
11 only practice such partner's profession as specified in such partner's  
12 respective professional enabling statute under title eight of the  
13 education law; and (iii) any clinical integration of the professional  
14 practices under this section shall not alter, expand or curtail the  
15 scope of practice of any of the partners; provided further that:  
16 (A) no partner shall, directly or indirectly, interfere with the clin-  
17 ical judgment or legitimate clinical practice of another partner;  
18 and (B) no partner shall order or direct another partner to practice  
19 beyond the scope of such partner's license. Each partner of a foreign  
20 limited liability partnership which provides dental services in the  
21 state must be licensed pursuant to article 133 of the education law to  
22 practice dentistry in this state. Each partner of a foreign limited  
23 liability partnership which provides veterinary service in the state  
24 shall be licensed pursuant to article 135 of the education law to prac-  
25 tice veterinary medicine in this state. Each partner of a foreign limit-  
26 ed liability partnership which provides professional engineering, land  
27 surveying, geological services, architectural and/or landscape architec-  
28 tural services in this state must be licensed pursuant to article 145,  
29 article 147 and/or article 148 of the education law to practice one or  
30 more of such professions. Each partner of a foreign limited liability  
31 partnership formed to provide public accountancy services as a firm,  
32 whose principal place of business is in this state and who provides  
33 public accountancy services, must be licensed pursuant to article 149 of  
34 the education law to practice public accountancy in this state. [~~Each~~  
35 ~~partner of a foreign limited liability partnership which provides~~  
36 ~~licensed clinical social work services in this state must be licensed~~  
37 ~~pursuant to article 154 of the education law to practice licensed clin-~~  
38 ~~ical social work in this state.] Each partner of a foreign limited  
39 liability partnership which provides creative arts therapy services in  
40 this state must be licensed pursuant to article 163 of the education law  
41 to practice creative arts therapy in this state. Each partner of a  
42 foreign limited liability partnership which provides marriage and family  
43 therapy services in this state must be licensed pursuant to article 163  
44 of the education law to practice marriage and family therapy in this  
45 state. Each partner of a foreign limited liability partnership which  
46 provides mental health counseling services in this state must be  
47 licensed pursuant to article 163 of the education law to practice mental  
48 health counseling in this state. Each partner of a foreign limited  
49 liability partnership which provides psychoanalysis services in this  
50 state must be licensed pursuant to article 163 of the education law to  
51 practice psychoanalysis in this state. [~~Each partner of a foreign limit-~~  
52 ~~ed liability partnership which provides applied behavior analysis~~  
53 ~~services in this state must be licensed or certified pursuant to article~~  
54 ~~167 of the education law to practice applied behavior analysis in this~~  
55 ~~state.] A foreign limited liability partnership formed to lawfully  
56 engage in the practice of public accountancy as a firm, as such practice~~~~

1 is defined under article 149 of the education law, shall be required to  
2 show (1) that a simple majority of the ownership of the firm, in terms  
3 of financial interests 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 partners of the foreign limited liability 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 seventy-four hundred four of the  
9 education law. For purposes of this subdivision, "financial interest"  
10 means capital stock, capital accounts, capital contributions, capital  
11 interest, or interest in undistributed earnings of a business entity.  
12 Although firms registered with the education department may include  
13 non-licensee owners, a registered firm and its owners must comply with  
14 rules promulgated by the state board of regents. Notwithstanding the  
15 foregoing, a firm registered with the education department may not have  
16 non-licensee owners if the firm's name includes the words "certified  
17 public accountant," or "certified public accountants," or the abbrevi-  
18 ations "CPA" or "CPAs". Each non-licensee owner of a firm that is formed  
19 under this section shall be (1) a natural person who actively partic-  
20 ipates in the business of the firm or its affiliated entities, or (2) an  
21 entity, including, but not limited to, a partnership or professional  
22 corporation, provided that each beneficial owner of an equity interest  
23 in such entity is a natural person who actively participates in the  
24 business conducted by the firm or its affiliated entities. For purposes  
25 of this subdivision, "actively participate" means to provide services to  
26 clients or to otherwise individually take part in the day-to-day busi-  
27 ness or management of the firm or an affiliated entity.

28 § 11. Section 6509-a of the education law, as amended by chapter 555  
29 of the laws of 1993, is amended to read as follows:

30 § 6509-a. Additional definition of professional misconduct; limited  
31 application. Notwithstanding any inconsistent provision of this article  
32 or of any other provision of law to the contrary, the license or regis-  
33 tration of a person subject to the provisions of articles one hundred  
34 thirty-two, one hundred thirty-three, one hundred thirty-six, one  
35 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,  
36 one hundred forty-three, one hundred forty-four, one hundred fifty-six,  
37 one hundred fifty-nine and one hundred sixty-four of this chapter may be  
38 revoked, suspended or annulled or such person may be subject to any  
39 other penalty provided in section sixty-five hundred eleven of this  
40 article in accordance with the provisions and procedure of this article  
41 for the following:

42 That any person subject to the above enumerated articles, has directly  
43 or indirectly requested, received or participated in the division,  
44 transference, assignment, rebate, splitting or refunding of a fee for,  
45 or has directly requested, received or profited by means of a credit or  
46 other valuable consideration as a commission, discount or gratuity in  
47 connection with the furnishing of professional care, or service, includ-  
48 ing x-ray examination and treatment, or for or in connection with the  
49 sale, rental, supplying or furnishing of clinical laboratory services or  
50 supplies, x-ray laboratory services or supplies, inhalation therapy  
51 service or equipment, ambulance service, hospital or medical supplies,  
52 physiotherapy or other therapeutic service or equipment, artificial  
53 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,  
54 optical appliances, supplies or equipment, devices for aid of hearing,  
55 drugs, medication or medical supplies or any other goods, services or  
56 supplies prescribed for medical diagnosis, care or treatment under this



1 chapter, except payment, not to exceed thirty-three and one-third per  
2 centum of any fee received for x-ray examination, diagnosis or treat-  
3 ment, to any hospital furnishing facilities for such examination, diag-  
4 nosis or treatment. Nothing contained in this section shall prohibit  
5 such persons from practicing as partners, in groups or as a professional  
6 corporation or as a university faculty practice corporation nor from  
7 pooling fees and moneys received, either by the partnerships, profes-  
8 sional corporations, university faculty practice corporations or groups  
9 by the individual members thereof, for professional services furnished  
10 by any individual professional member, or employee of such partnership,  
11 corporation or group, nor shall the professionals constituting the part-  
12 nerships, corporations or groups be prohibited from sharing, dividing or  
13 apportioning the fees and moneys received by them or by the partnership,  
14 corporation or group in accordance with a partnership or other agree-  
15 ment; provided that no such practice as partners, corporations or in  
16 groups or pooling of fees or moneys received or shared, division or  
17 apportionment of fees shall be permitted with respect to care and treat-  
18 ment under the workers' compensation law except as expressly authorized  
19 by the workers' compensation law. Nothing contained in this section  
20 shall prohibit a multidisciplinary services practice formed pursuant to  
21 subdivision (a) of section twelve hundred three of the limited liability  
22 company law, subdivision (b) of section twelve hundred seven of the  
23 limited liability company law, subdivision (a) of section thirteen  
24 hundred one of the limited liability company law, paragraph (a) of  
25 section fifteen hundred three of the business corporation law, subdivi-  
26 sion (q) of section 121-1500 of the partnership law, or subdivision (q)  
27 of section 121-1502 of the partnership law from pooling fees or monies  
28 received. Nothing contained in this chapter shall prohibit a medical or  
29 dental expense indemnity corporation pursuant to its contract with the  
30 subscriber from prorating a medical or dental expense indemnity  
31 allowance among two or more professionals in proportion to the services  
32 rendered by each such professional at the request of the subscriber,  
33 provided that prior to payment thereof such professionals shall submit  
34 both to the medical or dental expense indemnity corporation and to the  
35 subscriber statements itemizing the services rendered by each such  
36 professional and the charges therefor.

37 § 12. Subdivision 19 of section 6530 of the education law, as added by  
38 chapter 606 of the laws of 1991, is amended to read as follows:

39 19. Permitting any person to share in the fees for professional  
40 services, other than: a partner, employee, associate in a professional  
41 firm or corporation, professional subcontractor or consultant authorized  
42 to practice medicine, [~~or~~] a legally authorized trainee practicing under  
43 the supervision of a licensee, or an authorized professional licensed  
44 pursuant to article one hundred thirty-one, one hundred thirty-two, one  
45 hundred thirty-seven, one hundred forty, one hundred forty-one, one  
46 hundred forty-three, one hundred forty-four, one hundred fifty-three,  
47 one hundred fifty-four, one hundred fifty-five, one hundred fifty-six,  
48 one hundred fifty-nine, or one hundred sixty-seven or subdivision three  
49 of section sixty-nine hundred two of article one hundred thirty-nine of  
50 this chapter providing professional services in the same practice. This  
51 prohibition shall include any arrangement or agreement whereby the  
52 amount received in payment for furnishing space, facilities, equipment  
53 or personnel services used by a licensee constitutes a percentage of, or  
54 is otherwise dependent upon, the income or receipts of the licensee from  
55 such practice, except as otherwise provided by law with respect to a

1 facility licensed pursuant to article twenty-eight of the public health  
2 law or article thirteen of the mental hygiene law;

3 § 13. Section 6531 of the education law, as amended by chapter 555 of  
4 the laws of 1993, is amended to read as follows:

5 § 6531. Additional definition of professional misconduct, limited  
6 application. Notwithstanding any inconsistent provision of this article  
7 or any other provisions of law to the contrary, the license or registra-  
8 tion of a person subject to the provisions of this article and article  
9 one hundred thirty-one-B of this chapter may be revoked, suspended, or  
10 annulled or such person may be subject to any other penalty provided in  
11 section two hundred thirty-a of the public health law in accordance with  
12 the provisions and procedures of this article for the following:

13 That any person subject to the above-enumerated articles has directly  
14 or indirectly requested, received or participated in the division,  
15 transference, assignment, rebate, splitting, or refunding of a fee for,  
16 or has directly requested, received or profited by means of a credit or  
17 other valuable consideration as a commission, discount or gratuity, in  
18 connection with the furnishing of professional care or service, includ-  
19 ing x-ray examination and treatment, or for or in connection with the  
20 sale, rental, supplying, or furnishing of clinical laboratory services  
21 or supplies, x-ray laboratory services or supplies, inhalation therapy  
22 service or equipment, ambulance service, hospital or medical supplies,  
23 physiotherapy or other therapeutic service or equipment, artificial  
24 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,  
25 optical appliances, supplies, or equipment, devices for aid of hearing,  
26 drugs, medication, or medical supplies, or any other goods, services, or  
27 supplies prescribed for medical diagnosis, care, or treatment under this  
28 chapter, except payment, not to exceed thirty-three and one-third  
29 percent of any fee received for x-ray examination, diagnosis, or treat-  
30 ment, to any hospital furnishing facilities for such examination, diag-  
31 nosis, or treatment. Nothing contained in this section shall prohibit  
32 such persons from practicing as partners, in groups or as a professional  
33 corporation or as a university faculty practice corporation, nor from  
34 pooling fees and moneys received, either by the partnerships, profes-  
35 sional corporations, or university faculty practice corporations or  
36 groups by the individual members thereof, for professional services  
37 furnished by an individual professional member, or employee of such  
38 partnership, corporation, or group, nor shall the professionals consti-  
39 tuting the partnerships, corporations or groups be prohibited from shar-  
40 ing, dividing, or apportioning the fees and moneys received by them or  
41 by the partnership, corporation, or group in accordance with a partner-  
42 ship or other agreement; provided that no such practice as partners,  
43 corporations, or groups, or pooling of fees or moneys received or  
44 shared, division or apportionment of fees shall be permitted with  
45 respect to and treatment under the workers' compensation law. Nothing  
46 contained in this section shall prohibit a multidisciplinary services  
47 practice formed pursuant to subdivision (a) of section twelve hundred  
48 three of the limited liability company law, subdivision (b) of section  
49 twelve hundred seven of the limited liability company law, subdivision  
50 (a) of section thirteen hundred one of the limited liability company  
51 law, paragraph (a) of section fifteen hundred three of the business  
52 corporation law, subdivision (q) of section 121-1500 of the partnership  
53 law, or subdivision (q) of section 121-1502 of the partnership law from  
54 pooling fees or monies received. Nothing contained in this chapter shall  
55 prohibit a corporation licensed pursuant to article forty-three of the  
56 insurance law pursuant to its contract with the subscribed from prora-

1 tioning a medical or dental expenses indemnity allowance among two or  
2 more professionals in proportion to the services rendered by each such  
3 professional at the request of the subscriber, provided that prior to  
4 payment thereof such professionals shall submit both to the corporation  
5 licensed pursuant to article forty-three of the insurance law and to the  
6 subscriber statements itemizing the services rendered by each such  
7 professional and the charges therefor.

8 § 14. Subdivision 1 of section 2801 of the public health law, as  
9 amended by section 2 of part E of chapter 57 of the laws of 2023, is  
10 amended to read as follows:

11 1. "Hospital" means a facility or institution engaged principally in  
12 providing services by or under the supervision of a physician or, in the  
13 case of a dental clinic or dental dispensary, of a dentist, or, in the  
14 case of a midwifery birth center, of a midwife, for the prevention,  
15 diagnosis or treatment of human disease, pain, injury, deformity or  
16 physical condition, including, but not limited to, a general hospital,  
17 public health center, diagnostic center, treatment center, a rural emer-  
18 gency hospital under 42 USC 1395x(kkk), or successor provisions, dental  
19 clinic, dental dispensary, rehabilitation center other than a facility  
20 used solely for vocational rehabilitation, nursing home, tuberculosis  
21 hospital, chronic disease hospital, maternity hospital, midwifery birth  
22 center, lying-in-asylum, out-patient department, out-patient lodge,  
23 dispensary and a laboratory or central service facility serving one or  
24 more such institutions, but the term hospital shall not include an  
25 institution, sanitarium or other facility engaged principally in provid-  
26 ing services for the prevention, diagnosis or treatment of mental disa-  
27 bility and which is subject to the powers of visitation, examination,  
28 inspection and investigation of the department of mental hygiene except  
29 for those distinct parts of such a facility which provide hospital  
30 service. The provisions of this article shall not apply to a facility or  
31 institution engaged principally in providing services by or under the  
32 supervision of the bona fide members and adherents of a recognized reli-  
33 gious organization whose teachings include reliance on spiritual means  
34 through prayer alone for healing in the practice of the religion of such  
35 organization and where services are provided in accordance with those  
36 teachings or to a multidisciplinary services practice formed pursuant to  
37 subdivision (a) of section twelve hundred three of the limited liability  
38 company law, subdivision (b) of section twelve hundred seven of the  
39 limited liability company law, subdivision (a) of section thirteen  
40 hundred one of the limited liability company law, paragraph (a) of  
41 section fifteen hundred three of the business corporation law, subdivi-  
42 sion (q) of section 121-1500 of the partnership law, or subdivision (q)  
43 of section 121-1502 of the partnership law. No provision of this article  
44 or any other provision of law shall be construed to: (a) limit the  
45 volume of mental health, substance use disorder services or develop-  
46 mental disability services that can be provided by a provider of primary  
47 care services licensed under this article and authorized to provide  
48 integrated services in accordance with regulations issued by the commis-  
49 sioner in consultation with the commissioner of the office of mental  
50 health, the commissioner of the office of [alcoholism] addiction  
51 services and [~~substance abuse services~~] supports and the commissioner of  
52 the office for people with developmental disabilities, including regu-  
53 lations issued pursuant to subdivision seven of section three hundred  
54 sixty-five-1 of the social services law or part L of chapter fifty-six  
55 of the laws of two thousand twelve; (b) require a provider licensed  
56 pursuant to article thirty-one of the mental hygiene law or certified

1 pursuant to article sixteen or article thirty-two of the mental hygiene  
2 law to obtain an operating certificate from the department if such  
3 provider has been authorized to provide integrated services in accord-  
4 ance with regulations issued by the commissioner in consultation with  
5 the commissioner of the office of mental health, the commissioner of the  
6 office of [~~alcoholism~~] addiction services and [~~substance-abuse services~~]  
7 supports and the commissioner of the office for people with develop-  
8 mental disabilities, including regulations issued pursuant to subdivi-  
9 sion seven of section three hundred sixty-five-1 of the social services  
10 law or part L of chapter fifty-six of the laws of two thousand twelve.

11 § 15. This act shall take effect on the thirtieth day after it shall  
12 have become a law; provided, however, that sections three, five, eight,  
13 and ten of this act shall take effect on the same date and in the same  
14 manner as chapter 701 of the laws of 2023, as amended, takes effect.