

SB 555

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1997

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SENATE BILL NO. 555

(By Senator WOOTEN, ET AL)



PASSED APRIL 12, 1997

In Effect From Passage

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OF THE SENATE

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### Senate Bill No. 555

(BY SENATORS WOOTON, BALL, BOWMAN, DITTMAR, FANNING,  
HUNTER, OLIVERIO, ROSS, SCHOONOVER, SNYDER, WHITE,  
BUCKALEW, DEEM, KIMBLE AND SCOTT)

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[Passed April 12, 1997; in effect from passage.]

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AN ACT to amend and reenact sections one thousand three hundred one, one thousand three hundred two, one thousand three hundred three and one thousand three hundred four, article thirteen, chapter thirty-one-b of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to professional limited liability companies ("PLLC"); authorizing formation of PLLCs by psychologists licensed under article twenty-one, chapter thirty of said code; specifying that persons providing compatible professional services may form PLLCs; authorizing one or more persons who may legally and ethically practice together to form PLLCs; specifying who may be members of PLLCs; authorizing ownership of limited liability companies by PLLCs; requiring reporting

of names of members of PLLCs to secretary of state; and requiring certain licensing boards to allow formation of PLLCs by licensees.

*Be it enacted by the Legislature of West Virginia:*

That sections one thousand three hundred one, one thousand three hundred two, one thousand three hundred three and one thousand three hundred four, article thirteen, chapter thirty-one-b of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, all to read as follows:

**ARTICLE 13. PROFESSIONAL LIMITED LIABILITY COMPANIES.**

**§31B-13-1301. Definitions.**

1 As used in this article:

2 (1) "Licensing board" means the governing body or  
3 agency established under chapter thirty of this code which  
4 is responsible for the licensing and regulation of the  
5 practice of the profession which the professional limited  
6 liability company is organized to provide;

7 (2) "Professional limited liability company" means a  
8 limited liability company organized under this chapter for  
9 the purpose of rendering a professional service; and

10 (3) "Professional service" means the services rendered  
11 by the following professions: Attorneys-at-law under  
12 article two, physicians and podiatrists under article three,  
13 dentists under article four, optometrists under article  
14 eight, accountants under article nine, veterinarians under  
15 article ten, architects under article twelve, engineers  
16 under article thirteen, osteopathic physicians and sur-  
17 geons under article fourteen, chiropractors under article  
18 sixteen and psychologists under article twenty-one, all of  
19 chapter thirty of this code.

**§31B-13-1302. Who may become a member; professional limited liability companies authorized.**

1 (a) One or more persons duly licensed or otherwise  
2 legally authorized to render the same or compatible  
3 professional services or to otherwise practice together  
4 within this state may become members of a professional

5 limited liability company under the provisions of this  
6 chapter for the purpose of rendering the same or compati-  
7 ble professional services. Notwithstanding any provision  
8 of this code to the contrary, including any limitation or  
9 restriction set forth in any licensing provision of chapter  
10 thirty of this code, a professional limited liability com-  
11 pany may be formed to provide any of the professional  
12 services as defined in section one thousand three hundred  
13 one of this article.

14 (b) Any one or more persons who, under applicable legal  
15 or ethical rules or principles, can collectively practice the  
16 same or compatible professions, whether as general  
17 partners, joint venturers, fellow shareholders, fellow  
18 members or common business owners, may form, own and  
19 operate, as members, a professional limited liability  
20 company under this article. For purposes of this section,  
21 members of professional limited liability companies may  
22 be natural persons, professional corporations, other  
23 professional limited liability companies and professional  
24 partnerships. Professional limited liability companies  
25 may form, own and operate separate limited liability  
26 companies.

27 (c) No professional limited liability company organized  
28 under this article may have as a member anyone other  
29 than a person who is duly licensed or otherwise legally  
30 authorized to render the professional services for which  
31 the professional limited liability company was organized.  
32 The names of members of professional limited liability  
33 companies who have signature authority shall be fur-  
34 nished to the secretary of state. Any change in the persons  
35 who have signature authority for a professional limited  
36 liability company shall be promptly reported to the  
37 secretary of state.

**§31B-13-1303. Name.**

1 The name of a professional limited liability company  
2 shall contain the words "professional limited liability  
3 company" or the abbreviation "P.L.L.C.", "PLLC",  
4 "Professional L.L.C.", or "Professional LLC."

**§31B-13-1304. Duty of licensing board.**

1 The licensing board for each of the professions autho-  
2 rized to form professional limited liability companies  
3 under this article shall propose legislative rules for  
4 promulgation, in accordance with the provisions of article  
5 three, chapter twenty-nine-a of this code, providing for  
6 the implementation of this article and the procedures for  
7 the formation and approval of professional limited  
8 liability companies for the particular profession under the  
9 jurisdiction of such licensing board. The rules of each  
10 licensing board shall permit the formation and approval  
11 of professional limited liability companies with members  
12 from different professions.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Wm. Schooner*  
.....  
Chairman Senate Committee

*Nick Fantasia*  
.....  
Chairman House Committee

Originated in the Senate.

In effect from passage.

*Russell Adams*  
.....  
Clerk of the Senate

*Bryson W. Gray*  
.....  
Clerk of the House of Delegates

*Earl Ray Tomblin*  
.....  
President of the Senate

*[Signature]*  
.....  
Speaker House of Delegates

The within *is approved* this the *2nd*  
*May*  
day of ....., 1997.

*[Signature]*  
.....  
Governor

PRESENTED TO THE

GOVERNOR

Date

4/22/97

Time

3:14 pm