

14A:17-3

**LEGISLATIVE HISTORY CHECKLIST**  
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**NJSA:** 14A:17-3

(Registered  
nurses & physical  
therapists--incorporation)

**LAWS OF:** 1991

**CHAPTER:** 105

**Bill No:** A3079

**Sponsor(s):** Doyle and Ford

**Date Introduced:** March 1, 1990

**Committee: Assembly:** Commerce

**Senate:** Labor

**Amended during passage:** No

**Date of Passage: Assembly:** October 4, 1990

**Senate:** March 4, 1991

**Date of Approval:** April 17, 1991

**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

**KBG/SLJ**

P.L.1991, CHAPTER 105, approved April 17, 1991

1990 Assembly No. 3079

1 AN ACT providing for the incorporation of registered  
2 professional nurses and amending P.L.1969, c.232.

3  
4 BE IT ENACTED by the Senate and General Assembly of the  
5 State of New Jersey:

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

8 3. Terms defined. As used in this act, the following words  
9 shall have the meanings indicated:

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

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

31 (3) "Closely allied professional service" means and is limited  
32 to the practice of (a) architecture, professional engineering,  
33 land surveying and land planning and (b) any branch of medicine  
34 and surgery, optometry, physical therapy, registered  
35 professional nursing, and dentistry.

36 (cf: P.L.1986, c.131, s.1)

37 2. Section 7 of P.L.1969, c.232 (C.14A:17-7) is amended to  
38 read as follows:

39 7. Rendering of professional service limited to licensed

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

Matter underlined thus is new matter.

1 personnel; charges authorized. No professional corporation may  
2 render professional services except through its officers,  
3 employees and agents who are duly licensed or otherwise legally  
4 authorized to render such professional services within this State;  
5 provided, however, that this provision shall not be interpreted to  
6 include in the term "employee" as used herein clerks,  
7 secretaries, [nurses,] administrators, bookkeepers, technicians  
8 and other assistants who are not usually and ordinarily  
9 considered by law, custom and practice to be rendering  
10 professional service to the public for which a license or other  
11 legal authorization is required in connection with the profession  
12 to be practiced, nor does the term "employee" include any other  
13 person who performs all his employment under the direct  
14 supervision and control of an officer, agent or employee who is  
15 himself rendering professional service to the public on behalf of  
16 the professional corporation; provided, that no person shall,  
17 under the guise of employment, practice a profession unless duly  
18 licensed to practice that profession under the laws of this  
19 State. Notwithstanding any other or contrary provisions of the  
20 laws of the State, a professional corporation may charge for its  
21 services, may collect such charges, and may compensate its  
22 officers, employees and agents, including those persons excluded  
23 from the term "employee" as used herein.  
24 (cf: P.L.1969, c.232, s.7)

25 3. This act shall take effect on the 90th day after enactment.

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28 STATEMENT

29  
30 This bill amends the "Professional Service Corporation Act,"  
31 P.L.1969, c.232 (C.14A:17-1 et seq.) to provide for the  
32 incorporation of registered professional nurses and physical  
33 therapists to provide the same or closely allied professional  
34 service.

35  
36  
37 REGULATED PROFESSIONS

38  
39 Provides for the incorporation of registered professional nurses  
40 and physical therapists.

1 personnel; charges authorized. No professional corporation may  
2 render professional services except through its officers,  
3 employees and agents who are duly licensed or otherwise legally  
4 authorized to render such professional services within this State;  
5 provided, however, that this provision shall not be interpreted to  
6 include in the term "employee" as used herein clerks,  
7 secretaries, [nurses,] administrators, bookkeepers, technicians  
8 and other assistants who are not usually and ordinarily  
9 considered by law, custom and practice to be rendering  
10 professional service to the public for which a license or other  
11 legal authorization is required in connection with the profession  
12 to be practiced, nor does the term "employee" include any other  
13 person who performs all his employment under the direct  
14 supervision and control of an officer, agent or employee who is  
15 himself rendering professional service to the public on behalf of  
16 the professional corporation; provided, that no person shall,  
17 under the guise of employment, practice a profession unless duly  
18 licensed to practice that profession under the laws of this  
19 State. Notwithstanding any other or contrary provisions of the  
20 laws of the State, a professional corporation may charge for its  
21 services, may collect such charges, and may compensate its  
22 officers, employees and agents, including those persons excluded  
23 from the term "employee" as used herein.

24 (cf: P.L.1969, c.232, s.7)

25 3. This act shall take effect on the 90th day after enactment.  
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## 28 STATEMENT

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30 This bill amends the "Professional Service Corporation Act,"  
31 P.L.1969, c.232 (C.14A:17-1 et seq.) to provide for the  
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## 37 REGULATED PROFESSIONS

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39 Provides for the incorporation of registered professional nurses  
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ASSEMBLY COMMERCE AND REGULATED PROFESSIONS  
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3079

STATE OF NEW JERSEY

DATED: APRIL 26, 1990

The Assembly Commerce and Regulated Professions Committee reports favorably Assembly Bill No. 3079.

This bill amends "The Professional Service Corporation Act," P.L.1969, c.232 (C.14A:17-1 et seq.) to provide for the incorporation of registered professional nurses and physical therapists to provide the same or closely allied professional service. The bill amends section 3 of P.L.1969, c.232 (C.14A:17-3) by adding to the definition of "closely allied professional service" the practice of physical therapy and registered professional nursing.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3079

STATE OF NEW JERSEY

DATED: DECEMBER 3, 1990

The Senate Labor, Industry and Professions Committee reports favorably Assembly, No. 3079.

This bill amends "The Professional Service Corporation Act," P.L.1969, c.232 (C.14A:17-1 et seq.), to specify that registered professional nurses and physical therapists may incorporate under that act. Registered professional nurses and physical therapists may currently incorporate under the provisions of that act. The bill also provides that registered professional nurses and physical therapists may incorporate with doctors, surgeons, optometrists and dentists in a professional corporation under that act. Under current law, if a registered professional nurse or physical therapist wants to organize to practice with a doctor, surgeon, optometrist or dentist, the group cannot form a professional corporation for that purpose but would instead have to form a partnership.