

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

3

HOUSE BILL 530
Committee Substitute Favorable 4/24/97
Senate Judiciary Committee Substitute Adopted 6/10/97

Short Title: Professional Corp. Act Amendment.

(Public)

Sponsors:

Referred to:

March 18, 1997

A BILL TO BE ENTITLED
AN ACT TO EXEMPT CERTAIN CORPORATIONS WHICH OFFER
ENGINEERING SERVICES FROM THE APPLICABILITY OF THE
PROFESSIONAL CORPORATION ACT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 55B-15 reads as rewritten:

"§ 55B-15. Applicability of Chapter.

(a) This Chapter shall not apply to the following:

(1) any ~~A~~ corporation which prior to June 5, 1969, was permitted by law to render professional services as ~~herein defined~~ or ~~to~~ the corporate successor of ~~any such~~ that corporation by merger or otherwise by operation of law, provided there is no substantial change in the direct or indirect beneficial ownership of the shares of ~~such that~~ corporation as the result of ~~such the~~ merger or other ~~transaction~~; transaction. ~~for~~ For purposes of this ~~section~~, subdivision, a change of twenty percent (20%) or less shall not be considered substantial.

(2) A corporation authorized in this State to render primary services governed by Articles 1, 2, 4, or 5 of Chapter 87 of the General Statutes,

1 if the corporation renders services as defined in Chapter 89C of the
2 General Statutes, that are reasonably necessary and connected with the
3 primary services performed by individuals regularly employed in the
4 ordinary course of business by the corporation. The professional
5 services may not be offered, performed, or rendered independently from
6 the primary services rendered by the corporation. This subdivision does
7 not restrict, limit, or modify the requirement that professional services
8 must be provided by individuals regularly employed in the ordinary
9 course of business by the corporation and duly licensed to render these
10 professional services in this State. Nothing in this subdivision shall be
11 interpreted to abolish, modify, restrict, limit, or alter the law in this State
12 applicable to the professional relationship and liabilities between
13 licensees furnishing the professional service and the person receiving
14 the professional service, or the standards of professional conduct
15 applicable to the rendering of the professional service.

16 (b) ~~Any such corporation or successor corporation rendering "professional service" as~~
17 ~~defined in G.S. 55B-2(6)~~ A corporation or its successor exempt under subsection (a) of this
18 section may be brought within the provisions of this Chapter by the filing of an
19 amendment to its articles of incorporation declaring that its shareholders have elected to
20 bring the corporation within the provisions of this Chapter and to make the same conform
21 to all of the provisions of this Chapter."

22 Section 2. This act is effective when it becomes law.