

## Part 11 Professional Services Companies

### 48-3a-1101 Definitions.

As used in this part:

- (1) "Professional services" means a personal service provided by:
  - (a) a public accountant holding a license under Title 58, Chapter 26a, Certified Public Accountant Licensing Act, or a subsequent law regulating the practice of public accounting;
  - (b) an architect holding a license under Title 58, Chapter 3a, Architects Licensing Act, or a subsequent law regulating the practice of architecture;
  - (c) an attorney granted the authority to practice law by the:
    - (i) Utah Supreme Court; or
    - (ii) one or more of the following that licenses or regulates the authority to practice law in a state or territory of the United States other than Utah:
      - (A) a supreme court;
      - (B) a court other than a supreme court;
      - (C) an agency;
      - (D) an instrumentality; or
      - (E) a regulating board;
  - (d) a chiropractor holding a license under Title 58, Chapter 73, Chiropractic Physician Practice Act, or any subsequent law regulating the practice of chiropractics;
  - (e) a doctor of dentistry holding a license under Title 58, Chapter 69, Dentist and Dental Hygienist Practice Act, or a subsequent law regulating the practice of dentistry;
  - (f) a professional engineer registered under Title 58, Chapter 22, Professional Engineers and Professional Land Surveyors Licensing Act, or a subsequent law regulating the practice of engineers and land surveyors;
  - (g) a naturopath holding a license under Title 58, Chapter 71, Naturopathic Physician Practice Act, or a subsequent law regulating the practice of naturopathy;
  - (h) a nurse licensed under Title 58, Chapter 31b, Nurse Practice Act, or Title 58, Chapter 44a, Nurse Midwife Practice Act, or a subsequent law regulating the practice of nursing;
  - (i) an optometrist holding a license under Title 58, Chapter 16a, Utah Optometry Practice Act, or a subsequent law regulating the practice of optometry;
  - (j) an osteopathic physician or surgeon holding a license under Title 58, Chapter 68, Utah Osteopathic Medical Practice Act, or a subsequent law regulating the practice of osteopathy;
  - (k) a pharmacist holding a license under Title 58, Chapter 17b, Pharmacy Practice Act, or a subsequent law regulating the practice of pharmacy;
  - (l) a physician, surgeon, or doctor of medicine holding a license under Title 58, Chapter 67, Utah Medical Practice Act, or a subsequent law regulating the practice of medicine;
  - (m) a physician assistant holding a license under Title 58, Chapter 70a, Utah Physician Assistant Act, or a subsequent law regulating the practice as a physician assistant;
  - (n) a physical therapist holding a license under Title 58, Chapter 24b, Physical Therapy Practice Act, or a subsequent law regulating the practice of physical therapy;
  - (o) a podiatric physician holding a license under Title 58, Chapter 5a, Podiatric Physician Licensing Act, or a subsequent law regulating the practice of podiatry;
  - (p) a psychologist holding a license under Title 58, Chapter 61, Psychologist Licensing Act, or any subsequent law regulating the practice of psychology;

- (q) a principal broker, associate broker, or sales agent holding a license under Title 61, Chapter 2f, Real Estate Licensing and Practices Act, or a subsequent law regulating the sale, exchange, purchase, rental, or leasing of real estate;
  - (r) a clinical or certified social worker holding a license under Title 58, Chapter 60, Part 2, Social Worker Licensing Act, or a subsequent law regulating the practice of social work;
  - (s) a mental health therapist holding a license under Title 58, Chapter 60, Mental Health Professional Practice Act, or a subsequent law regulating the practice of mental health therapy;
  - (t) a veterinarian holding a license under Title 58, Chapter 28, Veterinary Practice Act, or a subsequent law regulating the practice of veterinary medicine; or
  - (u) an individual licensed, certified, or registered under Title 61, Chapter 2g, Real Estate Appraiser Licensing and Certification Act, or a subsequent law regulating the practice of appraising real estate.
- (2) "Regulating board" means the entity organized pursuant to state law that licenses and regulates the practice of the profession that a limited liability company is organized to provide.

Amended by Chapter 349, 2019 General Session

**48-3a-1102 Application of this part.**

- (1) If a conflict arises between this part and another provision of this chapter, this part controls.
- (2) Notwithstanding the other provisions of this part, on and after January 1, 2016:
  - (a) a professional services company may not designate series of transferable interests; and
  - (b) a limited liability company may not form a professional services company as a series of the limited liability company.

Enacted by Chapter 412, 2013 General Session

**48-3a-1103 Additional requirements for certificate of organization.**

The certificate of organization of a professional services company shall:

- (1) comply with Section 48-3a-201; and
- (2) contain the following:
  - (a) a name consistent with Section 48-3a-1104;
  - (b) a description of the profession to be practiced through the professional services company; and
  - (c) notwithstanding Section 48-3a-201, the name and street address of each member or manager of the professional services company.

Enacted by Chapter 412, 2013 General Session

**48-3a-1104 Name limitations.**

- (1) The name of a domestic professional services company and of a foreign professional services company authorized to transact business in this state, in addition to complying with Sections 48-3a-108 and 48-3a-906:
  - (a) may not contain language stating or implying that it is formed for a purpose other than that authorized by:
    - (i) its certificate of organization; or
    - (ii) Section 48-3a-1106;

- (b) must conform with any rule made by the regulating board having jurisdiction over a professional service described in the professional services company's certificate of organization; and
- (c) in lieu of the requirement of Subsection 48-3a-108(1), must contain the words "professional limited liability company" or the abbreviations "P.L.L.C." or "PLLC" in:
  - (i) its certificate of organization; and
  - (ii) a report or document filed with the division.
- (2) Notwithstanding Subsection (1)(c), a professional services company may hold itself out to the public under a name that does not contain the words "professional limited liability company" or the abbreviations "P.L.L.C." or "PLLC" if that name complies with Subsection 48-3a-108(1).
- (3) Sections 48-3a-108 and 48-3a-906 do not prevent the use of a name otherwise prohibited by those sections if the name is:
  - (a) the personal name of an individual member or individual former member of the professional services company; or
  - (b) the name of an individual who was associated with a predecessor of the professional services company.

Enacted by Chapter 412, 2013 General Session

**48-3a-1105 Providing a professional service.**

- (1) Subject to Section 48-3a-1106, a professional services company may provide a professional service in this state only through an individual licensed or otherwise authorized in this state to provide the professional service.
- (2) Subsection (1) does not:
  - (a) require an individual employed by a professional services company to be licensed to perform a service for the professional services company if a license is not otherwise required;
  - (b) prohibit a licensed individual from providing a professional service in the individual's professional capacity although the individual is a member, manager, employee, or agent of a professional services company; or
  - (c) prohibit an individual licensed in another state from providing a professional service for a professional services company in this state if not prohibited by the regulating board.

Enacted by Chapter 412, 2013 General Session

**48-3a-1106 Limit of one profession.**

- (1) A professional services company organized to provide a professional service under this part may provide only:
  - (a) one specific type of professional service; and
  - (b) services ancillary to the professional service described in Subsection (1)(a).
- (2) A professional services company organized to provide a professional service under this part may not engage in a business other than to provide:
  - (a) the professional service that it was organized to provide; and
  - (b) services ancillary to the professional service described in Subsection (2)(a).
- (3) Notwithstanding Subsections (1) and (2), a professional services company may:
  - (a) own real and personal property necessary or appropriate for providing the type of professional service it was organized to provide; and
  - (b) invest the professional services company's money in one or more of the following:
    - (i) real estate;

- (ii) mortgages;
- (iii) stocks;
- (iv) bonds; or
- (v) another type of investment.

Enacted by Chapter 412, 2013 General Session

**48-3a-1107 Activity limitations.**

A professional services company may not do anything that an individual licensed to practice the profession that the professional services company is organized to provide is prohibited from doing.

Enacted by Chapter 412, 2013 General Session

**48-3a-1108 This part does not limit regulating board.**

This part does not restrict the authority or duty of a regulating board to license an individual providing a professional service or the practice of the profession that is within the jurisdiction of the regulating board, notwithstanding that the individual:

- (1) is a member, manager, or employee of a professional services company; or
- (2) provides the professional service or engages in the practice of the profession through a professional services company.

Enacted by Chapter 412, 2013 General Session

**48-3a-1109 Member or manager of a professional services company.**

A professional services company organized to provide a professional service:

- (1) may include a member, manager, or employee who is authorized under the laws of the jurisdiction where the member, manager, or employee resides to provide a similar professional service;
- (2) may include a member who is not licensed or registered by the state to provide the professional service to the extent allowed by the applicable licensing or registration act relating to the professional service; and
- (3) may render a professional service in this state only through a member, manager, or employee who is licensed or registered by this state to render the professional service.

Enacted by Chapter 412, 2013 General Session

**48-3a-1110 Restriction on transfer by member.**

- (1) Except as provided in Subsections (2) and (3), a member of a professional services company may sell or transfer the member's interest in the professional services company only to:
  - (a) the professional services company; or
  - (b) an individual who is licensed or registered by this state to provide the same type of professional service as the professional service for which the professional services company is organized, or who otherwise satisfies the requirements of Subsection 48-3a-1109(1) or (2).
- (2) Upon the death or incapacity of a member of a professional services company, the member's interest in the professional services company may be transferred to the personal representative or estate of the deceased or incapacitated member.

- (3) The person to whom an interest is transferred under Subsection (2) may continue to hold the interest for a reasonable period, but may not participate in a decision concerning the providing of a professional service.

Enacted by Chapter 412, 2013 General Session

**48-3a-1111 Purchase of interest upon death, incapacity, or disqualification of member.**

- (1) Subject to this part, one or more of the following may provide for the purchase of a member's interest in a professional services company upon the death, incapacity, or disqualification of the member:
  - (a) the certificate of organization;
  - (b) the operating agreement; or
  - (c) a private agreement.
- (2) In the absence of a provision described in Subsection (1), a professional services company shall purchase the interest of a member who is deceased, incapacitated, or no longer qualified to own an interest in the professional services company within 90 days after the day on which the professional services company is notified of the death, incapacity, or disqualification.
- (3) If a professional services company purchases a member's interest under Subsection (2), the professional services company shall purchase the interest at a price that is the reasonable fair market value as of the date of death, incapacity, or disqualification.
- (4) If a professional services company fails to purchase a member's interest as required by Subsection (2) at the end of the 90-day period described in Subsection (2), the following persons may bring an action in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, to enforce Subsection (2):
  - (a) the personal representative of a deceased member;
  - (b) the guardian or conservator of an incapacitated member; or
  - (c) the disqualified member.
- (5) A court in which an action is brought under Subsection (4) may:
  - (a) award the person bringing the action the reasonable fair market value of the interest; or
  - (b) within the court's jurisdiction, order the liquidation of the professional services company.
- (6) If a person described in Subsections (4)(a) through (c) is successful in an action under Subsection (4), the court shall award the person reasonable attorney's fees and costs.

Amended by Chapter 401, 2023 General Session

**48-3a-1112 Conversion to nonprofessional company.**

- (1) A professional services company subject to this part converts into a limited liability company subject to this chapter, but not subject to this part on the day on which:
  - (a) no member of the professional services company is licensed or registered for the professional service for which the professional services company is organized; or
  - (b) all members entitled to vote on or consent to any matter consent not to be a professional services company subject to this part.
- (2) A professional services company converted as provided in Subsection (1) shall upon the event described in Subsection (1) operate as and be treated as a limited liability company subject to this chapter, but not subject to this part.
- (3) A limited liability company resulting from a conversion under this section may reconvert to a professional services company:

- (a) upon at least one member of the limited liability company being licensed or registered for the professional service for which the limited liability company is organized; and
  - (b) each member of the limited liability company entitled to vote on or consent to any matter consents to reconvert the limited liability company to a professional services company subject to this part.
- (4) If a professional services company is converted or reconverted under this section, the professional services company shall file a certificate of amendment to the certificate of organization with the division within a reasonable time after the conversion or reconversion to reflect the changes.

Enacted by Chapter 412, 2013 General Session