

14A:17-3

LEGISLATIVE HISTORY CHECKLIST

NJSA: 14A:17-3

(Optometrists--clarify
right to incorporate)

LAWS OF: 1986

CHAPTER 131

BILL NO: S1772

Sponsor(s): O'Connor

Date Introduced: February 24, 1986

Committee: Assembly: Higher Education and Regulated Professions

Senate: Labor, Industry & Professions

Amended during passage: No

Date of Passage: Assembly: Sept. 15, 1986

Senate: May 15, 1986

Date of Approval: Oct. 20, 1986

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

SENATE, No. 1772

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 24, 1986

By Senator O'CONNOR

Referred to Committee on Labor, Industry and Professions

AN ACT to amend "The Professional Service Corporation Act,"
approved December 16, 1969 (P. L. 1969, c. 232).

1 BE IT ENACTED by the Senate and General Assembly of the State
2 of New Jersey:

1 1. Section 3 of P. L. 1969, c. 232 (C. 14A:17-3) is amended to
2 read as follows:

3 3. Terms defined. As used in this act, the following words shall
4 have the meaning indicated:

5 (1) The term "professional service" shall mean any type of
6 personal service to the public which requires as a condition
7 precedent to the rendering of such service the obtaining of a
8 license or other legal authorization and which prior to the passage
9 of this act and by reason of law could not be performed by a
10 corporation. By way of example and without limiting the generality
11 thereof, the personal services which come within the provisions
12 of this act are the personal services rendered by certified public
13 accountants, architects, optometrists, professional engineers, land
14 surveyors, land planners, chiropractors, dentists, osteopaths,
15 physicians and surgeons, doctors of medicine, doctors of dentistry,
16 podiatrists, chiroprodists, veterinarians and, subject to the Rules
17 of the Supreme Court, attorneys-at-law;

18 (2) The term "professional corporation" means a corporation
19 which is organized under this act for the sole and specific purpose
20 of rendering the same or closely allied professional service as its
21 shareholders, each of whom must be licensed or otherwise legally
22 authorized within this State to render such professional service;

23 (3) "Closely allied professional service" means and is limited
24 to the practice of (a) architecture, professional engineering, land
25 surveying and land planning and (b) any branch of medicine and
26 surgery, *optometry*, and dentistry.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to permit optometrists who are in practice with other licensed practitioners of medicine, surgery and dentistry to enjoy the corporate mode of practice organization, whereas such practices may now only be organized as partnerships.

Many health maintenance organizations in New Jersey are organized as Individual Practice Associations or "IPA's". These IPA's are characteristically incorporated as professional associations. Any health care provider (such as optometrists) who are not permitted under the law to incorporate with other health care professionals are automatically excluded from participation as health care providers within the IPA.

These exclusions are inconsistent with the trend toward health care cost containment measures increasingly implemented by employers, insurance companies and governments.

REGULATED PROFESSIONS

Permits optometrists in practice with other medical practitioners to incorporate.

SENATE, No. 1772

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 24, 1986

By Senator O'CONNOR

Referred to Committee on Labor, Industry and Professions

AN ACT to amend "The Professional Service Corporation Act,"
approved December 16, 1969 (P. L. 1969, c. 232).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 3 of P. L. 1969, c. 232 (C. 14A:17-3) is amended to
2 read as follows:

3 3. Terms defined. As used in this act, the following words shall
4 have the meaning indicated:

5 (1) The term "professional service" shall mean any type of
6 personal service to the public which requires as a condition
7 precedent to the rendering of such service the obtaining of a
8 license or other legal authorization and which prior to the passage
9 of this act and by reason of law could not be performed by a
10 corporation. By way of example and without limiting the generality
11 thereof, the personal services which come within the provisions
12 of this act are the personal services rendered by certified public
13 accountants, architects, optometrists, professional engineers, land
14 surveyors, land planners, chiropractors, dentists, osteopaths,
15 physicians and surgeons, doctors of medicine, doctors of dentistry,
16 podiatrists, chiropodists, veterinarians and, subject to the Rules
17 of the Supreme Court, attorneys-at-law;

18 (2) The term "professional corporation" means a corporation
19 which is organized under this act for the sole and specific purpose
20 of rendering the same or closely allied professional service as its
21 shareholders, each of whom must be licensed or otherwise legally
22 authorized within this State to render such professional service;

Matter printed in italics thus is new matter.

23 (3) "Closely allied professional service" means and is limited
24 to the practice of (a) architecture, professional engineering, land
25 surveying and land planning and (b) any branch of medicine and
26 surgery, *optometry*, and dentistry.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to permit optometrists who are in practice with other licensed practitioners of medicine, surgery and dentistry to enjoy the corporate mode of practice organization, whereas such practices may now only be organized as partnerships.

Many health maintenance organizations in New Jersey are organized as Individual Practice Associations or "IPA's". These IPA's are characteristically incorporated as professional associations. Any health care provider (such as optometrists) who are not permitted under the law to incorporate with other health care professionals are automatically excluded from participation as health care providers within the IPA.

These exclusions are inconsistent with the trend toward health care cost containment measures increasingly implemented by employers, insurance companies and governments.

REGULATED PROFESSIONS

Permits optometrists in practice with other medical practitioners to incorporate.

51772 (1986)

ASSEMBLY HIGHER EDUCATION AND REGULATED
PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 1772

STATE OF NEW JERSEY

DATED: SEPTEMBER 8, 1986

The Assembly Higher Education and Regulated Professions Committee favorably reports Senate Bill No. 1772.

This bill provides that licensed optometrists may incorporate with doctors, surgeons and dentists in a professional corporation under "The Professional Service Corporation Act," P. L. 1969, c. 232.

Under current law, if an optometrist wants to organize to practice together with a doctor, surgeon and dentist, the group cannot form a professional corporation for that purpose but would instead have to form a partnership.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO

SENATE, No. 1772

STATE OF NEW JERSEY

DATED: APRIL 28, 1986

This bill provides that licensed optometrists may incorporate with doctors, surgeons and dentists in a professional corporation under "The Professional Service Corporation Act."