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INTERIM STUDY PROPOSAL 2019-003

1  
2 State of Arkansas  
3 92nd General Assembly  
4 Regular Session, 2019

**A Bill**

HOUSE BILL 1525

5  
6 By: Representative Boyd

7 Filed with: House Committee on Insurance and Commerce  
8 pursuant to A.C.A. §10-3-217.

**For An Act To Be Entitled**

9  
10 AN ACT TO ESTABLISH THE CHIROPRACTIC CORPORATION ACT;  
11 AND FOR OTHER PURPOSES.

12  
13  
14 **Subtitle**

15 TO ESTABLISH THE CHIROPRACTIC CORPORATION  
16 ACT.

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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20  
21 SECTION 1. Arkansas Code Title 4, Chapter 29, is amended to add an  
22 additional subchapter to read as follows:

23 Subchapter 5 – Chiropractic Corporation Act

24  
25 4-29-501. Title.

26 This subchapter shall be known and may be cited as the "Chiropractic  
27 Corporation Act".

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29 4-29-502. Definitions.

30 As used in this subchapter:

31 (1) "Beneficial owner" means an individual who is the grantor  
32 and sole trustee of a revocable living trust where the individual reserves  
33 the unrestricted right to revoke the trust;

34 (2) "Foreign chiropractic corporation" means a chiropractic  
35 corporation:

36 (A) Organized under the laws of another state; and

1                   (B) In which all officers, directors, and shareholders of  
2 the chiropractic corporation are licensed to practice chiropractic in the  
3 state of incorporation;

4                   (3) "Shareholder" means either:

5                   (A) The person in whose name shares are registered in the  
6 records of a chiropractic corporation; or

7                   (B) The beneficial owner of shares of a revocable living  
8 trust where the shares are registered in the records of the chiropractic  
9 corporation in the names of the revocable living trust; and

10                   (4) "Chiropractic" means the same as defined at 17-81-102(3).

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12                   4-29-503. Application of the Arkansas Business Corporation Act of  
13 1987.

14                   (a) The Arkansas Business Corporation Act of 1987, § 4-27-101 et seq.,  
15 is applicable to a chiropractic corporation and the organization of a  
16 chiropractic corporation, except that the number of incorporators of a  
17 chiropractic corporation shall be one (1) or more, and they shall enjoy the  
18 powers and privileges and be subject to the duties, restrictions, and  
19 liabilities of other corporations, except so far as the same may be limited  
20 or enlarged by this subchapter.

21                   (b) If this subchapter conflicts with the Arkansas Business  
22 Corporation Act of 1987, § 4-27-101 et seq., this subchapter shall take  
23 precedence.

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25                   4-29-504. Physician-patient relationship unaltered.

26                   This subchapter does not alter any law applicable to the relationship  
27 between a chiropractic physician providing chiropractic services and a person  
28 receiving the services, including liability arising out of the services.

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30                   4-29-505. Formation of chiropractic corporation – Employee licensing  
31 required.

32                   (a) One (1) or more persons licensed under the Arkansas Chiropractic  
33 Practices Act, § 17-81-101 et seq., § 17-81-201 et seq., and § 17-81-301 et  
34 seq., may associate to form a chiropractic corporation under the Arkansas  
35 Business Corporation Act of 1987, § 4-27-101 et seq., for the establishment  
36 of a chiropractic corporation.

1           (b) Chiropractic treatment, consultation, or advice may be given by  
2 employees of the chiropractic corporation only if they are licensed under the  
3 Arkansas Chiropractic Practices Act, § 17-81-101 et seq., § 17-81-201 et  
4 seq., and § 17-81-301 et seq.

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6           4-29-506. Corporate name.

7           (a)(1) The corporate name of the chiropractic corporation may contain  
8 the names of one (1) or more of the shareholders.

9           (2) However, the name of a person who is a shareholder but is  
10 not employed by the chiropractic corporation shall not be included in the  
11 corporate name, except that the name of a deceased shareholder may continue  
12 to be included in the corporate name for one (1) year following the date of  
13 death of the deceased shareholder.

14           (b) The corporate name shall end with the word "Chartered", or the  
15 word "Limited", or the abbreviation "Ltd.", or the words "Professional  
16 Association", or the abbreviation "P.A."

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18           4-29-507. Officers, directors, and shareholders.

19           (a) All of the officers, directors, and shareholders of a chiropractic  
20 corporation subject to this subchapter shall at all times be persons licensed  
21 under the Arkansas Chiropractic Practices Act, § 17-81-101 et seq., § 17-81-  
22 201 et seq., and § 17-81-301 et seq.

23           (b) A person who is not licensed as described in subsection (a) of  
24 this section shall not have any part in the ownership, management, or control  
25 of the chiropractic corporation and shall not be given a proxy to vote.

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27           4-29-508. Employees.

28           An employee licensed under the Arkansas Chiropractic Practices Act, §  
29 17-81-101 et seq., § 17-81-201 et seq., and § 17-81-301 et seq., who is  
30 employed by a chiropractic corporation subject to this subchapter shall  
31 remain subject to reprimand or discipline for his or her conduct under the  
32 Arkansas Chiropractic Practices Act, § 17-81-101 et seq., § 17-81-201 et  
33 seq., and § 17-81-301 et seq.

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35           4-29-509. Certificate of registration – Issuance and renewal.

1       (a) A chiropractic corporation shall not open, operate, or maintain an  
2 establishment providing chiropractic services for any of the purposes stated  
3 in § 4-29-505 without a certificate of registration from the Arkansas State  
4 Board of Chiropractic Examiners.

5       (b) An application for a certificate of registration shall be made to  
6 the board in writing and shall contain the name and address of the  
7 chiropractic corporation and other information as may be required by the  
8 board.

9       (c)(1) Upon receipt of the application, the board shall make an  
10 investigation of the chiropractic corporation.

11       (2) If the board finds that the chiropractic corporation's  
12 incorporators, officers, directors, and shareholders are licensed under the  
13 Arkansas Chiropractic Practices Act, § 17-81-101 et seq., § 17-81-201 et  
14 seq., and § 17-81-301 et seq., and if no disciplinary action is pending  
15 before the board against any of the incorporators, officers, directors, or  
16 shareholders and if the board determines that the chiropractic corporation  
17 will be conducted in compliance with law and the rules of the board, the  
18 board shall issue, and may require a maximum registration fee of twenty-five  
19 dollars (\$25.00), a certificate of registration which shall remain effective  
20 until January 1 following the date of registration.

21       (d) Upon written application of the holder, the board shall renew the  
22 certificate of registration annually and shall require a maximum renewal fee  
23 of ten dollars (\$10.00), if the board finds that the chiropractic corporation  
24 has complied with the rules of the board and this subchapter.

25       (e) The certificate of registration shall be conspicuously posted upon  
26 the premises to which it is applicable.

27       (f) In the event of a change of location of the registered  
28 chiropractic corporation, the board, according to the rules of the board,  
29 shall amend the certificate of registration so that it applies to the new  
30 location.

31       (g) A certificate of registration is not transferable.

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33       4-29-510. Certificate of registration – Suspension or revocation.

34       (a) The Arkansas State Board of Chiropractic Examiners may suspend or  
35 revoke any certificate of registration for any of the following reasons:

1           (1) If an officer, director, shareholder, or employee of the  
2 chiropractic corporation has his or her license to practice chiropractic  
3 suspended or revoked and the officer, director, shareholder, or employee is  
4 not promptly removed or discharged by the chiropractic corporation;

5           (2) If an officer, director, shareholder, or employee of the  
6 chiropractic corporation is found to have engaged in unethical professional  
7 conduct and the officer, director, shareholder, or employee is not promptly  
8 removed or discharged by the chiropractic corporation;

9           (3) The death of the last remaining shareholder; or

10           (4) Upon finding that the holder of a certificate of  
11 registration has failed to comply with this subchapter or the rules  
12 prescribed by the board.

13           (b)(1) Before any certificate of registration is suspended or revoked,  
14 the holder shall be given written notice of the proposed action and the  
15 reasons for the proposed action and shall be given a public hearing by the  
16 board with the right to produce testimony concerning the charges submitted by  
17 the board.

18           (2) The notice shall also state the place and date of the  
19 hearing, which shall be at least five (5) days after service of the notice.

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21           4-29-511. Certificate of registration – Appeal from denial,  
22 suspension, or revocation.

23           (a) A chiropractic corporation whose application for a certificate of  
24 registration has been denied or whose certificate of registration has been  
25 suspended or revoked may appeal to the Pulaski County Circuit Court within  
26 thirty (30) days after notice of the action by the Arkansas State Board of  
27 Chiropractic Examiners.

28           (b) The court shall inquire into the cause of the board's action and  
29 may affirm or reverse the decision and order a further hearing by the board  
30 or may order the board to grant the appellant a certificate of registration.

31           (c) An appeal shall be made in the manner provided by law.

32           (d)(1) Notice of appeal shall be served upon the Secretary of the  
33 Arkansas State Board of Chiropractic Examiners by serving a copy of the  
34 notice on the secretary within thirty (30) days after the board has notified  
35 the chiropractic corporation of its decision.

1           (2) Service of process may be made by registered or certified  
2 mail.

4           4-29-512. Shares of deceased or disqualified shareholder – Price.

5           (a) If the articles of incorporation or bylaws of a chiropractic  
6 corporation subject to this subchapter fail to state a price or a method of  
7 determining a fixed price at which the chiropractic corporation or its  
8 shareholders may purchase the shares of a deceased shareholder or a  
9 shareholder who is no longer qualified to own shares in the chiropractic  
10 corporation, the price for the shares shall be set at the book value as of  
11 the end of the month immediately preceding the death or disqualification of  
12 the shareholder.

13           (b) Book value shall be determined from the books and records of the  
14 chiropractic corporation according to the regular method of accounting used  
15 by the chiropractic corporation.

17           4-29-513. Foreign chiropractic corporation – Certificate of  
18 registration – Governance – Licensure.

19           (a) If a foreign chiropractic corporation complies with this  
20 subchapter, the Arkansas State Board of Chiropractic Examiners may issue a  
21 certificate of registration to the foreign chiropractic corporation.

22           (b) A person who is not licensed to practice chiropractic shall not  
23 participate in the ownership, management, or control of a foreign  
24 chiropractic corporation.

25           (c) A proxy to vote shares of a foreign chiropractic corporation shall  
26 not be given to a person who is not licensed to practice chiropractic.

27           (d) A chiropractic physician who is affiliated with a foreign  
28 chiropractic corporation shall obtain a license to practice chiropractic from  
29 the board before practicing chiropractic in Arkansas.

32 Referred requested by the Arkansas House of Representatives

33 Prepared by: ANS/VJF

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