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## HOUSE BILL NO. 1428

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Generals Laws  
on March 1, 2000)

(Patron Prior to Substitute—Delegate O'Brien)

*A BILL to amend and reenact §§ 13.1-543, 13.1-544, 13.1-549, 13.1-1102, 13.1-1103, 13.1-1111 and 54.1-411 of the Code of Virginia, relating to the Department of Professional and Occupational Regulation; certified designers.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 13.1-543, 13.1-544, 13.1-549, 13.1-1102, 13.1-1103, 13.1-1111 and 54.1-411 of the Code of Virginia are amended and reenacted as follows:**

§ 13.1-543. Definitions.

As used in this chapter:

A. The term "professional service" means any type of personal service to the public which requires as a condition precedent to the rendering of such service or use of such title the obtaining of a license, certification or other legal authorization and shall be limited to the personal services rendered by pharmacists, optometrists, practitioners of the healing arts, nurse practitioners, practitioners of the behavioral science professions, veterinarians, surgeons, dentists, architects, professional engineers, land surveyors, certified landscape architects, *certified interior designers*, public accountants, certified public accountants, attorneys-at-law, insurance consultants, audiologists or speech pathologists, and clinical nurse specialists. For the purposes of this chapter, the following shall be deemed to be rendering the same professional service:

1. Architects, professional engineers and land surveyors; and

2. Practitioners of the healing arts, licensed under the provisions of Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, nurse practitioners, licensed under the provisions of Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, optometrists, licensed under the provisions of Chapter 32 (§ 54.1-3200 et seq.) of Title 54.1, practitioners of the behavioral science professions, licensed under the provisions of Chapters 35 (§ 54.1-3500 et seq.), 36 (§ 54.1-3600 et seq.) and 37 (§ 54.1-3700 et seq.) of Title 54.1, and one or more clinical nurse specialists who render mental health services licensed under Chapter 30 (§ 54.1-3000 et seq.) of Title 54.1 and registered with the Board of Nursing.

B. The term "professional corporation" means (i) a corporation which is organized under this chapter for the sole and specific purpose of rendering professional service other than that of architects, professional engineers, or land surveyors, or *using a title other than that of* certified landscape architects or *certified interior designers* and, except as expressly otherwise permitted by this chapter, which has as its shareholders only individuals who themselves are duly licensed or otherwise legally authorized to render the same professional service as the corporation and of which shareholders at least one is duly licensed or otherwise legally authorized to render such professional service within ~~this the~~ Commonwealth; or (ii) a corporation which is organized under this chapter for the sole and specific purpose of rendering the professional services of architects, professional engineers, or land surveyors, or *using the title of* certified landscape architects or *certified interior designers*, or any combination thereof, and at least two-thirds of whose shares are held by persons duly licensed or otherwise legally authorized within ~~this the~~ Commonwealth to perform the services of an architect, professional engineer, or land surveyor, or *by persons legally authorized within the Commonwealth to use the title of* certified landscape architect or *certified interior designer*; or (iii) a corporation which is organized under this chapter or under Chapter 10 (§ 13.1-801 et seq.) of this title for the sole and specific purpose of rendering the professional services of one or more practitioners of the healing arts, licensed under the provisions of Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, or one or more nurse practitioners, licensed under Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, or one or more optometrists licensed under the provisions of Chapter 32 (§ 54.1-3200 et seq.) of Title 54.1, or one or more practitioners of the behavioral science professions, licensed under the provisions of Chapter 35 (§ 54.1-3500 et seq.), 36 (§ 54.1-3600 et seq.) or 37 (§ 54.1-3700 et seq.) of Title 54.1, or one or more practitioners of audiology or speech pathology, licensed under the provisions of Chapter 26 (§ 54.1-2600 et seq.) of Title 54.1, or one or more clinical nurse specialists who render mental health services licensed under Chapter 30 (§ 54.1-3000 et seq.) of Title 54.1 and registered with the Board of Nursing, or any combination of practitioners of the healing arts, optometry, the behavioral science professions, and audiology or speech pathology, and all of whose shares are held by or all of whose members are persons duly licensed or otherwise legally authorized to perform the services of a practitioner of the healing arts, optometry, the behavioral science professions, or audiology or speech pathology or of a clinical nurse specialist who renders mental health services; however, nothing herein shall be construed so as to allow any member of

60 the healing arts, optometry, the behavioral science professions, or audiology or speech pathology or a  
61 clinical nurse specialist to conduct his practice in a manner contrary to the standards of ethics of his  
62 branch of the healing arts, optometry, the behavioral science professions, or audiology or speech  
63 pathology, or nursing, as the case may be.

64 C. Persons who practice the healing art of performing professional clinical laboratory services within  
65 a hospital pathology laboratory shall be legally authorized to do so for purposes of this chapter if such  
66 persons (i) hold a doctorate degree in the biological sciences or a board certification in the clinical  
67 laboratory sciences and (ii) are tenured faculty members of an accredited medical college or university  
68 that is an "educational institution" within the meaning of § 23-14.

69 § 13.1-544. Who may organize and become shareholder.

70 An individual or group of individuals (i) duly licensed or otherwise legally authorized to render the  
71 same professional services other than those of architects, professional engineers; *or* land surveyors, or *to*  
72 *use a title other than those of* certified landscape architects *or certified interior designers*, of which at  
73 least one is duly licensed or otherwise legally authorized to render such professional services within ~~this~~  
74 *the Commonwealth*, or (ii) complying with the provisions of § 13.1-549 and duly licensed ~~or otherwise~~  
75 *legally authorized* to render within ~~this the~~ Commonwealth the professional services of architects,  
76 professional engineers; *or* land surveyors, or *legally authorized to use within the Commonwealth the title*  
77 *of* certified landscape architects *or certified interior designers*, or any combination thereof, may organize  
78 and become a shareholder or shareholders of a professional corporation for pecuniary profit under the  
79 provisions of Chapter 9 (§ 13.1-601 et seq.) of this title or become a member or members of a nonstock  
80 corporation under the provisions of Chapter 10 (§ 13.1-801 et seq.) of this title, for the sole and specific  
81 purpose of rendering the same and specific professional service, subject to any laws, not inconsistent  
82 with the provisions of this chapter, which are applicable to the practice of that profession in the  
83 corporate form. Any nonstock corporation so organized for the sole purpose of rendering such  
84 professional services shall be subject to all limitations and restrictions imposed by this chapter.

85 § 13.1-549. Qualifications of shareholders; special provisions for corporations rendering services of  
86 architects, professional engineers; *and* land surveyors, and *using the title of* certified landscape architects  
87 *and certified interior designers*.

88 A corporation rendering the services of architects, professional engineers; *or* land surveyors, ~~and~~ *or*  
89 *using the title of* certified landscape architects *or certified interior designers*, or any combination thereof,  
90 shall issue not less than two-thirds of its capital stock to individuals duly licensed ~~or otherwise legally~~  
91 *authorized* to render the services of architect, professional engineer; *or* land surveyor, or *to individuals*  
92 *legally authorized to use the title of* certified landscape architect *or certified interior designer*, and the  
93 remainder of said stock may be issued only to and held by individuals who are employees of the  
94 corporation whether or not such employees are licensed ~~or otherwise authorized~~ to render professional  
95 services *or authorized to use a title. For those corporations using the title of certified interior designers*  
96 *and providing the services of architects, professional engineers or land surveyors, or any combination*  
97 *thereof, not less than two-thirds of the capital stock of the corporation shall be held by individuals who*  
98 *are duly licensed*. No other professional corporation may issue any of its capital stock to anyone other  
99 than an individual who is duly licensed or otherwise legally authorized to render the same specific  
100 professional services as those for which the corporation was incorporated. Notwithstanding the above  
101 limitations a professional corporation may issue its stock to a partnership each of the partners of which  
102 is duly licensed or otherwise legally authorized to render the same professional services as those for  
103 which the corporation was incorporated.

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

114 § 13.1-1102. Definitions.

115 A. As used in this chapter:

116 "Professional business entity" means (i) a professional limited liability company, (ii) a professional  
117 corporation within the meaning of § 13.1-543 B of Chapter 7 of Title 13.1, or (iii) a partnership  
118 (including a professional registered limited liability partnership registered under § 54.1-3902) each of the  
119 partners of which is duly licensed or otherwise legally authorized to render the same professional  
120 services as those for which the partnership was organized.

121 "Professional limited liability company" means (i) a limited liability company that is organized under

this chapter for the sole and specific purpose of rendering professional service other than that of architects, professional engineers, *or* land surveyors, *or using a title other than that of* certified landscape architects *or certified interior designers* and, except as expressly otherwise permitted by this chapter, that has as its members only persons or professional business entities that themselves are duly licensed or otherwise legally authorized to render the same professional service as the professional limited liability company and of which members at least one is duly licensed or otherwise legally authorized to render such professional service within ~~this~~ *the* Commonwealth; (ii) a limited liability company that is organized under this chapter for the sole and specific purpose of rendering professional service of architects, professional engineers, *or* land surveyors, *or using the title of* certified landscape architects *or certified interior designers*, or any combination thereof, and at least two-thirds of whose membership interests are held by persons duly licensed ~~or legally authorized~~ within ~~this~~ *the* Commonwealth to perform the services of an architect, professional engineer, *or* land surveyor, *or by persons legally authorized within the Commonwealth to use the title of* certified landscape architect *or certified interior designer*; or (iii) a limited liability company that is organized under this chapter for the sole and specific purpose of rendering the professional services of one or more practitioners of the healing arts, licensed under the provisions of Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, or one or more nurse practitioners, licensed under Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, or one or more optometrists licensed under the provisions of Chapter 32 (§ 54.1-3200 et seq.) of Title 54.1, or one or more practitioners of the behavioral science professions, licensed under the provisions of Chapter 35 (§ 54.1-3500 et seq.), 36 (§ 54.1-3600 et seq.) or 37 (§ 54.1-3700 et seq.) of Title 54.1, or one or more practitioners of audiology or speech pathology, licensed under the provisions of Chapter 26 (§ 54.1-2600 et seq.) of Title 54.1, or one or more clinical nurse specialists who render mental health services licensed under Chapter 30 (§ 54.1-3000 et seq.) of Title 54.1 and registered with the Board of Nursing, or any combination of practitioners of the healing arts, of optometry, the behavioral science professions, and audiology or speech pathology and all of whose members are persons or professional business entities duly licensed or otherwise legally authorized to perform the services of a practitioner of the healing arts, optometry, the behavioral science professions or audiology or speech pathology or of a clinical nurse specialist who renders mental health services; however, nothing herein shall be construed so as to allow any member of the healing arts, optometry, the behavioral science professions, or audiology or speech pathology or a clinical nurse specialist to conduct that person's practice in a manner contrary to the standards of ethics of that person's branch of the healing arts, optometry, the behavioral science professions, or audiology or speech pathology, or nursing as the case may be.

"Professional services" means any type of personal service to the public that requires as a condition precedent to the rendering of that service or the use of that title the obtaining of a license, certification, or other legal authorization and shall be limited to the personal services rendered by pharmacists, optometrists, practitioners of the healing arts, nurse practitioners, practitioners of the behavioral science professions, veterinarians, surgeons, dentists, architects, professional engineers, land surveyors, certified landscape architects, *certified interior designers*, public accountants, certified public accountants, attorneys at law, insurance consultants, audiologists or speech pathologists and clinical nurse specialists. For the purposes of this chapter, the following shall be deemed to be rendering the same professional services:

1. Architects, professional engineers, and land surveyors; and
2. Practitioners of the healing arts, licensed under the provisions of Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, nurse practitioners, licensed under Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, optometrists, licensed under the provisions of Chapter 32 (§ 54.1-3200 et seq.) of Title 54.1, and practitioners of the behavioral science professions, licensed under the provisions of Chapters 35 (§ 54.1-3500 et seq.), 36 (§ 54.1-3600 et seq.), and 37 (§ 54.1-3700 et seq.) of Title 54.1, and one or more clinical nurse specialists who render mental health services licensed under Chapter 30 (§ 54.1-3000 et seq.) of Title 54.1 and registered with the Board of Nursing.

B. Persons who practice the healing art of performing professional clinical laboratory services within a hospital pathology laboratory shall be legally authorized to do so for purposes of this chapter if such persons (i) hold a doctorate degree in the biological sciences or a board certification in the clinical laboratory sciences and (ii) are tenured faculty members of an accredited medical college or university that is an "educational institution" within the meaning of § 23-14.

C. Except as expressly otherwise provided, all terms defined in § 13.1-1002 shall have the same meanings for purposes of this chapter.

§ 13.1-1103. Who may become a member.

One or more individuals or professional business entities (i) duly licensed or otherwise legally authorized to render the same professional services other than those of architects, professional engineers, *or* land surveyors, *or to use a title other than those of* certified landscape architects *or certified interior designers*, of which at least one is duly licensed or otherwise legally authorized to render such

183 professional services within ~~this the~~ Commonwealth or (ii) complying with the provisions of § 13.1-1111  
184 and duly licensed ~~or otherwise legally authorized~~ to render within ~~this the~~ Commonwealth the  
185 professional services of architects, professional engineers, ~~or land surveyors, or legally authorized to use~~  
186 ~~within the Commonwealth the title of~~ certified landscape architects ~~or certified interior designers~~, or any  
187 combination thereof, may become members of a limited liability company for pecuniary profit under the  
188 provisions of Chapter 12 (§ 13.1-1000 et seq.) of this title, for the sole and specific purpose of rendering  
189 the same and specific professional service, subject to any laws, not inconsistent with the provisions of  
190 this chapter, which are applicable to the practice of that profession in the limited liability company form.

191 § 13.1-1111. Qualifications of members and managers; special provisions for limited liability  
192 companies rendering service of architects, professional engineers, ~~and land surveyors, and using the title~~  
193 ~~of certified landscape architects and certified interior designers.~~

194 Not less than two-thirds of the membership interests of a professional limited liability company  
195 rendering the services of architects, professional engineers, ~~or land surveyors, and or using the title of~~  
196 ~~certified landscape architects or certified interior designers~~, or any combination thereof, shall be held by  
197 individuals ~~duly licensed~~ or professional business entities ~~duly licensed or otherwise~~ legally authorized to  
198 render the services of architects, professional engineers, ~~or land surveyors, or by individuals or~~  
199 ~~professional business entities legally authorized to use the title of~~ certified landscape architects ~~or~~  
200 ~~certified interior designers~~, and the remainder of the membership interests may be held only by  
201 individuals who are employees of the professional limited liability company whether or not those  
202 employees are licensed ~~or otherwise authorized~~ to render professional services ~~or authorized to use a~~  
203 ~~title. For those professional limited liability companies using the title of certified interior designers and~~  
204 ~~providing the services of architects, professional engineers or land surveyors, or any combination~~  
205 ~~thereof, not less than two-thirds of the membership interests of the professional limited liability company~~  
206 ~~shall be held by individuals who are duly licensed.~~ No other professional limited liability company may  
207 have as a member anyone other than an individual or a professional business entity that is duly licensed  
208 or otherwise legally authorized to render the same professional services as those for which the  
209 professional limited liability company was organized.

210 As an additional prerequisite for a professional limited liability company's engaging in the practice of  
211 the professions of architecture, professional engineering, ~~or land surveying, or using the title of~~ certified  
212 ~~landscape architecture architect or certified interior designer~~, or any combination thereof, that  
213 professional limited liability company shall secure a certificate of authority, which may be renewable  
214 and may be either general or limited, from the Board for Architects, Professional Engineers, Land  
215 Surveyors, Certified Interior Designers and Landscape Architects. The certificate of authority shall be  
216 issued or renewed by the Board when in its discretion the professional limited liability company is in  
217 compliance with rules and regulations which shall be promulgated by the Board consistent with its  
218 jurisdiction to provide adequate safeguards for the public's health, welfare and safety. The fees for a  
219 certificate of authority as described above shall be the same fees as provided for in Chapter 4  
220 (§ 54.1-400 et seq.) of Title 54.1.

221 § 54.1-411. Organization for practice; registration.

222 A. Nothing contained in this chapter or in the regulations of the Board shall prohibit the practice of  
223 architecture, engineering, land surveying or the offering of the title of certified landscape ~~architecture~~  
224 ~~architect or certified interior designer~~ by any corporation, partnership, sole proprietorship, limited  
225 liability company, or other entity provided such practice or certification is rendered through its officers,  
226 principals or employees who are correspondingly licensed or certified. No such organization shall limit  
227 the liability of any licensee or certificate holder for damages arising from his acts or limit such  
228 corporation, partnership, sole proprietorship, limited liability company, or other entity from liability for  
229 acts of its employees or agents. No such corporation, partnership, sole proprietorship, limited liability  
230 company, or other entity, or any affiliate thereof, shall, on its behalf or on behalf of any such licensee  
231 or certificate holder, be prohibited from (i) purchasing or maintaining insurance against any such  
232 liability; (ii) entering into any indemnification agreement with respect to any such liability; or (iii)  
233 receiving indemnification as a result of any such liability.

234 B. Except for professional corporations holding a certificate of authority issued in accordance with  
235 § 13.1-549, professional limited liability companies holding a certificate of authority issued in  
236 accordance with § 13.1-1111, and sole proprietorships that do not employ other individuals for which  
237 licensing is required, any person, corporation, partnership, limited liability company, or other entity  
238 offering or rendering the practice of architecture, engineering, land surveying or offering the title of  
239 certified landscape ~~architecture architect or certified designer~~ shall register with the Board. As a  
240 condition of registration, the entity shall name at least one licensed architect, professional engineer, land  
241 surveyor, ~~or certified landscape architect or certified interior designer~~ for such profession offered or  
242 rendered. The person or persons named shall be responsible and have control of the regulated services  
243 rendered by the entity.

244 C. The Board shall adopt regulations governing the registration of persons, corporations, partnerships,

- 245 limited liability companies, sole proprietors and other entities as required in subsections A and B which:  
246 1. Provide for procedural requirements to obtain and renew registration on a periodic basis;  
247 2. Establish fees for the application and renewal of registration sufficient to cover costs;  
248 3. Assure that regulated services are rendered and controlled by persons authorized to do so; and  
249 4. Ensure that conflicts of interests are disclosed.