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SENATE BILL NO. 325

Offered January 19, 2000

A BILL to amend and reenact §§ 13.1-543, 13.1-556, and 13.1-1102 of the Code of Virginia, relating to professional business entities.

Patron—Wampler

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 13.1-543, 13.1-556, and 13.1-1102 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, 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 *whose articles of incorporation set forth a sole and specific purpose permitted by this chapter and* which is either (i) organized under this chapter for the sole and specific purpose of rendering professional service other than that of architects, professional engineers, land surveyors or certified landscape architects 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 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, land surveyors or certified landscape architects, or any combination thereof, and at least two-thirds of whose shares are held by persons duly licensed or otherwise legally authorized within this Commonwealth to perform the services of an architect, professional engineer, land surveyor or certified landscape architect; 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 the healing arts, optometry,

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60 the behavioral science professions, or audiology or speech pathology or a clinical nurse specialist to
61 conduct his practice in a manner contrary to the standards of ethics of his branch of the healing arts,
62 optometry, the behavioral science professions, or audiology or speech pathology, or nursing, as the case
63 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 § 13.1-556. Application of Chapter 9 or Chapter 10 of this title.

70 The provisions of Chapter 9 (§ 13.1-601 et seq.) or Chapter 10 (§ 13.1-801 et seq.), as the case may
71 be, of this title shall be applicable to professional corporations organized under the provisions of this
72 chapter. Where a conflict arises between the provisions found in Chapter 9, or Chapter 10, as the case
73 may be, and this chapter, this chapter shall control.

74 § 13.1-1102. Definitions.

75 A. As used in this chapter:

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

81 "Professional limited liability company" means (i) a limited liability company whose articles of
82 organization set forth a sole and specific purpose permitted by this chapter and that is either (i)
83 organized under this chapter for the sole and specific purpose of rendering professional service other
84 than that of architects, professional engineers, land surveyors or certified landscape architects and, except
85 as expressly otherwise permitted by this chapter, that has as its members only persons or professional
86 business entities that themselves are duly licensed or otherwise legally authorized to render the same
87 professional service as the professional limited liability company and of which members at least one is
88 duly licensed or otherwise legally authorized to render such professional service within this
89 Commonwealth; or (ii) a ~~limited liability company~~ that is organized under this chapter for the sole and
90 specific purpose of rendering professional service of architects, professional engineers, land surveyors or
91 certified landscape architects, or any combination thereof, and at least two-thirds of whose membership
92 interests are held by persons duly licensed or legally authorized within this Commonwealth to perform
93 the services of an architect, professional engineer, land surveyor or certified landscape architect; or (iii)
94 a ~~limited liability company~~ that is organized under this chapter for the sole and specific purpose of
95 rendering the professional services of one or more practitioners of the healing arts, licensed under the
96 provisions of Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, or one or more nurse practitioners, licensed
97 under Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, or one or more optometrists licensed under the
98 provisions of Chapter 32 (§ 54.1-3200 et seq.) of Title 54.1, or one or more practitioners of the
99 behavioral science professions, licensed under the provisions of Chapter 35 (§ 54.1-3500 et seq.),
100 (§ 54.1-3600 et seq.) or 37 (§ 54.1-3700 et seq.) of Title 54.1, or one or more practitioners of audiology
101 or speech pathology, licensed under the provisions of Chapter 26 (§ 54.1-2600 et seq.) of Title 54.1, or
102 one or more clinical nurse specialists who render mental health services licensed under Chapter 30
103 (§ 54.1-3000 et seq.) of Title 54.1 and registered with the Board of Nursing, or any combination of
104 practitioners of the healing arts, of optometry, the behavioral science professions, and audiology or
105 speech pathology and all of whose members are persons or professional business entities duly licensed
106 or otherwise legally authorized to perform the services of a practitioner of the healing arts, optometry,
107 the behavioral science professions or audiology or speech pathology or of a clinical nurse specialist who
108 renders mental health services; however, nothing herein shall be construed so as to allow any member of
109 the healing arts, optometry, the behavioral science professions, or audiology or speech pathology or a
110 clinical nurse specialist to conduct that person's practice in a manner contrary to the standards of ethics
111 of that person's branch of the healing arts, optometry, the behavioral science professions, or audiology or
112 speech pathology, or nursing as the case may be.

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

121 1. Architects, professional engineers, and land surveyors; and

122 2. Practitioners of the healing arts, licensed under the provisions of Chapter 29 (§ 54.1-2900 et seq.)
123 of Title 54.1, nurse practitioners, licensed under Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1,
124 optometrists, licensed under the provisions of Chapter 32 (§ 54.1-3200 et seq.) of Title 54.1, and
125 practitioners of the behavioral science professions, licensed under the provisions of Chapters 35
126 (§ 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
127 more clinical nurse specialists who render mental health services licensed under Chapter 30 (§ 54.1-3000
128 et seq.) of Title 54.1 and registered with the Board of Nursing.

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

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