

STATE OF NEW YORK

3350

2025-2026 Regular Sessions

IN SENATE

January 27, 2025

Introduced by Sen. SCARCELLA-SPANTON -- read twice and ordered printed,
and when printed to be committed to the Committee on Corporations,
Authorities and Commissions

AN ACT to amend the limited liability company law, the business corpo-
ration 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 Assem-
bly, 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
20 6902 of article 139 of the education law may form, or cause to be
21 formed, a professional service limited liability company to provide
22 multidisciplinary services with one or more licensed professionals,

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

LBD03034-01-5

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

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

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

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

53 ~~With respect to a professional service limited liability company formed to~~
54 ~~provide applied behavior analysis services as such services are defined~~
55 ~~in article 167 of the education law, each member of such limited liabil-~~
56 ~~ity company must be licensed or certified pursuant to article 167 of the~~

1 ~~education law to practice applied behavior analysis in this state.~~] In
2 addition to engaging in such profession or professions, a professional
3 service limited liability company may engage in any other business or
4 activities as to which a limited liability company may be formed under
5 section two hundred one of this chapter. Notwithstanding any other
6 provision of this section, a professional service limited liability
7 company (i) authorized to practice law may only engage in another
8 profession or business or activities or (ii) which is engaged in a
9 profession or other business or activities other than law may only
10 engage in the practice of law, to the extent not prohibited by any other
11 law of this state or any rule adopted by the appropriate appellate divi-
12 sion of the supreme court or the court of appeals.

13 § 2. Subdivision (b) of section 1207 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 (b) With respect to a professional service limited liability company
17 formed to provide medical services as such services are defined in arti-
18 cle 131 of the education law, each member of such limited liability
19 company must be licensed pursuant to article 131 of the education law to
20 practice medicine in this state. Notwithstanding any other provision of
21 this section, any person licensed pursuant to article 131 of the educa-
22 tion law to practice medicine and any person licensed pursuant to arti-
23 cles 132, 137, 140, 141, 143, 144, 153, 154, 155, 156, or 167 or subdi-
24 vision 3 of section 6902 of article 139 of the education law may form,
25 or cause to be formed, a professional service limited liability company
26 to provide multidisciplinary services with one or more licensed profes-
27 sionals, subject to the following conditions: (i) each member of such
28 limited liability company must be licensed pursuant to title eight of
29 the education law to practice such member's profession in this state;
30 (ii) each member shall only practice such member's profession as spec-
31 ified in such member's respective professional enabling statute under
32 title eight of the education law; and (iii) any clinical integration
33 of professional practices under this section shall not alter, expand or
34 curtail the scope of practice of any of the members; provided further
35 that: (A) no member shall, directly or indirectly, interfere with the
36 clinical judgement or legitimate clinical practice of another member;
37 and (B) no member shall order or direct another member to practice
38 beyond the scope of such member's license. With respect to a profes-
39 sional service limited liability company formed to provide dental
40 services as such services are defined in article 133 of the education
41 law, each member of such limited liability company must be licensed
42 pursuant to article 133 of the education law to practice dentistry in
43 this state. With respect to a professional service limited liability
44 company formed to provide veterinary services as such services are
45 defined in article 135 of the education law, each member of such limited
46 liability company must be licensed pursuant to article 135 of the educa-
47 tion law to practice veterinary medicine in this state. With respect to
48 a professional service limited liability company formed to provide
49 professional engineering, land surveying, architectural, landscape
50 architectural and/or geological services as such services are defined in
51 article 145, article 147 and article 148 of the education law, each
52 member of such limited liability company must be licensed pursuant to
53 article 145, article 147 and/or article 148 of the education law to
54 practice one or more of such professions in this state. With respect to
55 a professional service limited liability company formed to provide
56 public accountancy services as such services are defined in article 149

1 of the education law each member of such limited liability company whose
2 principal place of business is in this state and who provides public
3 accountancy services, must be licensed pursuant to article 149 of the
4 education law to practice public accountancy in this state. [~~With
5 respect to a professional service limited liability company formed to
6 provide licensed clinical social work services as such services are
7 defined in article 154 of the education law, each member of such limited
8 liability company shall be licensed pursuant to article 154 of the
9 education law to practice licensed clinical social work in this state.~~]

10 With respect to a professional service limited liability company formed
11 to provide creative arts therapy services as such services are defined
12 in article 163 of the education law, each member of such limited liabil-
13 ity company must be licensed pursuant to article 163 of the education
14 law to practice creative arts therapy in this state. With respect to a
15 professional service limited liability company formed to provide
16 marriage and family therapy services as such services are defined in
17 article 163 of the education law, each member of such limited liability
18 company must be licensed pursuant to article 163 of the education law to
19 practice marriage and family therapy in this state. With respect to a
20 professional service limited liability company formed to provide mental
21 health counseling services as such services are defined in article 163
22 of the education law, each member of such limited liability company must
23 be licensed pursuant to article 163 of the education law to practice
24 mental health counseling in this state. With respect to a professional
25 service limited liability company formed to provide psychoanalysis
26 services as such services are defined in article 163 of the education
27 law, each member of such limited liability company must be licensed
28 pursuant to article 163 of the education law to practice psychoanalysis
29 in this state. [~~With respect to a professional service limited liability
30 company formed to provide applied behavior analysis services as such
31 services are defined in article 167 of the education law, each member of
32 such limited liability company must be licensed or certified pursuant to
33 article 167 of the education law to practice applied behavior analysis
34 in this state.~~]

35 A professional service limited liability company formed
36 to lawfully engage in the practice of public accountancy as a firm, as
37 such practice is defined under article 149 of the education law shall be
38 required to show (1) that a simple majority of the ownership of the
39 firm, in terms of financial interests and voting rights held by the
40 firm's owners, belongs to individuals licensed to practice public
41 accountancy in some state, and (2) that all members of a limited profes-
42 sional service limited liability company, whose principal place of busi-
43 ness is in this state, and who are engaged in the practice of public
44 accountancy in this state, hold a valid license issued under section
45 seventy-four hundred four of the education law. For purposes of this
46 subdivision, "financial interest" means capital stock, capital accounts,
47 capital contributions, capital interest, or interest in undistributed
48 earnings of a business entity. Although firms registered with the educa-
49 tion department may include non-licensee owners, a registered firm and
50 its owners must comply with rules promulgated by the state board of
51 regents. Notwithstanding the foregoing, a firm registered with the
52 education department may not have non-licensee owners if the firm's name
53 includes the words "certified public accountant," or "certified public
54 accountants," or the abbreviations "CPA" or "CPAs". Each non-licensee
55 owner of a firm that is registered under this section shall be (1) a
56 natural person who actively participates in the business of the firm or
its affiliated entities, or (2) an entity, including, but not limited

1 to, a partnership or professional corporation, provided each beneficial
2 owner of an equity interest in such entity is a natural person who
3 actively participates in the business conducted by the firm or its
4 affiliated entities. For purposes of this subdivision, "actively partic-
5 ipate" means to provide services to clients or to otherwise individually
6 take part in the day-to-day business or management of the firm or an
7 affiliated entity.

8 § 3. Subdivision (a) of section 1301 of the limited liability company
9 law, as amended by chapter 701 of the laws of 2023, is amended to read
10 as follows:

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

1 of the members; provided further that: (A) no member shall, directly or
2 indirectly, interfere with the clinical judgment or legitimate clinical
3 practice of another member; and (B) no member shall order or direct
4 another member to practice beyond the scope of such member's license.

5 With respect to a foreign professional service limited liability company
6 which provides dental services as such services are defined in article
7 133 of the education law, each member of such foreign professional
8 service limited liability company must be licensed pursuant to article
9 133 of the education law to practice dentistry in this state. With
10 respect to a foreign professional service limited liability company
11 which provides professional engineering, land surveying, geologic,
12 architectural and/or landscape architectural services as such services
13 are defined in article 145, article 147 and article 148 of the education
14 law, each member of such foreign professional service 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 foreign professional
18 service limited liability company which provides public accountancy
19 services as such services are defined in article 149 of the education
20 law, each member of such foreign professional service limited liability
21 company whose principal place of business is in this state and who
22 provides public accountancy services, shall be licensed pursuant to
23 article 149 of the education law to practice public accountancy in this
24 state. [~~With respect to a foreign professional service limited liability~~

25 ~~company which provides licensed clinical social work services as such~~
26 ~~services are defined in article 154 of the education law, each member of~~
27 ~~such foreign professional service limited liability company shall be~~
28 ~~licensed pursuant to article 154 of the education law to practice clin-~~
29 ~~ical social work in this state.]~~ With respect to a foreign professional

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

40 With respect to a foreign professional service limited liability company
41 which provides mental health counseling services as such services are
42 defined in article 163 of the education law, each member of such foreign
43 professional service limited liability company must be licensed pursuant
44 to article 163 of the education law to practice mental health counseling
45 in this state. With respect to a foreign professional service limited
46 liability company which provides psychoanalysis services as such
47 services are defined in article 163 of the education law, each member of
48 such foreign professional service limited liability company must be
49 licensed pursuant to article 163 of the education law to practice
50 psychoanalysis in this state. [~~With respect to a foreign professional~~

51 ~~service limited liability company which provides applied behavior analy-~~
52 ~~sis services as such services are defined in article 167 of the educa-~~
53 ~~tion law, each member of such foreign professional service limited~~
54 ~~liability company must be licensed or certified pursuant to article 167~~
55 ~~of the education law to practice applied behavior analysis in this~~
56 ~~state.]~~ A foreign professional service limited liability company formed

1 to lawfully engage in the practice of public accountancy as a firm, as
2 such practice is defined under article 149 of the education law shall be
3 required to show (1) that a simple majority of the ownership of the
4 firm, in terms of financial interests and voting rights held by the
5 firm's owners, belongs to individuals licensed to practice public
6 accountancy in some state, and (2) that all members of a foreign limited
7 professional service limited liability company, whose principal place of
8 business is in this state, and who are engaged in the practice of public
9 accountancy in this state, hold a valid license issued under section
10 seventy-four hundred four of the education law. For purposes of this
11 subdivision, "financial interest" means capital stock, capital accounts,
12 capital contributions, capital interest, or interest in undistributed
13 earnings of a business entity. Although firms registered with the
14 education department may include non-licensee owners, a registered firm
15 and its owners must comply with rules promulgated by the state board of
16 regents. Notwithstanding the foregoing, a firm registered with the
17 education department may not have non-licensee owners if the firm's name
18 includes the words "certified public accountant," or "certified public
19 accountants," or the abbreviations "CPA" or "CPAs". Each non-licensee
20 owner of a firm that is registered under this section shall be (1) a
21 natural person who actively participates in the business of the firm or
22 its affiliated entities, or (2) an entity, including, but not limited
23 to, a partnership or professional corporation, provided each beneficial
24 owner of an equity interest in such entity is a natural person who
25 actively participates in the business conducted by the firm or its
26 affiliated entities. For purposes of this subdivision, "actively partic-
27 ipate" means to provide services to clients or to otherwise individually
28 take part in the day-to-day business or management of the firm or an
29 affiliated entity.

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

33 (a) Notwithstanding any other provision of law, (i) one or more indi-
34 viduals duly authorized by law to render the same professional service
35 within the state may organize, or cause to be organized, a professional
36 service corporation for pecuniary profit under this article for the
37 purpose of rendering the same professional service, except that one or
38 more individuals duly authorized by law to practice professional engi-
39 neering, architecture, landscape architecture, land surveying or geology
40 within the state may organize, or cause to be organized, a professional
41 service corporation or a design professional service corporation for
42 pecuniary profit under this article for the purpose of rendering such
43 professional services as such individuals are authorized to practice,
44 and (ii) one or more individuals licensed to practice pursuant to arti-
45 cle one hundred thirty-one and one or more individuals licensed pursuant
46 to articles one hundred thirty-two, one hundred thirty-seven, one
47 hundred forty, one hundred forty-one, one hundred forty-three, one
48 hundred forty-four, one hundred fifty-three, one hundred fifty-four, one
49 hundred fifty-five, one hundred fifty-six, or one hundred sixty-seven or
50 subdivision three of section six thousand nine hundred two of article
51 one hundred thirty-nine of title eight of the education law may organ-
52 ize, or cause to be organized, for business purposes only, a profes-
53 sional service corporation formed for pecuniary profit under this arti-
54 cle for the purpose of rendering multidisciplinary services within such
55 a corporation as such individuals are authorized to practice individual-
56 ly in such individual's respective professions, subject to the following

1 conditions: (A) individual who organizes, or causes to organize, such
2 corporation must be licensed pursuant to title eight of the education
3 law to practice such individual's profession in this state; (B) each
4 member shall only practice such member's profession as specified in such
5 member's respective professional enabling statute under title eight of
6 the education law; and (C) any clinical integration of professional
7 practices under this section shall not alter, expand or curtail the
8 scope of practice of any of the members; (D) no individual shall,
9 directly or indirectly, interfere with the clinical judgment or legiti-
10 mate clinical practice of another individual; and (E) no individual
11 shall order or direct another individual to practice beyond the scope of
12 such individual's license.

13 § 5. Subdivision (q) of section 121-1500 of the partnership law, as
14 amended by chapter 701 of the laws of 2023, is amended to read as
15 follows:

16 (q) Each partner of a registered limited liability partnership formed
17 to provide medical services in this state must be licensed pursuant to
18 article 131 of the education law to practice medicine in this state [~~and~~
19 ~~each~~]. Notwithstanding any other provision of this section, any person
20 licensed pursuant to article 131 of the education law to practice medi-
21 cine and any person licensed pursuant to articles 132, 137, 140, 141,
22 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of
23 article 139 of the education law may form, or cause to be formed, a
24 registered limited liability partnership to provide multidisciplinary
25 services with one or more licensed professionals, subject to the follow-
26 ing conditions: (i) each partner of such limited liability partnership
27 must be licensed pursuant to title eight of the education law to prac-
28 tice such partner's profession in this state; (ii) each partner shall
29 only practice such partner's profession as specified in such partner's
30 respective professional enabling statute under title eight of the educa-
31 tion law; and (iii) any clinical integration of the professional prac-
32 tices under this section shall not alter, expand or curtail the scope of
33 practice of any of the partners; provided further that: (A) no partner
34 shall, directly or indirectly, interfere with the clinical judgment or
35 legitimate clinical practice of another partner; and (B) no partner
36 shall order or direct another partner to practice beyond the scope of
37 such partner's license. Each partner of a registered limited liability
38 partnership formed to provide dental services in this state must be
39 licensed pursuant to article 133 of the education law to practice
40 dentistry in this state. Each partner of a registered limited liability
41 partnership formed to provide veterinary services in this state must be
42 licensed pursuant to article 135 of the education law to practice veter-
43 inary medicine in this state. Each partner of a registered limited
44 liability partnership formed to provide public accountancy services as a
45 firm, whose principal place of business is in this state and who
46 provides public accountancy services, must be licensed pursuant to arti-
47 cle 149 of the education law to practice public accountancy in this
48 state. Each partner of a registered limited liability partnership formed
49 to provide professional engineering, land surveying, geological
50 services, architectural and/or landscape architectural services in this
51 state must be licensed pursuant to article 145, article 147 and/or arti-
52 cle 148 of the education law to practice one or more of such professions
53 in this state. [~~Each partner of a registered limited liability partner-~~
54 ~~ship formed to provide licensed clinical social work services in this~~
55 ~~state must be licensed pursuant to article 154 of the education law to~~
56 ~~practice clinical social work in this state.~~] Each partner of a regis-

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

46 § 6. Subdivision (q) of section 121-1502 of the partnership law, as
47 amended by chapter 701 of the laws of 2023, is amended to read as
48 follows:

49 (q) Each partner of a foreign limited liability partnership which
50 provides medical services in this state must be licensed pursuant to
51 article 131 of the education law to practice medicine in the state ~~[and~~
52 ~~each]~~. Notwithstanding any other provision of this section, any person
53 licensed pursuant to article 131 of the education law to practice medi-
54 cine and any person licensed pursuant to articles 132, 137, 140, 141,
55 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of
56 article 139 of the education law may form, or cause to be formed, a

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

1 nership whose principal place of business is in this state, and who are
2 engaged in the practice of public accountancy in this state, hold a
3 valid license issued under section seventy-four hundred four of the
4 education law. For purposes of this subdivision, "financial interest"
5 means capital stock, capital accounts, capital contributions, capital
6 interest, or interest in undistributed earnings of a business entity.
7 Although firms registered with the education department may include
8 non-licensee owners, a registered firm and its owners must comply with
9 rules promulgated by the state board of regents. Notwithstanding the
10 foregoing, a firm registered with the education department may not have
11 non-licensee owners if the firm's name includes the words "certified
12 public accountant," or "certified public accountants," or the abbrevi-
13 ations "CPA" or "CPAs". Each non-licensee owner of a firm that is formed
14 under this section shall be (1) a natural person who actively partic-
15 ipates in the business of the firm or its affiliated entities, or (2) an
16 entity, including, but not limited to, a partnership or professional
17 corporation, provided that each beneficial owner of an equity interest
18 in such entity is a natural person who actively participates in the
19 business conducted by the firm or its affiliated entities. For purposes
20 of this subdivision, "actively participate" means to provide services to
21 clients or to otherwise individually take part in the day-to-day busi-
22 ness or management of the firm or an affiliated entity.

23 § 7. Section 6509-a of the education law, as amended by chapter 555 of
24 the laws of 1993, is amended to read as follows:

25 § 6509-a. Additional definition of professional misconduct; limited
26 application. Notwithstanding any inconsistent provision of this article
27 or of any other provision of law to the contrary, the license or regis-
28 tration of a person subject to the provisions of articles one hundred
29 thirty-two, one hundred thirty-three, one hundred thirty-six, one
30 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,
31 one hundred forty-three, one hundred forty-four, one hundred fifty-six,
32 one hundred fifty-nine and one hundred sixty-four of this chapter may be
33 revoked, suspended or annulled or such person may be subject to any
34 other penalty provided in section sixty-five hundred eleven of this
35 article in accordance with the provisions and procedure of this article
36 for the following:

37 That any person subject to the above enumerated articles, has directly
38 or indirectly requested, received or participated in the division,
39 transference, assignment, rebate, splitting or refunding of a fee for,
40 or has directly requested, received or profited by means of a credit or
41 other valuable consideration as a commission, discount or gratuity in
42 connection with the furnishing of professional care, or service, includ-
43 ing x-ray examination and treatment, or for or in connection with the
44 sale, rental, supplying or furnishing of clinical laboratory services or
45 supplies, x-ray laboratory services or supplies, inhalation therapy
46 service or equipment, ambulance service, hospital or medical supplies,
47 physiotherapy or other therapeutic service or equipment, artificial
48 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,
49 optical appliances, supplies or equipment, devices for aid of hearing,
50 drugs, medication or medical supplies or any other goods, services or
51 supplies prescribed for medical diagnosis, care or treatment under this
52 chapter, except payment, not to exceed thirty-three and one-third per
53 centum of any fee received for x-ray examination, diagnosis or treat-
54 ment, to any hospital furnishing facilities for such examination, diag-
55 nosis or treatment. Nothing contained in this section shall prohibit
56 such persons from practicing as partners, in groups or as a professional

1 corporation or as a university faculty practice corporation nor from
2 pooling fees and moneys received, either by the partnerships, profes-
3 sional corporations, university faculty practice corporations or groups
4 by the individual members thereof, for professional services furnished
5 by any individual professional member, or employee of such partnership,
6 corporation or group, nor shall the professionals constituting the part-
7 nerships, corporations or groups be prohibited from sharing, dividing or
8 apportioning the fees and moneys received by them or by the partnership,
9 corporation or group in accordance with a partnership or other agree-
10 ment; provided that no such practice as partners, corporations or in
11 groups or pooling of fees or moneys received or shared, division or
12 apportionment of fees shall be permitted with respect to care and treat-
13 ment under the workers' compensation law except as expressly authorized
14 by the workers' compensation law. Nothing contained in this section
15 shall prohibit a multidisciplinary services practice formed pursuant to
16 subdivision (a) of section twelve hundred three of the limited liability
17 company law, subdivision (b) of section twelve hundred seven of the
18 limited liability company law, subdivision (a) of section thirteen
19 hundred one of the limited liability company law, paragraph (a) of
20 section fifteen hundred three of the business corporation law, subdivi-
21 sion (q) of section 121-1500 of the partnership law, or subdivision (q)
22 of section 121-1502 of the partnership law from pooling fees or monies
23 received. Nothing contained in this chapter shall prohibit a medical or
24 dental expense indemnity corporation pursuant to its contract with the
25 subscriber from prorating a medical or dental expense indemnity
26 allowance among two or more professionals in proportion to the services
27 rendered by each such professional at the request of the subscriber,
28 provided that prior to payment thereof such professionals shall submit
29 both to the medical or dental expense indemnity corporation and to the
30 subscriber statements itemizing the services rendered by each such
31 professional and the charges therefor.

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

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

53 § 9. Section 6531 of the education law, as amended by chapter 555 of
54 the laws of 1993, is amended to read as follows:

55 § 6531. Additional definition of professional misconduct, limited
56 application. Notwithstanding any inconsistent provision of this article

1 or any other provisions of law to the contrary, the license or registra-
2 tion of a person subject to the provisions of this article and article
3 one hundred thirty-one-B of this chapter may be revoked, suspended, or
4 annulled or such person may be subject to any other penalty provided in
5 section two hundred thirty-a of the public health law in accordance with
6 the provisions and procedures of this article for the following:

7 That any person subject to the above-enumerated articles has directly
8 or indirectly requested, received or participated in the division,
9 transference, assignment, rebate, splitting, or refunding of a fee for,
10 or has directly requested, received or profited by means of a credit or
11 other valuable consideration as a commission, discount or gratuity, in
12 connection with the furnishing of professional care or service, includ-
13 ing x-ray examination and treatment, or for or in connection with the
14 sale, rental, supplying, or furnishing of clinical laboratory services
15 or supplies, x-ray laboratory services or supplies, inhalation therapy
16 service or equipment, ambulance service, hospital or medical supplies,
17 physiotherapy or other therapeutic service or equipment, artificial
18 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,
19 optical appliances, supplies, or equipment, devices for aid of hearing,
20 drugs, medication, or medical supplies, or any other goods, services, or
21 supplies prescribed for medical diagnosis, care, or treatment under this
22 chapter, except payment, not to exceed thirty-three and one-third
23 percent of any fee received for x-ray examination, diagnosis, or treat-
24 ment, to any hospital furnishing facilities for such examination, diag-
25 nosis, or treatment. Nothing contained in this section shall prohibit
26 such persons from practicing as partners, in groups or as a professional
27 corporation or as a university faculty practice corporation, nor from
28 pooling fees and moneys received, either by the partnerships, profes-
29 sional corporations, or university faculty practice corporations or
30 groups by the individual members thereof, for professional services
31 furnished by an individual professional member, or employee of such
32 partnership, corporation, or group, nor shall the professionals consti-
33 tuting the partnerships, corporations or groups be prohibited from shar-
34 ing, dividing, or apportioning the fees and moneys received by them or
35 by the partnership, corporation, or group in accordance with a partner-
36 ship or other agreement; provided that no such practice as partners,
37 corporations, or groups, or pooling of fees or moneys received or
38 shared, division or apportionment of fees shall be permitted with
39 respect to and treatment under the workers' compensation law.

40 Nothing contained in this section shall prohibit a multidisciplinary services
41 practice formed pursuant to subdivision (a) of section twelve hundred
42 three of the limited liability company law, subdivision (b) of section
43 twelve hundred seven of the limited liability company law, subdivision
44 (a) of section thirteen hundred one of the limited liability company
45 law, paragraph (a) of section fifteen hundred three of the business
46 corporation law, subdivision (q) of section 121-1500 of the partnership
47 law, or subdivision (q) of section 121-1502 of the partnership law from
48 pooling fees or monies received.

49 Nothing contained in this chapter shall
50 prohibit a corporation licensed pursuant to article forty-three of the
51 insurance law pursuant to its contract with the subscriber from prora-
52 tioning a medical or dental expenses indemnity allowance among two or
53 more professionals in proportion to the services rendered by each such
54 professional at the request of the subscriber, provided that prior to
55 payment thereof such professionals shall submit both to the corporation
licensed pursuant to article forty-three of the insurance law and to the

1 subscriber statements itemizing the services rendered by each such
2 professional and the charges therefor.

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

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

1 office of [~~alcoholism~~] addiction services and [~~substance abuse services~~]
2 supports and the commissioner of the office for people with develop-
3 mental disabilities, including regulations issued pursuant to subdivi-
4 sion seven of section three hundred sixty-five-1 of the social services
5 law or part L of chapter fifty-six of the laws of two thousand twelve.
6 § 11. This act shall take effect on the thirtieth day after it shall
7 have become a law.