

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

# A Bill

HOUSE BILL 1525

By: Representative Boyd

## For An Act To Be Entitled

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

### Subtitle

TO ESTABLISH THE CHIROPRACTIC CORPORATION  
ACT.

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

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

#### Subchapter 5 – Chiropractic Corporation Act

##### 4-29-501. Title.

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

##### 4-29-502. Definitions.

As used in this subchapter:

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

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

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

(B) In which all officers, directors, and shareholders of the chiropractic corporation are licensed to practice chiropractic in the



state of incorporation;

(3) "Shareholder" means either:

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

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

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

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

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

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

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

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

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

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

(b) Chiropractic treatment, consultation, or advice may be given by employees of the chiropractic corporation only if they are licensed under the

Arkansas Chiropractic Practices Act, § 17-81-101 et seq., § 17-81-201 et seq., and § 17-81-301 et seq.

4-29-506. Corporate name.

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

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

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

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

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

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

4-29-508. Employees.

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

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

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

Board of Chiropractic Examiners.

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

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

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

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

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

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

(g) A certificate of registration is not transferable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) If the articles of incorporation or bylaws of a chiropractic

corporation subject to this subchapter fail to state a price or a method of determining a fixed price at which the chiropractic corporation or its shareholders may purchase the shares of a deceased shareholder or a shareholder who is no longer qualified to own shares in the chiropractic corporation, the price for the shares shall be set at the book value as of the end of the month immediately preceding the death or disqualification of the shareholder.

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

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

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

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

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

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