



Senate

General Assembly

File No. 563

January Session, 2005

Substitute Senate Bill No. 1025

Senate, April 28, 2005

The Committee on Judiciary reported through SEN. MCDONALD of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE FORMATION OF LIMITED LIABILITY COMPANIES TO RENDER PROFESSIONAL SERVICES BY LICENSED HEALTH CARE PROVIDERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (b) and (c) of section 34-119 of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2005*):

4 (b) Except as otherwise provided in this subsection, a limited
5 liability company may be formed to render professional services
6 provided: (1) Each member of the limited liability company must be
7 licensed or otherwise authorized by law in this state or any other
8 jurisdiction to render such professional services; (2) the limited liability
9 company will render only one specific type of professional services
10 and services ancillary to them and may not engage in any business
11 other than the rendering of professional services for which it was
12 formed to render and services ancillary to them; and (3) the limited

13 liability company may render its professional services in this state only
 14 through its members, managers, employees and agents who are
 15 licensed or otherwise legally authorized to render such professional
 16 services within this state. A limited liability company that will render
 17 professional services by licensed or certified alcohol and drug
 18 counselors may only be formed pursuant to subdivision (2) of
 19 subsection (c) of this section. A limited liability company that will
 20 render professional services by physicians and surgeons, chiropractors,
 21 podiatrists, natureopaths and optometrists may only be formed
 22 pursuant to subdivision (3) of subsection (c) of this section.

23 (c) A limited liability company may be formed to render
 24 professional services rendered by members of two or more of the
 25 following professions: (1) Psychology, marital and family therapy,
 26 social work, nursing and psychiatry; [or] (2) medicine and surgery,
 27 occupational therapy, social work and alcohol and drug counseling; or
 28 (3) medicine and surgery, chiropractic, podiatry, natureopathy and
 29 optometry; provided (A) each member of the limited liability company
 30 [must be] is licensed or otherwise authorized by law in this state or any
 31 other jurisdiction to render any of the types of professional services
 32 specified in subdivision (1), [or] (2) or (3) of this subsection, (B) the
 33 limited liability company will render only the types of professional
 34 services specified in subdivision (1), [or] (2) or (3) of this subsection
 35 and services ancillary to them and may not engage in any business
 36 other than the rendering of professional services for which it was
 37 formed to render and services ancillary to them, and (C) the limited
 38 liability company may render its professional services in this state only
 39 through its members, managers, employees and agents who are
 40 licensed or otherwise legally authorized to render any of the types of
 41 professional services specified in subdivision (1), [or] (2) or (3) of this
 42 subsection within this state.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	October 1, 2005	34-119(b) and (c)
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The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Secretary of the State	GF - Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill authorizes a third mixed professional group to those that can form a professional limited liability company (LLC). They are licensed physicians and surgeons, chiropractors, podiatrists, naturopaths, and optometrists. Currently an LLC is required to file with the office of the Secretary of the State (SOTS). The annual organization fee is \$60 to register as an LLC, which will result in a minimal revenue gain to the state.

OLR Bill Analysis

sSB 1025

AN ACT CONCERNING THE FORMATION OF LIMITED LIABILITY COMPANIES TO RENDER PROFESSIONAL SERVICES BY LICENSED HEALTH CARE PROVIDERS**SUMMARY:**

This bill adds a third mixed professional group to those that can form a limited liability company (LLC). They are licensed physicians and surgeons, chiropractors, podiatrists, natureopaths, and optometrists.

By law, people licensed to offer the same professional services may form a LLC to offer those services. Currently, the law also authorizes LLCs for mixed groups of (1) licensed psychologists, marital and family therapists, social workers, nurses, and psychiatrists and (2) physicians and surgeons, occupational therapists, social workers, and alcohol and drug counselors. The law requires that (1) each LLC member be licensed or otherwise authorized by Connecticut law or in any jurisdiction to render such services; (2) the LLC render only those professional services for which it was formed or services ancillary to them; and (3) the LLC render its services in Connecticut only through its members, managers, employees, and agents licensed or otherwise legally authorized to do so.

EFFECTIVE DATE: October 1, 2005

BACKGROUND***Related Bill***

HB 6963, favorably reported by the Judiciary Committee, authorizes physicians and chiropractors to form LLCs. It also authorizes them to form a professional corporation to offer their services.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Change of Reference

Yea 24 Nay 0

Judiciary Committee

Joint Favorable Report

Yea 40 Nay 0