



CHESTER J. CULVER  
GOVERNOR

## OFFICE OF THE GOVERNOR

PATTY JUDGE  
LT. GOVERNOR

April 13, 2010

The Honorable Michael Mauro  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit:

**Senate File 153**, an Act to allow medical or osteopathic physicians, and physician assistants to form limited liability companies or professional corporations.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver", with a long horizontal flourish extending to the right.

Chester J. Culver  
Governor

CJC:bdj

cc: Secretary of the Senate  
Chief Clerk of the House





Senate File 153

AN ACT

TO ALLOW MEDICAL OR OSTEOPATHIC PHYSICIANS, AND PHYSICIAN ASSISTANTS TO FORM LIMITED LIABILITY COMPANIES OR PROFESSIONAL CORPORATIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 490A.1501, subsection 4, Code 2009, is amended to read as follows:

4. "Profession" means the profession of certified public accountancy, architecture, chiropractic, dentistry, physical therapy, practice as a physician assistant, psychology, professional engineering, land surveying, landscape architecture, law, medicine and surgery, optometry, osteopathic medicine and surgery, accounting practitioner, podiatry, real estate brokerage, speech pathology, audiology, veterinary medicine, pharmacy, nursing, and marriage and family therapy, provided that the marriage and family therapist is licensed under chapters 147 and 154D.

Sec. 2. Section 490A.1502, Code 2009, is amended to read as follows:

**490A.1502 Purposes and powers.**

1. A professional limited liability company shall be organized only for the purpose of engaging in the practice of one specific profession, or two or more specific professions which could lawfully be practiced in combination by a licensed individual or a partnership of licensed individuals, and for the additional purpose of doing all lawful things which may be incidental to or necessary or convenient in connection with the practice of the profession or professions. The articles of organization of a professional limited liability company shall state in substance that the purposes for which the professional limited liability company is organized are to engage in the general practice of a specified profession or professions, or one or more specified branches or divisions thereof, and to do all lawful things which may be incidental to or necessary or convenient in connection with the practice of the profession or professions.

2. a. For purposes of this section, medicine and surgery, osteopathic medicine and surgery, and practice as a physician assistant shall be deemed to be professions which could lawfully be practiced in combination by licensed individuals or a partnership of licensed individuals.

b. Nothing in this section shall be construed to expand the scope of practice of a physician assistant or modify the requirement in section 148C.4 that a physician assistant perform medical services under the supervision of a licensed physician.

Sec. 3. Section 490A.1505, Code 2009, is amended to read as follows:

**490A.1505 Practice by professional limited liability company.**

1. Notwithstanding any other statute or rule of law, a professional limited liability company may practice a profession, but may do so in this state only through members, managers, employees, and agents who are licensed to practice the same profession in this state. In its practice of a profession, no professional limited liability company shall do any act which could not lawfully be done by individuals licensed to practice the profession which the professional limited liability company is authorized to practice.

2. a. This section shall not prohibit persons practicing medicine and surgery, persons practicing osteopathic medicine

and surgery, or persons practicing as physician assistants from practicing their respective professions in lawful combination pursuant to section 490A.1502.

b. Nothing in this section shall be construed to expand the scope of practice of a physician assistant or modify the requirement in section 148C.4 that a physician assistant perform medical services under the supervision of a licensed physician.

Sec. 4. Section 490A.1514, Code 2009, is amended to read as follows:

**490A.1514 Management.**

All managers of a professional limited liability company shall at all times be individuals who are licensed to practice a profession in this state, or a lawful combination of professions pursuant to section 490A.1502, which the limited liability company is authorized to practice. A person who is not licensed shall have no authority or duties in the management or control of the limited liability company. If a manager ceases to have this qualification, the manager shall immediately and automatically cease to hold such management position.

Sec. 5. Section 496C.2, subsection 4, Code 2009, is amended to read as follows:

4. "Profession" means the profession of certified public accountancy, architecture, chiropractic, dentistry, physical therapy, practice as a physician assistant, psychology, professional engineering, land surveying, landscape architecture, law, medicine and surgery, optometry, osteopathic medicine and surgery, accounting practitioner, podiatry, real estate brokerage, speech pathology, audiology, veterinary medicine, pharmacy, and the practice of nursing.

Sec. 6. Section 496C.4, Code 2009, is amended to read as follows:

**496C.4 Purposes and powers.**

1. A professional corporation shall be organized only for the purpose of engaging in the practice of one specific profession, or two or more specific professions which could lawfully be practiced in combination by a licensed individual or a partnership of licensed individuals, and for the additional purpose of doing all lawful things which may be incidental to or necessary or convenient in connection with the practice of the profession or professions. The articles of incorporation shall state in substance that the purposes for which the corporation is organized are to engage in the general practice

of a specified profession or professions, or one or more specified branches or divisions thereof, and to do all lawful things which may be incidental to or necessary or convenient in connection with the practice of the profession or professions. Each professional corporation, unless otherwise provided in its articles of incorporation or unless expressly prohibited by this chapter, shall have all powers granted to corporations by the Iowa business corporation Act, chapter 490.

2. a. For purposes of this section, medicine and surgery, osteopathic medicine and surgery and practice as a physician assistant shall be deemed to be professions which could lawfully be practiced in combination by licensed individuals or a partnership of licensed individuals.

b. Nothing in this section shall be construed to expand the scope of practice of a physician assistant or modify the requirement in section 148C.4 that a physician assistant perform medical services under the supervision of a licensed physician.

Sec. 7. Section 496C.7, Code 2009, is amended to read as follows:

**496C.7 Practice by professional corporation.**

1. Notwithstanding any other statute or rule of law, a professional corporation may practice a profession, but may do so in this state only through shareholders, directors, officers, employees, and agents who are licensed to practice the same profession in this state.

2. In its practice of a profession, no professional corporation shall do any act which could not lawfully be done by individuals licensed to practice the profession which the professional corporation is authorized to practice.

3. a. This section shall not prohibit persons practicing medicine and surgery, persons practicing osteopathic medicine and surgery, or persons practicing as physician assistants from practicing their respective professions in lawful combination pursuant to section 496C.4.

b. Nothing in this section shall be construed to expand the scope of practice of a physician assistant or modify the requirement in section 148C.4 that a physician assistant perform medical services under the supervision of a licensed physician.

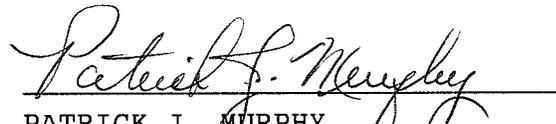
Sec. 8. Section 496C.16, Code 2009, is amended to read as follows:

**496C.16 Management.**

All directors of a professional corporation and all officers of a professional corporation, except assistant officers, shall at all times be individuals who are licensed to practice in this state a profession, or a lawful combination of professions pursuant to section 496C.4, which the corporation is authorized to practice. However, upon the occurrence of any event that requires the corporation either to be dissolved or to elect to adopt the provisions of the Iowa business corporation Act, chapter 490, as provided in section 496C.19, provided the corporation ceases to practice the profession that the corporation is authorized to practice, as provided in section 496C.19, then individuals who are not licensed to practice in this state a profession that the corporation is authorized to practice may be appointed as officers and directors for the sole purpose of carrying out the dissolution of the corporation or, if applicable, the voluntary election of the corporation to adopt the provisions of the Iowa business corporation Act, as provided in section 496C.19.

  
JOHN P. KIBBIE

President of the Senate

  
PATRICK J. MURPHY

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 153, Eighty-third General Assembly.

  
MICHAEL E. MARSHALL

Secretary of the Senate

Approved April 13<sup>th</sup>, 2010



CHESTER J. CULVER

Governor