

LEGISLATIVE BILL 488

Approved by the Governor February 15, 1994

Introduced by Ashford, 6

AN ACT relating to professional corporations; to amend sections 21-2201 and 21-2219, Reissue Revised Statutes of Nebraska, 1943; to authorize Nebraska professional corporations to provide services in other states; to provide for certain foreign professional corporations to provide services in Nebraska as prescribed; to provide for a certificate of authority; to define a term; to provide for consolidation or merger with a foreign professional corporation; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 21-2201, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

21-2201. Sections 21-2201 to 21-2222 and section 2 of this act shall be known and may be cited as the Nebraska Professional Corporation Act.

Sec. 2. (1) A professional corporation may provide professional services in another jurisdiction if such corporation complies with all applicable laws of such jurisdiction regulating the rendering of professional services. Notwithstanding any other provision of the Nebraska Professional Corporation Act, no shareholder, director, officer, employee, or agent of a professional corporation shall be required to be licensed to render professional services in this state or to reside in this state if such shareholder, director, officer, employee, or agent does not render professional services in this state and is licensed in one or more states, territories of the United States, or the District of Columbia to render a professional service described in the professional corporation's articles of incorporation.

(2) A foreign professional corporation shall not transact business in this state unless it renders one of the professional services specified in subdivision (1) of section 21-2202 and complies with the provisions of the act, including, without limitation, registration with the appropriate regulating board in this state. A foreign professional corporation shall not transact business in this state if the laws of the jurisdiction under which such foreign professional corporation is incorporated do not allow for a professional corporation incorporated under the laws of this state to transact business in such jurisdiction.

(3)(a) A foreign professional corporation shall apply for a certificate of authority in the same manner as a foreign business corporation pursuant to sections 21-20,109 to 21-20,111.

(b) Except as otherwise provided in the Nebraska Professional Corporation Act, foreign professional corporations shall enjoy all the powers, benefits, and privileges and shall be subject to all the duties, restrictions, and liabilities of a foreign business corporation under sections 21-301 to 21-325 and the Nebraska Business Corporation Act.

(c) A foreign professional corporation shall not be required as a condition to obtaining a certificate of authority to have all of its shareholders, directors, and officers licensed to render professional services in this state if all of its shareholders, directors, and officers, except the secretary and assistant secretary, are licensed in one or more states or territories of the United States or the District of Columbia to render a professional service described in its articles of incorporation and any shareholder, director, officer, employee, or agent who renders professional services within this state on behalf of the foreign professional corporation is licensed to render professional services in this state.

(d) A foreign professional corporation shall not be required to obtain a certificate of authority to transact business in this state unless it maintains or intends to maintain an office in this state for the conduct of business or professional practice.

(4) For purposes of this section, foreign professional corporation shall mean a corporation which is organized under the law of any other state or territory of the United States or the District of Columbia for the specific purpose of rendering professional services and which has as its shareholders only individuals who are duly licensed or otherwise legally authorized to render the same professional services as the corporation.

Sec. 3. That section 21-2219, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

21-2219. A professional corporation organized under the provisions of ~~sections 21-2201 to 21-2222~~ the Nebraska Professional Corporation Act may consolidate or merge only with another domestic professional corporation organized under ~~sections 21-2201 to 21-2222~~ the act to render the same professional service or a foreign professional corporation admitted or which would qualify to be admitted under the act to render the same professional service in this state. ~~A merger or consolidation with any foreign corporation is prohibited.~~

Sec. 4. That original sections 21-2201 and 21-2219, Reissue Revised Statutes of Nebraska, 1943, are repealed.