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HOUSE BILL NO. 1428

Offered January 24, 2000

A BILL to amend and reenact §§ 13.1-549, 13.1-1111 and 54.1-411 of the Code of Virginia, relating to the Department of Professional and Occupational Regulation; certified interior designers.

Patrons—O'Brien, Barlow, Cantor and Davis; Senators: Colgan, Lambert, Martin and Schrock

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 13.1-549, 13.1-1111 and 54.1-411 of the Code of Virginia are amended and reenacted as follows:

§ 13.1-549. Qualifications of shareholders; special provisions for corporations rendering services of architects, professional engineers, land surveyors, certified landscape architects and certified interior designers.

A corporation rendering the services of architects, professional engineers, land surveyors and certified landscape architects, *and certified interior designers*, or any combination thereof, shall issue not less than two-thirds of its capital stock to individuals duly licensed or otherwise legally authorized to render the services of architect, professional engineer, land surveyor ~~or~~, certified landscape architect *or certified interior designer*, and the remainder of said stock may be issued only to and held by individuals who are employees of the corporation whether or not such employees are licensed or otherwise authorized to render professional services. No other professional corporation may issue any of its capital stock to anyone other than an individual who is duly licensed or otherwise legally authorized to render the same specific professional services as those for which the corporation was incorporated. Notwithstanding the above limitations a professional corporation may issue its stock to a partnership each of the partners of which is duly licensed or otherwise legally authorized to render the same professional services as those for which the corporation was incorporated.

It is further provided, as an additional prerequisite for a corporation engaging in the practice of the professions of architecture, professional engineering, land surveying, ~~or~~ certified landscape architecture *or certified interior design*, or any combination thereof, that such corporation shall secure a certificate of authority, which may be renewable and may be either general or limited, from the Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects. Such certificate of authority shall be issued or renewed by the Board when in its discretion such corporation is in compliance with rules and regulations which shall be promulgated by the said Board consistent with its jurisdiction to provide adequate safeguards for the public's health, welfare and safety. The fees for a certificate of authority as described above shall be the same fees as provided for in Chapter 4 (§ 54.1-400 et seq.) of Title 54.1.

§ 13.1-1111. Qualifications of members and managers; special provisions for limited liability companies rendering service of architects, professional engineers, land surveyors and certified landscape architects.

Not less than two-thirds of the membership interests of a professional limited liability company rendering the services of architects, professional engineers, land surveyors, ~~and~~ certified landscape architects *and certified interior designers*, or any combination thereof, shall be held by individuals or professional business entities duly licensed or otherwise legally authorized to render the services of architects, professional engineers, land surveyors, ~~or~~ certified landscape architects *or certified interior designers*, and the remainder of the membership interests may be held only by individuals who are employees of the professional limited liability company whether or not those employees are licensed or otherwise authorized to render professional services. No other professional limited liability company may have as a member anyone other than an individual or a professional business entity that is duly licensed or otherwise legally authorized to render the same professional services as those for which the professional limited liability company was organized.

As an additional prerequisite for a professional limited liability company's engaging in the practice of the professions of architecture, professional engineering, land surveying, ~~or~~ certified landscape architecture *or certified interior design*, or any combination thereof, that professional limited liability company shall secure a certificate of authority, which may be renewable and may be either general or limited, from the Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects. The certificate of authority shall be issued or renewed by the Board when in its discretion the professional limited liability company is in compliance with rules and regulations which shall be promulgated by the Board consistent with its jurisdiction to provide adequate

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60 safeguards for the public's health, welfare and safety. The fees for a certificate of authority as described
61 above shall be the same fees as provided for in Chapter 4 (§ 54.1-400 et seq.) of Title 54.1.

62 § 54.1-411. Organization for practice; registration.

63 A. Nothing contained in this chapter or in the regulations of the Board shall prohibit the practice of
64 architecture, engineering, land surveying or the offering of the title of certified landscape architecture *or*
65 *certified interior design* by any corporation, partnership, sole proprietorship, limited liability company, or
66 other entity provided such practice or certification is rendered through its officers, principals or
67 employees who are correspondingly licensed or certified. No such organization shall limit the liability of
68 any licensee or certificate holder for damages arising from his acts or limit such corporation, partnership,
69 sole proprietorship, limited liability company, or other entity from liability for acts of its employees or
70 agents. No such corporation, partnership, sole proprietorship, limited liability company, or other entity,
71 or any affiliate thereof, shall, on its behalf or on behalf of any such licensee or certificate holder, be
72 prohibited from (i) purchasing or maintaining insurance against any such liability; (ii) entering into any
73 indemnification agreement with respect to any such liability; or (iii) receiving indemnification as a result
74 of any such liability.

75 B. Except for professional corporations holding a certificate of authority issued in accordance with
76 § 13.1-549, professional limited liability companies holding a certificate of authority issued in
77 accordance with § 13.1-1111, and sole proprietorships that do not employ other individuals for which
78 licensing is required, any person, corporation, partnership, limited liability company, or other entity
79 offering or rendering the practice of architecture, engineering, land surveying or offering the title of
80 certified landscape architecture *or certified interior design* shall register with the Board. As a condition
81 of registration, the entity shall name at least one licensed architect, professional engineer, land surveyor
82 or certified landscape architect *or certified interior designer* for such profession offered or rendered. The
83 person or persons named shall be responsible and have control of the regulated services rendered by the
84 entity.

85 C. The Board shall adopt regulations governing the registration of persons, corporations, partnerships,
86 limited liability companies, sole proprietors and other entities as required in subsections A and B which:

- 87 1. Provide for procedural requirements to obtain and renew registration on a periodic basis;
88 2. Establish fees for the application and renewal of registration sufficient to cover costs;
89 3. Assure that regulated services are rendered and controlled by persons authorized to do so; and
90 4. Ensure that conflicts of interests are disclosed.