

HOUSE Substitute for SENATE BILL No. 28

By Committee on Judiciary

3-24

9 AN ACT concerning professional corporations; amending K.S.A. 2003
10 Supp. 17-2707 and 17-2710 and repealing the existing sections.

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12 *Be it enacted by the Legislature of the State of Kansas:*

13 New Section 1. (a) The state board of healing arts shall adopt rules
14 and regulations to limit the percentage of ownership when a licensed
15 physician assistant forms a professional corporation pursuant to K.S.A.
16 17-2706 *et seq.*, and amendments thereto, in combination with other pro-
17 fessional services.

18 (b) This section shall be part of and supplemental to the physician
19 assistant licensure act.

20 New Sec. 2. (a) The state board of healing arts shall adopt rules and
21 regulations to limit the percentage of ownership when a licensed occu-
22 pational therapist forms a professional corporation pursuant to K.S.A. 17-
23 2706 *et seq.*, and amendments thereto, in combination with other pro-
24 fessional services.

25 (b) This section shall be part of and supplemental to the occupational
26 therapy practice act.

27 Sec. 3. K.S.A. 2003 Supp. 17-2707 is hereby amended to read as
28 follows: 17-2707. As used in this act, unless the context clearly indicates
29 that a different meaning is intended:

30 (a) "Professional corporation" means a corporation organized under
31 this act.

32 (b) "Professional service" means the type of personal service ren-
33 dered by a person duly licensed, *registered or certified* by this state as a
34 member of any of the following professions, each paragraph constituting
35 one type:

- 36 (1) A certified public accountant;
- 37 (2) an architect;
- 38 (3) an attorney-at-law;
- 39 (4) a chiropractor;
- 40 (5) a dentist;
- 41 (6) an engineer;
- 42 (7) an optometrist;
- 43 (8) an osteopathic physician or surgeon;

- 1 (9) a physician, surgeon or doctor of medicine;
- 2 (10) a veterinarian;
- 3 (11) a podiatrist;
- 4 (12) a pharmacist;
- 5 (13) a land surveyor;
- 6 (14) a licensed psychologist;
- 7 (15) a specialist in clinical social work;
- 8 (16) a licensed physical therapist;
- 9 (17) a landscape architect;
- 10 (18) a registered professional nurse;
- 11 (19) a real estate broker or salesperson;
- 12 (20) a clinical professional counselor;
- 13 (21) a geologist;
- 14 (22) a clinical psychotherapist; ~~and~~
- 15 (23) a clinical marriage and family therapist;
- 16 (24) *a licensed physician assistant; and*
- 17 (25) *a licensed occupational therapist.*
- 18 (c) “Regulating board” means the court, board or state agency which
- 19 is charged with the licensing, *registering or certifying* and regulation of
- 20 the practice of the profession which the professional corporation is or-
- 21 ganized to render.
- 22 (d) “Qualified person” means:
- 23 (1) Any natural person licensed, *registered or certified* to practice the
- 24 same type of profession which any professional corporation is authorized
- 25 to practice;
- 26 (2) the trustee of a trust which is a qualified trust under subsection
- 27 (a) of section 401 of the federal internal revenue code, as in effect on
- 28 January 1, ~~2001~~ 2004, or of a contribution plan which is a qualified em-
- 29 ployee stock ownership plan under subsection (a) of section 409A of the
- 30 federal internal revenue code, as in effect on January 1, ~~2001~~ 2004; or
- 31 (3) the trustee of a revocable living trust established by a natural
- 32 person who is licensed, *registered or certified* to practice the type of
- 33 profession which any professional corporation is authorized to practice,
- 34 if the terms of such trust provide that such natural person is the principal
- 35 beneficiary and sole trustee of such trust and such trust does not continue
- 36 to hold title to professional corporation stock following such natural per-
- 37 son’s death for more than a reasonable period of time necessary to dispose
- 38 of such stock.
- 39 Sec. 4. K.S.A. 2003 Supp. 17-2710 is hereby amended to read as
- 40 follows: 17-2710. A professional corporation may be organized only for
- 41 the purpose of rendering one type of professional service and service
- 42 ancillary thereto and shall not engage in any other business, except that
- 43 a single professional corporation may be organized to and render profes-

1 sional services under any two or more of the types set forth in items (2),
2 (6), (13) and (17) ~~or~~ of subsection (b) of K.S.A. 17-2707, and amendments
3 thereto; under any two or more of the types set forth in items (4), (5),
4 (7), (8), (9), (11), (12), (14), (15), (16) or (18) of subsection (b) of K.S.A.
5 17-2707, and amendments thereto; or under any two or more of the types
6 set forth in items (8), (9), (18), (24) and (25) of subsection (b) of K.S.A.
7 17-2707, and amendments thereto, but shall be deemed to have the fol-
8 lowing purposes, whether or not authorized by its article of incorporation:
9 (a) To purchase, receive, lease, or otherwise acquire, own, hold, im-
10 prove, use and otherwise deal in and with, real or personal property, or
11 any interest therein, wherever situated;
12 (b) to purchase, receive, or otherwise acquire, own, hold, vote, use,
13 employ, sell, mortgage, lend, pledge, or otherwise dispose of, and oth-
14 erwise use and deal in and with, shares of other interests in, or obligations
15 of, other domestic or foreign corporations, associations, partnerships or
16 individuals, insurance or annuities in any form, or direct or indirect ob-
17 ligations of the United States or of any other government, state, territory,
18 governmental district or municipality or of any instrumentality thereof;
19 (c) to pay pensions and establish pension plans, profit-sharing plans,
20 stock bonus plans, stock option plans and other incentive plans for any or
21 all of its directors, officers and employees;
22 (d) to do all things necessary or incidental to the practice of the pro-
23 fession which the professional corporation is authorized to practice.
24 Sec. 5. K.S.A. 2003 Supp. 17-2707 and 17-2710 are hereby repealed.
25 Sec. 6. This act shall take effect and be in force from and after its
26 publication in the statute book.