

**SUBSTITUTE FOR
SENATE BILL NO. 28**

A bill to amend 1993 PA 23, entitled
"Michigan limited liability company act,"
by amending sections 902 and 904 (MCL 450.4902 and 450.4904),
section 902 as amended by 1997 PA 52 and section 904 as amended by
2000 PA 333.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 902. As used in this article:

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

1 partnership all of whose partners are licensed persons, or any
2 limited liability company all of whose members and managers are
3 licensed persons.

4 (b) "Professional service" means a type of personal service to
5 the public that requires as a condition precedent to the rendering
6 of the service the obtaining of a license or other legal
7 authorization. Professional service includes, but is not limited
8 to, services rendered by a certified or other public accountant,
9 chiropractor, dentist, optometrist, veterinarian, osteopathic
10 physician, physician, surgeon, podiatrist, chiropodist, **PHYSICIAN'S**
11 **ASSISTANT**, architect, professional engineer, land surveyor, ~~and OR~~
12 attorney-at-law.

13 (c) "Professional services corporation" means a corporation
14 formed under the professional service corporation act, 1962 PA 192,
15 MCL 450.221 to 450.235.

16 Sec. 904. (1) Except as ~~otherwise~~ provided in this section or
17 otherwise prohibited, a professional limited liability company may
18 render 1 or more professional services, and each member and manager
19 ~~shall~~ **MUST** be a licensed person in 1 or more of the professional
20 services rendered by the company.

21 (2) ~~If the~~ **EXCEPT AS PROVIDED IN SUBSECTION (3) OR (4), IF A**
22 professional limited liability company renders a professional
23 service that is included within the public health code, 1978 PA
24 368, MCL 333.1101 to 333.25211, then all members and managers of
25 the company ~~shall~~ **MUST** be licensed or legally authorized in this
26 state to render the same professional service.

27 (3) **ONE OR MORE INDIVIDUALS LICENSED TO ENGAGE IN THE PRACTICE**

1 OF MEDICINE UNDER PART 170, THE PRACTICE OF OSTEOPATHIC MEDICINE
2 AND SURGERY UNDER PART 175, OR THE PRACTICE OF PODIATRIC MEDICINE
3 AND SURGERY UNDER PART 180 OF ARTICLE 15 OF THE PUBLIC HEALTH CODE,
4 1978 PA 368, MCL 333.16101 TO 333.18838, MAY ORGANIZE A
5 PROFESSIONAL LIABILITY COMPANY UNDER THIS ARTICLE WITH 1 OR MORE
6 OTHER INDIVIDUALS LICENSED TO ENGAGE IN THE PRACTICE OF MEDICINE
7 UNDER PART 170, THE PRACTICE OF OSTEOPATHIC MEDICINE AND SURGERY
8 UNDER PART 175, OR THE PRACTICE OF PODIATRIC MEDICINE AND SURGERY
9 UNDER PART 180 OF ARTICLE 15 OF THE PUBLIC HEALTH CODE, 1978 PA
10 368, MCL 333.16101 TO 333.18838.

11 (4) SUBJECT TO SECTION 17048 OF THE PUBLIC HEALTH CODE, 1978
12 PA 368, MCL 333.17048, 1 OR MORE INDIVIDUALS LICENSED TO ENGAGE IN
13 THE PRACTICE OF MEDICINE UNDER PART 170, THE PRACTICE OF
14 OSTEOPATHIC MEDICINE AND SURGERY UNDER PART 175, OR THE PRACTICE OF
15 PODIATRIC MEDICINE AND SURGERY UNDER PART 180 OF ARTICLE 15 OF THE
16 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838, MAY
17 ORGANIZE A PROFESSIONAL LIMITED LIABILITY COMPANY UNDER THIS
18 ARTICLE WITH 1 OR MORE PHYSICIAN'S ASSISTANTS LICENSED UNDER
19 ARTICLE 15 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO
20 333.18838. BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT
21 THAT ADDED THIS SUBSECTION, 1 OR MORE PHYSICIAN'S ASSISTANTS MAY
22 NOT ORGANIZE A PROFESSIONAL LIMITED LIABILITY COMPANY UNDER THIS
23 ACT THAT WILL HAVE ONLY PHYSICIAN'S ASSISTANTS AS MEMBERS.

24 (5) ~~(3)~~—A licensed person of another jurisdiction may become a
25 member, manager, employee, or agent of ~~the~~ a professional limited
26 liability company, but shall not render any professional services
27 in this state until the person is licensed or otherwise legally

1 authorized to render the professional service in this state.

2 (6) ~~(4)~~—A limited liability company may engage in the practice
3 of architecture, professional engineering, or professional
4 surveying in this state if not less than 2/3 of the members or
5 managers of the limited liability company are licensed in this
6 state to render 1 or more of the professional services offered. A
7 professional limited liability company organized under this article
8 may engage in the practice of architecture, professional
9 engineering, or professional surveying in this state if all of the
10 members and managers of the professional limited liability company
11 organized under this article are licensed in this state to render 1
12 or more of the professional services offered.

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

16 (a) Senate Bill No. 26.

17 (b) Senate Bill No. 27.