

14A:17-14 and 14A:17-15

LEGISLATIVE HISTORY CHECKLIST

(Professional corporations --- allow "P.C." or a Professional Corporation in name)

NJSA 14A:17-14 and 14A:17-15

LAWS 1982 CHAPTER 97

Bill No. A187

Sponsor(s) Bryant and others

Date Introduced Pre-filed

Committee: Assembly Commerce and Industry

Senate Labor, Industry and Professions

Amended during passage ~~Yes~~ No

Date of Passage: Assembly March 8, 1982

Senate June 3, 1982

Date of approval July 28, 1982

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note ~~Yes~~ No

Veto Message ~~Yes~~ No

Message on signing Yes ~~No~~

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

6/22/81

PP

ASSEMBLY, No. 187

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1982 SESSION

By Assemblymen BRYANT, RILEY, HOLLENBECK, MARSELLA
and Assemblywoman KALIK

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

3 14. Corporate name. The corporate name of a professional
4 corporation shall contain the full or last names of one or more of the
5 shareholders or a name descriptive of the type of professional
6 service in which the corporation will be engaged and shall also
7 contain the words "chartered," **[or]** "professional association**[,]**"
8 or "*a professional corporation,*" or the abbreviation "P. A." or
9 "*P. C.*" The use of the word "company," "corporation" or "in-
10 corporated," or any other word, words, abbreviations, affix or prefix
11 indicating that it is a corporation, in the corporate name of a pro-
12 fessional corporation, other than the words "chartered," **[or]** "pro-
13 fessional association**[,]**" or "*a professional corporation,*" or the
14 abbreviation "P. A.**[,]**" or "*P. C.,*" is specifically prohibited. It shall
15 be permissible, however, for the corporation and the shareholders
16 to render professional services or to exercise its authorized powers
17 under a name which is identical to its corporate name except that
18 the words "chartered," **[or]** "professional association" or "*a pro-*
19 *fessional corporation,*" or the abbreviation "P. A." or "*P. C.*" is
20 omitted.

1 2. Section 15 of P. L. 1969, c. 232 (C. 14A:17-15) is amended to
2 read as follows:

3 15. Applicable law, consolidation, merger, report; contents. The
4 Business Corporation Act of New Jersey shall be applicable to a
5 professional corporation except to the extent that any of the pro-
6 visions of this act are interpreted to be in conflict with the pro-

EXPLANATION—Matter enclosed in bold-faced brackets **[thus]** in the above bill
is not enacted and is intended to be omitted in the law.

7 visions of the Business Corporation Act of New Jersey, and in
8 such event the provisions and sections of this act shall take pre-
9 cedence with respect to a professional corporation. A professional
10 corporation organized under this act may consolidate or merge
11 only with another professional corporation organized under this
12 act and empowered to render the same professional service. A
13 merger or consolidation with any foreign corporation is prohibited.
14 A professional corporation shall *annually* furnish a report to the
15 office of the Secretary of State [by March 31 of each year] *on a date*
16 *designated by the Secretary of State* showing the names and post-
17 office addresses of all its shareholders, directors and officers, which
18 shall certify that, with the exception permitted in section 6, all such
19 persons are duly licensed or otherwise legally authorized to render
20 the same professional service in this State. This report shall be
21 made on forms prescribed and furnished by the Secretary of State,
22 but shall contain no information except that expressly called for by
23 this section. It shall be signed by the president or vice-president
24 and the secretary or an assistant secretary of the corporation, and
25 acknowledged by the persons signing the report before a notary
26 public or other officer duly authorized to administer oaths, shall be
27 filed in the office of the Secretary of State, and shall be in lieu of
28 the regular annual report of corporations otherwise required by the
29 Business Corporation Act of New Jersey.

1 3. This act shall take effect immediately.

STATEMENT

This bill would allow professional corporations to utilize the term "a professional corporation" or the abbreviation "P. C." in addition to those already permitted by law when designating their title. Currently, a discrepancy exists between the statute and the Supreme Court Rules concerning proper designation by attorneys, which this bill corrects.

The amendment to the annual report requirement will allow the Secretary of State to provide for corporations to file their report annually on the date of incorporation rather than all professional corporations filing on March 31 each year. This will result in a more even work flow in processing these documents in the Commercial Recording Division of the Department of State.

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8 such event the provisions and sections of this act shall take pre-
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A187 (1982)

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ASSEMBLY COMMERCE AND INDUSTRY COMMITTEE

STATEMENT TO

ASSEMBLY, No. 187

STATE OF NEW JERSEY

DATED: MARCH 1, 1982

The Assembly Commerce and Industry Committee favorably reports this bill to allow "professional corporations" to use that designation or "P. C." in their corporate name. Under current law, one is now limited to the use of "chartered" or "professional association" or "P. A.". The proposed amendment eliminates a discrepancy between the statute and Rule 1:21-1A(a) of the *Rules Governing the Courts of the State of New Jersey (1982)* which allows for attorneys to use the designation "A professional corporation."

Professional corporations render professional services to the public upon the condition of receiving legal authorization and include such disparate professions as certified public accountants, architects and veterinarians.

Also, under this bill, the Secretary of State will be able to designate the date of filing annual reports by such professional corporations, creating a more even processing of work for the Department of State's Commercial Recording Bureau.

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SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 187

STATE OF NEW JERSEY

DATED: MAY 6, 1982

This bill allows professional corporations to utilize "a professional corporation" or "P.C." in their corporate name. These designations are in addition to the words or abbreviation, "chartered," "professional association," and "P.A.," which are already permitted by law. One of these designations must be used in the corporate name.

This bill will eliminate the discrepancy between the provisions of the "Professional Service Corporation Act" and the Supreme Court's rule which allows attorneys to use "a professional corporation" in their corporate name when they have formed a professional corporation under the act.

Under the bill the Secretary of State determines when a professional corporation's annual report must be filed, instead of the present provision which requires all professional corporations to file on March 31 of each year. This provision will allow the Commercial Recording Bureau of the Department of State to more evenly process the annual reports.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATELY

July 28, 1982

Acting Governor Carmen A. Orechio signed the following bills:

Senate Bill No. 95 -- which designates "The Volunteer," by Wayne Swezey as the song of the volunteer firemen.

Senate Bill No. 116 -- which permits a physician to include his name and address in a sign directory separate from the building in which he maintains an office.

Senate Bill No. 1065 -- which establishes quarterly payment schedule for amounts due to Passaic Valley Sewage Commission by municipalities under contract with the Commission.

Senate Bill No. 1259 -- which increases the threshold contract amount from \$2,000 to \$4,500 above which the North Jersey Water Supply Commission must advertise bids.

Senate Bill No. 1428 -- which requires the promulgation of minimum standards for medicare health insurance policies.

Senate Bill No. 1429 -- which requires the promulgation of minimum standards for medicare health insurance policies.

Senate Joint Resolution No. 21 -- which creates a commission to study the statutes and regulations concerning the alcoholic beverage industry.

Assembly Bill No. 49 -- which changes the name of the State Board of Certified Public Accountants to the State Board of Accountancy.

Assembly Bill No. 187 -- which permits professional corporations to utilize the term "a professional corporation" or the abbreviation "P.C."

Assembly Bill No. 234 -- which provides for the protection of certain consumer rights.