

STATE OF NEW YORK

10436

IN ASSEMBLY

March 6, 2026

Introduced by M. of A. McMAHON -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the not-for-profit corporation law, in relation to authorizing university faculty practice corporations for the practice of occupational therapy

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

1 Section 1. Subdivisions (a), (c) and (e) of section 1412 of the not-
2 for-profit corporation law, as amended by chapter 323 of the laws of
3 2012, are amended to read as follows:

4 (a) Organization. Notwithstanding any other provision of law, one or
5 more individuals who are duly authorized by law to render the same
6 professional service, which shall be the practice of medicine, the prac-
7 tice of dentistry, the practice of chiropractics, the practice of phys-
8 ical therapy, the practice of occupational therapy, or the practice of
9 optometry, and who are members of the faculty of the same accredited
10 medical school, dental school, chiropractic college, college or univer-
11 sity with an accredited doctor of physical therapy program, college or
12 university with an accredited occupational therapy program, or optometry
13 college, as applicable, in the state of New York may organize, or cause
14 to be organized, a university faculty practice corporation under this
15 article (1) for the purpose of supporting the educational mission of
16 such school by providing clinical instruction and supervision of
17 students of such school, interns and residents and, incident thereto,
18 rendering professional services and (2) which shall be operated in
19 compliance with (A) section 501(c)(3) of the United States internal
20 revenue code and (B) the faculty practice plan with which members of the
21 faculty of such school are required to comply, as amended from time to
22 time.

23 (c) Certificate of incorporation. The certificate of incorporation of
24 a university faculty practice corporation shall meet the requirements of
25 this chapter and shall have attached thereto a certificate or certifi-
26 cates issued by the licensing authority certifying that each of the
27 proposed members, if any, directors and officers is authorized by law to

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

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1 practice the profession which the corporation is being organized to
2 practice. The certificate shall also state (1) the name of the medical
3 school, dental school, chiropractic college, college or university with
4 an accredited doctor of physical therapy program, college or university
5 with an accredited occupational therapy program, or optometry college,
6 as applicable, in the state of New York of which the proposed members,
7 if any, directors and officers are faculty and (2) that such corporation
8 shall operate in compliance with (A) section 501(c)(3) of the United
9 States internal revenue code and (B) the faculty practice plan with
10 which members of the faculty of such school are required to comply, as
11 amended from time to time.

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

37 § 2. This act shall take effect immediately.