

AMENDED IN ASSEMBLY APRIL 7, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 783

Introduced by Assembly Member Hayashi

February 17, 2011

An act to amend Section 2406 of the Business and Professions Code, and to amend Section 13401.5 of the Corporations Code, relating to ~~professional corporations, and declaring the urgency thereof, to take effect immediately.~~ *professional corporations.*

LEGISLATIVE COUNSEL'S DIGEST

AB 783, as amended, Hayashi. Professional corporations: licensed physical *therapists and occupational* therapists.

Existing law regulating professional corporations provides that certain healing arts practitioners may be shareholders, officers, directors, or professional employees of a medical corporation ~~or a~~, podiatric medical corporation, *or a chiropractic corporation*, subject to certain limitations.

This bill would add licensed physical therapists *and licensed occupational therapists* to the list of healing arts practitioners who may be shareholders, officers, directors, or professional employees of those corporations. The bill would also make conforming changes to a related provision.

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2406 of the Business and Professions
2 Code is amended to read:

3 2406. A medical corporation or podiatry corporation is a
4 corporation that is authorized to render professional services, as
5 defined in Sections 13401 and 13401.5 of the Corporations Code,
6 so long as that corporation and its shareholders, officers, directors,
7 and employees rendering professional services who are physicians
8 and surgeons, psychologists, registered nurses, optometrists,
9 podiatrists, chiropractors, acupuncturists, naturopathic doctors,
10 physical therapists, or, in the case of a medical corporation only,
11 physician assistants, marriage and family therapists, or clinical
12 social workers are in compliance with the Moscone-Knox
13 Professional Corporation Act, the provisions of this article and all
14 other statutes and regulations now or hereafter enacted or adopted
15 pertaining to the corporation and the conduct of its affairs.

16 With respect to a medical corporation or podiatry corporation,
17 the governmental agency referred to in the Moscone-Knox
18 Professional Corporation Act is the board.

19 SEC. 2. Section 13401.5 of the Corporations Code is amended
20 to read:

21 13401.5. Notwithstanding subdivision (d) of Section 13401
22 and any other provision of law, the following licensed persons
23 may be shareholders, officers, directors, or professional employees
24 of the professional corporations designated in this section so long
25 as the sum of all shares owned by those licensed persons does not
26 exceed 49 percent of the total number of shares of the professional
27 corporation so designated herein, and so long as the number of
28 those licensed persons owning shares in the professional
29 corporation so designated herein does not exceed the number of
30 persons licensed by the governmental agency regulating the
31 designated professional corporation:

- 32 (a) Medical corporation.
 - 33 (1) Licensed doctors of podiatric medicine.
 - 34 (2) Licensed psychologists.
 - 35 (3) Registered nurses.
 - 36 (4) Licensed optometrists.
 - 37 (5) Licensed marriage and family therapists.
 - 38 (6) Licensed clinical social workers.

- 1 (7) Licensed physician assistants.
- 2 (8) Licensed chiropractors.
- 3 (9) Licensed acupuncturists.
- 4 (10) Naturopathic doctors.
- 5 (11) Licensed physical therapists.
- 6 (12) *Licensed occupational therapists.*
- 7 (b) Podiatric medical corporation.
- 8 (1) Licensed physicians and surgeons.
- 9 (2) Licensed psychologists.
- 10 (3) Registered nurses.
- 11 (4) Licensed optometrists.
- 12 (5) Licensed chiropractors.
- 13 (6) Licensed acupuncturists.
- 14 (7) Naturopathic doctors.
- 15 (8) Licensed physical therapists.
- 16 (9) *Licensed occupational therapists.*
- 17 (c) Psychological corporation.
- 18 (1) Licensed physicians and surgeons.
- 19 (2) Licensed doctors of podiatric medicine.
- 20 (3) Registered nurses.
- 21 (4) Licensed optometrists.
- 22 (5) Licensed marriage and family therapists.
- 23 (6) Licensed clinical social workers.
- 24 (7) Licensed chiropractors.
- 25 (8) Licensed acupuncturists.
- 26 (9) Naturopathic doctors.
- 27 (d) Speech-language pathology corporation.
- 28 (1) Licensed audiologists.
- 29 (e) Audiology corporation.
- 30 (1) Licensed speech-language pathologists.
- 31 (f) Nursing corporation.
- 32 (1) Licensed physicians and surgeons.
- 33 (2) Licensed doctors of podiatric medicine.
- 34 (3) Licensed psychologists.
- 35 (4) Licensed optometrists.
- 36 (5) Licensed marriage and family therapists.
- 37 (6) Licensed clinical social workers.
- 38 (7) Licensed physician assistants.
- 39 (8) Licensed chiropractors.
- 40 (9) Licensed acupuncturists.

- 1 (10) Naturopathic doctors.
- 2 (g) Marriage and family therapy corporation.
- 3 (1) Licensed physicians and surgeons.
- 4 (2) Licensed psychologists.
- 5 (3) Licensed clinical social workers.
- 6 (4) Registered nurses.
- 7 (5) Licensed chiropractors.
- 8 (6) Licensed acupuncturists.
- 9 (7) Naturopathic doctors.
- 10 (h) Licensed clinical social worker corporation.
- 11 (1) Licensed physicians and surgeons.
- 12 (2) Licensed psychologists.
- 13 (3) Licensed marriage and family therapists.
- 14 (4) Registered nurses.
- 15 (5) Licensed chiropractors.
- 16 (6) Licensed acupuncturists.
- 17 (7) Naturopathic doctors.
- 18 (i) Physician assistants corporation.
- 19 (1) Licensed physicians and surgeons.
- 20 (2) Registered nurses.
- 21 (3) Licensed acupuncturists.
- 22 (4) Naturopathic doctors.
- 23 (j) Optometric corporation.
- 24 (1) Licensed physicians and surgeons.
- 25 (2) Licensed doctors of podiatric medicine.
- 26 (3) Licensed psychologists.
- 27 (4) Registered nurses.
- 28 (5) Licensed chiropractors.
- 29 (6) Licensed acupuncturists.
- 30 (7) Naturopathic doctors.
- 31 (k) Chiropractic corporation.
- 32 (1) Licensed physicians and surgeons.
- 33 (2) Licensed doctors of podiatric medicine.
- 34 (3) Licensed psychologists.
- 35 (4) Registered nurses.
- 36 (5) Licensed optometrists.
- 37 (6) Licensed marriage and family therapists.
- 38 (7) Licensed clinical social workers.
- 39 (8) Licensed acupuncturists.
- 40 (9) Naturopathic doctors.

- 1 (10) Licensed physical therapists.
- 2 (11) Licensed occupational therapists.
- 3 (l) Acupuncture corporation.
- 4 (1) Licensed physicians and surgeons.
- 5 (2) Licensed doctors of podiatric medicine.
- 6 (3) Licensed psychologists.
- 7 (4) Registered nurses.
- 8 (5) Licensed optometrists.
- 9 (6) Licensed marriage and family therapists.
- 10 (7) Licensed clinical social workers.
- 11 (8) Licensed physician assistants.
- 12 (9) Licensed chiropractors.
- 13 (10) Naturopathic doctors.
- 14 (m) Naturopathic doctor corporation.
- 15 (1) Licensed physicians and surgeons.
- 16 (2) Licensed psychologists.
- 17 (3) Registered nurses.
- 18 (4) Licensed physician assistants.
- 19 (5) Licensed chiropractors.
- 20 (6) Licensed acupuncturists.
- 21 (7) Licensed physical therapists.
- 22 (8) Licensed doctors of podiatric medicine.
- 23 (9) Licensed marriage, family, and child counselors.
- 24 (10) Licensed clinical social workers.
- 25 (11) Licensed optometrists.
- 26 (n) Dental corporation.
- 27 (1) Licensed physicians and surgeons.
- 28 (2) Dental assistants.
- 29 (3) Registered dental assistants.
- 30 (4) Registered dental assistants in extended functions.
- 31 (5) Registered dental hygienists.
- 32 (6) Registered dental hygienists in extended functions.
- 33 (7) Registered dental hygienists in alternative practice.

34 ~~SEC. 3. This act is an urgency statute necessary for the~~
35 ~~immediate preservation of the public peace, health, or safety within~~
36 ~~the meaning of Article IV of the Constitution and shall go into~~
37 ~~immediate effect. The facts constituting the necessity are:~~

38 ~~In order to authorize licensed physical therapists to be~~
39 ~~shareholders, officers, directors, or professional employees of~~

- 1 ~~medical corporations and podiatric medical corporations as soon~~
- 2 ~~as possible, it is necessary that this act take effect immediately.~~