

SENATE BILL NO. 163—SENATOR FARLEY

PREFILED FEBRUARY 13, 2017

JOINT SPONSOR: ASSEMBLYMAN ARAUJO

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to professional entities.
(BDR 7-632)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to professional entities; revising provisions governing the formation of professional entities to provide specific types of professional services; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that a professional entity may be organized only for the purpose of rendering one specific type of professional service. Existing law also provides certain exceptions to the requirement that a professional entity only provide one type of professional service. (NRS 89.050) This bill expands the exception of forming a professional entity for the provision of services relating to medicine, homeopathy and osteopathy to include mental health services, which includes the practice of psychology, clinical social work, psychiatric nursing, marriage and family therapy and clinical professional counseling. Such a professional entity may be composed of persons engaged in the practice of medicine, homeopathic medicine and osteopathic medicine and providing mental health services.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 89.050 is hereby amended to read as follows:
89.050 1. Except as otherwise provided in subsection 2, a professional entity may be organized only for the purpose of rendering one specific type of professional service and may not



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engage in any business other than rendering the professional service for which it was organized and services reasonably related thereto, except that a professional entity may own real and personal property appropriate to its business and may invest its money in any form of real property, securities or any other type of investment.

2. A professional entity may be organized to render a professional service relating to:

(a) Architecture, interior design, residential design, engineering and landscape architecture, or any combination thereof, and may be composed of persons:

(1) Engaged in the practice of architecture as provided in chapter 623 of NRS;

(2) Practicing as a registered interior designer as provided in chapter 623 of NRS;

(3) Engaged in the practice of residential design as provided in chapter 623 of NRS;

(4) Engaged in the practice of landscape architecture as provided in chapter 623A of NRS; and

(5) Engaged in the practice of professional engineering as provided in chapter 625 of NRS.

(b) Medicine, homeopathy, ~~and~~ osteopathy ~~and~~ *and mental health, or any combination thereof*, and may be composed of persons engaged in the practice of ~~medicine~~:

(1) Medicine as provided in chapter 630 of NRS ~~persons engaged in the practice of homeopathic~~;

(2) Homeopathic medicine as provided in chapter 630A of NRS ~~and persons engaged in the practice of osteopathic~~;

(3) Osteopathic medicine as provided in chapter 633 of NRS ~~Such a professional entity may market and manage additional professional entities which are organized to render a professional service relating to medicine, homeopathy and osteopathy.~~

~~(c) Mental health services, and may be composed of the following persons, in any number and in any combination:~~

~~(1); and~~

(4) Providing mental health services, which includes:

(I) Any psychologist who is licensed to practice in this State;

~~(2)~~ *(II)* Any social worker who holds a master's degree in social work and who is licensed by this State as a clinical social worker;

~~(3)~~ *(III)* Any registered nurse who is licensed to practice professional nursing in this State and who holds a master's degree in the field of psychiatric nursing;

~~(4)~~ *(IV)* Any marriage and family therapist who is licensed by this State pursuant to chapter 641A of NRS; and



- 1 ~~(5)~~ (V) Any clinical professional counselor who is licensed
2 by this State pursuant to chapter 641A of NRS.
3 ➔ Such a professional entity may market and manage additional
4 professional entities which are organized to render a professional
5 service relating to *medicine, homeopathy, osteopathy and* mental
6 health ~~{services}~~ pursuant to this paragraph.
7 3. A professional entity may render a professional service only
8 through its officers, managers and employees who are licensed or
9 otherwise authorized by law to render the professional service.

