

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S1/23/13
A Bill

SENATE BILL 53

By: Senator J. Hutchinson

For An Act To Be Entitled

*AN ACT TO AUTHORIZE FOREIGN MEDICAL CORPORATIONS TO
OBTAIN CERTIFICATES OF REGISTRATION IN ARKANSAS; TO
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.*

Subtitle

*TO AUTHORIZE FOREIGN MEDICAL CORPORATIONS
TO OBTAIN CERTIFICATES OF REGISTRATION IN
ARKANSAS; AND TO DECLARE AN EMERGENCY.*

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

SECTION 1. Arkansas Code § 4-29-302 is amended to read as follows:
4-29-302. Definitions.

As used in this subchapter, ~~unless the context otherwise requires:~~

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

(2) "Foreign medical corporation" means a corporation:

(A) Organized under laws other than the laws of this state; and

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

~~(2)~~(3) "Professional service" means any type of professional service ~~which~~ that may be legally performed only pursuant to a license or other legal personal authorization, for example: the personal service rendered by certified public accountants, architects, engineers, dentists,



doctors, and attorneys at law; and

~~(3)~~(4) "Shareholder" means either:

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

(B) The beneficial owner of shares of a revocable living trust where the shares are registered in the records of the corporation in the names of the revocable living trust.

SECTION 2. Arkansas Code Title 4, Chapter 29, Subchapter 3 is amended to add an additional section to read as follows:

4-29-313. Foreign medical corporations – Certificates of registration – Governance – Licensure.

(a) If a foreign medical corporation complies with this subchapter, the Arkansas State Medical Board may issue a certificate of registration to the foreign medical corporation.

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

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

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

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that access to medical care is becoming increasingly more difficulty in this state; that difficulties with access to medical care may reach crisis levels as recent changes in federal law increase the demand for medical care without an accompanying increase in the number of medical providers in the state; and that this act is immediately necessary to ensure broad access to medical care by reducing disincentives to the entry of medical care providers into Arkansas. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/J. Hutchinson

APPROVED: 02/20/2013