

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 530  
Committee Substitute Favorable 4/24/97

Short Title: Professional Corporation Act Amendment.

(Public)

Sponsors:

Referred to:

March 18, 1997

A BILL TO BE ENTITLED

AN ACT TO EXEMPT CERTAIN CORPORATIONS WHICH OFFER ENGINEERING, LANDSCAPE ARCHITECTURAL, AND GEOLOGICAL 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 that renders services as defined in Chapters 89A, 89C, and 89E that are integral to and in connection with the primary services

1                   performed by the employees of the corporation. For the purposes of this  
2                   subdivision, integral services are defined as services that are reasonably  
3                   necessary to support the primary services offered or rendered by a  
4                   corporation. Such services may not be offered, performed, or rendered  
5                   independently from the primary services rendered by the corporation.  
6                   This subdivision does not restrict, limit, or modify the requirement that  
7                   professional services may only be provided by a corporation's officers,  
8                   employees, and agents who are duly licensed to render such professional  
9                   services.

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

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