

HOUSE BILL No. 2124

AN ACT concerning the healing arts; relating to healing arts schools; professional services performed thereby; authorization thereof; amending K.S.A. 2020 Supp. 17-2707, 17-7668 and 65-2877a and repealing the existing sections.

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

Section 1. K.S.A. 2020 Supp. 17-2707 is hereby amended to read as follows: 17-2707. As used in this act, unless the context clearly indicates that a different meaning is intended:

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

(b) "Professional service" means the type of personal service rendered by a person duly licensed, registered or certified by this state as a member of any of the following professions, each paragraph constituting one type:

- (1) A certified public accountant;
- (2) an architect;
- (3) an attorney-at-law;
- (4) a chiropractor;
- (5) a dentist;
- (6) an engineer;
- (7) an optometrist;
- (8) an osteopathic physician or surgeon;
- (9) a physician, surgeon or doctor of medicine;
- (10) a veterinarian;
- (11) a podiatrist;
- (12) a pharmacist;
- (13) a land surveyor;
- (14) a licensed psychologist;
- (15) a specialist in clinical social work;
- (16) a licensed physical therapist;
- (17) a landscape architect;
- (18) a registered professional nurse;
- (19) a real estate broker or salesperson;
- (20) a clinical professional counselor;
- (21) a geologist;
- (22) a clinical psychotherapist;
- (23) a clinical marriage and family therapist;
- (24) a licensed physician assistant;
- (25) a licensed occupational therapist;
- (26) a licensed audiologist;
- (27) a licensed speech-pathologist; and
- (28) a licensed naturopathic doctor.

(c) "Regulating board" means the court, board or state agency ~~which~~ *that* is charged with the licensing, registering or certifying and regulation of the practice of the profession ~~which~~ *that* the professional corporation is organized to render.

(d) "Qualified person" means:

(1) Any natural person licensed, registered or certified to practice the same type of profession ~~which~~ *that* any professional corporation is authorized to practice;

(2) the trustee of a trust ~~which~~ *that* is a qualified trust under ~~subsection (a) of section 401(a) of the federal internal revenue code, as in effect on January 1, 2004, or of a contribution plan~~ ~~which~~ *that* is a qualified employee stock ownership plan under ~~subsection (a) of section 409A(a) of the federal internal revenue code, as in effect on January 1, 2004;~~ ~~or~~

(3) the trustee of a revocable living trust established by a natural person who is licensed, registered or certified to practice the type of profession ~~which~~ *that* any professional corporation is authorized to practice, if the terms of such trust provide that such natural person is the principal beneficiary and sole trustee of such trust and such trust does not continue to hold title to professional corporation stock following such natural person's death for more than a reasonable period of time necessary to dispose of such stock; *or*

(4) *a healing arts school clinic authorized to perform professional services in accordance with K.S.A. 65-2877a, and amendments thereto.*

Sec. 2. K.S.A. 2020 Supp. 17-7668 is hereby amended to read as follows: 17-7668. (a) Unless otherwise specifically prohibited by law, a limited liability company may carry on any lawful business, purpose or activity, whether or not for profit with the exception of the business of granting policies of insurance, or assuming insurance risks or banking as defined in K.S.A. 9-702, and amendments thereto.

(b) A limited liability company shall possess and may exercise all the powers and privileges granted by this act or by any other law or by its operating agreement, together with any powers incidental thereto, including such powers and privileges as are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the limited liability company.

(c) A limited liability company organized and existing under the Kansas revised limited liability company act or otherwise qualified to do business in Kansas may have and exercise all powers ~~which that~~ may be exercised by a Kansas professional association or professional corporation under the professional corporation law of Kansas, including employment of professionals to practice a profession, which shall be limited to the practice of one profession, except as provided in K.S.A. 17-2710, and amendments thereto.

(d) Only a qualified person may be a member of a limited liability company organized to exercise powers of a professional association or professional corporation. No membership may be transferred to another person until there is presented to such limited liability company a certificate by the licensing body, as defined in K.S.A. 74-146, and amendments thereto, stating that the person to whom the transfer is made or the membership issued is duly licensed to render the same type of professional services as that for which the limited liability company was organized.

(e) As used in the section, "qualified person" means:

(1) Any natural person licensed to practice the same type of profession ~~which that~~ any professional association or professional corporation is authorized to practice;

(2) the trustee of a trust ~~which that~~ is a qualified trust under ~~subsection (a) of section 401(a) of the federal internal revenue code of 1986, as in effect, on July 1, 1999, or of a contribution plan which that~~ is a qualified employee stock ownership plan under ~~subsection (a) of section 409A(a) of the federal internal revenue code of 1986, as in effect, on July 1, 1999;~~

(3) the trustee of a revocable living trust established by a natural person who is licensed to practice the type of profession ~~which that~~ any professional association or professional corporation is authorized to practice, if the terms of such trust provide that such natural person is the principal beneficiary and sole trustee of such trust and such trust does not continue to hold title to membership in the limited liability company following such natural person's death for more than a reasonable period of time necessary to dispose of such membership;

(4) a Kansas professional corporation or foreign professional corporation in which at least one member or shareholder is authorized by a licensing body, as defined in K.S.A. 74-146, and amendments thereto, to render in this state a professional service permitted by the articles of organization; ~~or~~

(5) a general partnership or limited liability company, if all partners or members thereof are authorized to render the professional services permitted by the articles of organization of the limited liability company formed pursuant to this section and in which at least one partner or member is authorized by a licensing authority of this state to render in this state the professional services permitted by the articles of organization of the limited liability company; *or*

(6) *a healing arts school clinic authorized to perform professional services in accordance with K.S.A. 65-2877a, and amendments thereto.*

(f) Nothing in this act shall restrict or limit in any manner the

authority and duty of any licensing body, as defined in K.S.A. 74-146, and amendments thereto, for the licensing of individual persons rendering a professional service or the practice of the profession ~~which~~ *that* is within the jurisdiction of the licensing body, notwithstanding that the person is an officer, manager, member or employee of a limited liability company organized to exercise powers of a professional association or professional corporation. Each licensing body may adopt rules and regulations governing the practice of each profession as are necessary to enforce and comply with this act and the law applicable to each profession.

(g) A licensing body, as defined in K.S.A. 74-146, and amendments thereto, the attorney general or district or county attorney may bring an action in the name of the state of Kansas in quo warranto or injunction against a limited liability company engaging in the practice of a profession without complying with the provisions of this act.

(h) Notwithstanding any provision of this act to the contrary, without limiting the general powers enumerated in subsection (b), a limited liability company shall, subject to such standards and restrictions, if any, as are set forth in its operating agreement, have the power and authority to make contracts of guaranty and suretyship and enter into interest rate, basis, currency, hedge or other swap agreements or cap, floor, put, call, option, exchange or collar agreements, derivative agreements, or other agreements similar to any of the foregoing.

(i) Unless otherwise provided in an operating agreement, a limited liability company has the power and authority to grant, hold or exercise a power of attorney, including an irrevocable power of attorney.

Sec. 3. K.S.A. 2020 Supp. 65-2877a is hereby amended to read as follows: 65-2877a. No provision of law prohibiting practice of the healing arts by a ~~general corporation~~ *business organization* shall apply to a healing arts school *clinic under the supervision of a person licensed to practice the same branch of the healing arts if such healing arts school is:*

- (a) Approved by the board ~~if the healing arts school is;~~
- (b) a non-profit entity under section 501(c)(3) of the internal revenue code of 1986, ~~is;~~ *and*

~~c) approved by the state board of regents, and as part of its academic requirements provides clinical training to its students under the supervision of persons who are licensed to practice a branch of the healing arts in this state or exempt from such approval under K.S.A. 74-32,164, and amendments thereto.~~

Sec. 4. K.S.A. 2020 Supp. 17-2707, 17-7668 and 65-2877a are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.