

**SUBSTITUTE FOR
SENATE BILL NO. 27**

A bill to amend 1962 PA 192, entitled
"Professional service corporation act,"
by amending sections 2 and 4 (MCL 450.222 and 450.224), section 2
as amended by 1998 PA 48 and section 4 as amended by 2000 PA 335.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Licensed person" means an individual who is duly licensed
3 or otherwise legally authorized to practice a professional service
4 by a court, department, board, commission, **OR** an agency of this
5 state or another jurisdiction ~~—~~or any corporation all of whose
6 shareholders are licensed persons.

7 (b) "Professional corporation" means a corporation that is
8 organized under this act for the sole and specific purpose of
9 rendering 1 or more professional services and has as its

1 shareholders only licensed persons, the personal representatives or
2 estates of individuals, or other persons as provided in section 10.

3 (c) "Professional service" means a type of personal service to
4 the public that requires as a condition precedent to the rendering
5 of the service the obtaining of a license or other legal
6 authorization. Professional service includes, but is not limited
7 to, services rendered by ~~certified or other public accountants,~~
8 ~~chiropractors, dentists, optometrists, veterinarians, osteopaths,~~
9 ~~physicians and surgeons, doctors of medicine, doctors of dentistry,~~
10 ~~podiatrists, chiropodists, architects, professional engineers, land~~
11 ~~surveyors, and attorneys at law~~ **A CERTIFIED OR OTHER PUBLIC**
12 **ACCOUNTANT, CHIROPRACTOR, DENTIST, OPTOMETRIST, VETERINARIAN,**
13 **OSTEOPATHIC PHYSICIAN, PHYSICIAN, SURGEON, PODIATRIST, CHIROPODIST,**
14 **PHYSICIAN'S ASSISTANT, ARCHITECT, PROFESSIONAL ENGINEER, LAND**
15 **SURVEYOR, OR ATTORNEY-AT-LAW.**

16 Sec. 4. (1) ~~One~~ **EXCEPT AS PROVIDED IN THIS SECTION,** 1 or more
17 licensed persons may organize under this act to become a
18 shareholder or shareholders of a professional corporation for
19 pecuniary profit.

20 (2) Except as ~~otherwise~~ provided in ~~subsection (3)~~ **THIS**
21 **SECTION** or otherwise prohibited, a professional corporation may
22 render 1 or more professional services, except that each
23 shareholder must be a licensed person in 1 or more of the
24 professional services rendered by the corporation.

25 (3) Except as otherwise provided in ~~this~~ subsection **(4) OR**
26 **(5)**, if ~~the~~ **A** professional corporation renders a professional
27 service that is included within the public health code, 1978 PA

1 368, MCL 333.1101 to 333.25211, then all shareholders of the
2 corporation ~~shall~~**MUST** be licensed or legally authorized in this
3 state to render the same professional service.

4 (4) One or more ~~physicians and surgeons licensed under the~~
5 ~~public health code, 1978 PA 368, MCL 333.1101 to 333.25211~~
6 **INDIVIDUALS LICENSED TO ENGAGE IN THE PRACTICE OF MEDICINE UNDER**
7 **PART 170, THE PRACTICE OF OSTEOPATHIC MEDICINE AND SURGERY UNDER**
8 **PART 175, OR THE PRACTICE OF PODIATRIC MEDICINE AND SURGERY UNDER**
9 **PART 180 OF ARTICLE 15 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL**
10 **333.16101 TO 333.18838, may organize a professional corporation**
11 **under this act with 1 or more ~~physicians and surgeons licensed~~**
12 **~~under different provisions of the public health code, 1978 PA 368,~~**
13 **~~MCL 333.1101 to 333.25211~~ OTHER INDIVIDUALS LICENSED TO ENGAGE IN**
14 **THE PRACTICE OF MEDICINE UNDER PART 170, THE PRACTICE OF**
15 **OSTEOPATHIC MEDICINE AND SURGERY UNDER PART 175, OR THE PRACTICE OF**
16 **PODIATRIC MEDICINE AND SURGERY UNDER PART 180 OF ARTICLE 15 OF THE**
17 **PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838.**

18 (5) **SUBJECT TO SECTION 17048 OF THE PUBLIC HEALTH CODE, 1978**
19 **PA 368, MCL 333.17048, 1 OR MORE INDIVIDUALS LICENSED TO ENGAGE IN**
20 **THE PRACTICE OF MEDICINE UNDER PART 170, THE PRACTICE OF**
21 **OSTEOPATHIC MEDICINE AND SURGERY UNDER PART 175, OR THE PRACTICE OF**
22 **PODIATRIC MEDICINE AND SURGERY UNDER PART 180 OF ARTICLE 15 OF THE**
23 **PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838, MAY**
24 **ORGANIZE A PROFESSIONAL CORPORATION UNDER THIS ACT WITH 1 OR MORE**
25 **PHYSICIAN'S ASSISTANTS LICENSED UNDER ARTICLE 15 OF THE PUBLIC**
26 **HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838. BEGINNING ON**
27 **THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS**

1 SUBSECTION, 1 OR MORE PHYSICIAN'S ASSISTANTS MAY NOT ORGANIZE A
2 PROFESSIONAL CORPORATION UNDER THIS ACT THAT WILL HAVE ONLY
3 PHYSICIAN'S ASSISTANTS AS SHAREHOLDERS.

4 (6) ~~(4)~~A licensed person of another jurisdiction may become
5 an officer, director, shareholder, employee, or agent of ~~the~~A
6 PROFESSIONAL corporation but shall not render any professional
7 service in this state until the person is licensed or otherwise
8 legally authorized to render the professional service in this
9 state.

10 Enacting section 1. This amendatory act does not take effect
11 unless all of the following bills of the 95th Legislature are
12 enacted into law:

13 (a) Senate Bill No. 26.

14 (b) Senate Bill No. 28.