

As Amended by House Committee

Session of 2021

SENATE BILL No. 55

By Committee on Education

1-21

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

5
6 *Be it enacted by the Legislature of the State of Kansas:*

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

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

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

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

- 1 (22) a clinical psychotherapist;
- 2 (23) a clinical marriage and family therapist;
- 3 (24) a licensed physician assistant;
- 4 (25) a licensed occupational therapist;
- 5 (26) a licensed audiologist;
- 6 (27) a licensed speech-pathologist; and
- 7 (28) a licensed naturopathic doctor.

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

12 (d) "Qualified person" means:

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

16 (2) the trustee of a trust ~~which that~~ is a qualified trust under
17 ~~subsection (a) of section 401(a) of the federal internal revenue code, as in~~
18 effect on January 1, 2004, or of a contribution plan ~~which that~~ is a
19 qualified employee stock ownership plan under ~~subsection (a) of section~~
20 409A(a) of the federal internal revenue code, as in effect on January 1,
21 2004; ~~or~~

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

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

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

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

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

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

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

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

22 (2) the trustee of a trust ~~which~~ *that* is a qualified trust under
23 ~~subsection (a) of section 401(a) of the federal internal revenue code of~~
24 1986, as in effect, on July 1, 1999, or of a contribution plan ~~which~~ *that* is a
25 qualified employee stock ownership plan under ~~subsection (a) of section~~
26 409A(a) of the federal internal revenue code of 1986, as in effect, on July
27 1, 1999;

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

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

41 (5) a general partnership or limited liability company, if all partners
42 or members thereof are authorized to render the professional services
43 permitted by the articles of organization of the limited liability company

1 formed pursuant to this section and in which at least one partner or
2 member is authorized by a licensing authority of this state to render in this
3 state the professional services permitted by the articles of organization of
4 the limited liability company; or

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

7 (f) Nothing in this act shall restrict or limit in any manner the
8 authority and duty of any licensing body, as defined in K.S.A. 74-146, and
9 amendments thereto, for the licensing of individual persons rendering a
10 professional service or the practice of the profession ~~which~~ *that* is within
11 the jurisdiction of the licensing body, notwithstanding that the person is an
12 officer, manager, member or employee of a limited liability company
13 organized to exercise powers of a professional association or professional
14 corporation. Each licensing body may adopt rules and regulations
15 governing the practice of each profession as are necessary to enforce and
16 comply with this act and the law applicable to each profession.

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

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

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

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

38 (a) ~~Approved by the board if the healing arts school is;~~

39 (b) a non-profit entity under section 501(c)(3) of the internal revenue
40 code of 1986, ~~is;~~ *and*

41 (c) ~~approved by the state board of regents, and as part of its academic~~
42 ~~requirements provides clinical training to its students under the supervision~~
43 ~~of persons who are licensed to practice a branch of the healing arts in this~~

1 ~~state or exempt from such approval under K.S.A. 74-32,164, and~~
2 ~~amendments thereto.~~

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

5 Sec. 5. This act shall take effect and be in force from and after its
6 publication in the ~~statute book~~ **Kansas register**.