

AN ACT concerning business.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Professional Service Corporation Act is amended by changing Section 12 as follows:

(805 ILCS 10/12) (from Ch. 32, par. 415-12)

Sec. 12. (a) No corporation shall open, operate or maintain an establishment for any of the purposes for which a corporation may be organized under this Act without a certificate of registration from the regulating authority authorized by law to license individuals to engage in the profession or related professions concerned. Application for such registration shall be made in writing, and shall contain the name and primary mailing address of the corporation, the name and address of the corporation's registered agent, the address of the practice location maintained by the corporation, each assumed name being used by the corporation, and such other information as may be required by the regulating authority. All official correspondence from the regulating authority shall be mailed to the primary mailing address of the corporation except that the corporation may elect to have renewal and non-renewal notices sent to the registered agent of the corporation. Upon receipt of such application, the regulating authority, or some

administrative agency of government designated by it, shall make an investigation of the corporation. If the regulating authority is the Supreme Court it may designate the bar or legal association which investigates and prefers charges against lawyers to it for disciplining. If such authority finds that the incorporators, officers, directors and shareholders are each licensed pursuant to the laws of Illinois to engage in the particular profession or related professions involved (except that the secretary of the corporation need not be so licensed), and if no disciplinary action is pending before it against any of them, and if it appears that the corporation will be conducted in compliance with the law and the regulations and rules of the regulating authority, such authority, shall issue, upon payment of a registration fee of \$50, a certificate of registration.

A separate application shall be submitted for each business location in Illinois. If the corporation is using more than one fictitious or assumed name and has an address different from that of the parent company, a separate application shall be submitted for each fictitious or assumed name.

Upon written application of the holder, the regulating authority which originally issued the certificate of registration shall renew the certificate if it finds that the corporation has complied with its regulations and the provisions of this Act.

The fee for the renewal of a certificate of registration

shall be calculated at the rate of \$40 per year.

If the regulatory authority is the Department of Financial and Professional Regulation, the certificate of registration shall expire on January 1, 2019 and on January 1 of every third year thereafter. The fee for renewal of a certificate of registration shall be \$40.

The certificate of registration shall be conspicuously posted upon the premises to which it is applicable. No certificate of registration shall be assignable.

(b) Moneys collected under this Section from a professional corporation organized to practice law shall be deposited into the Supreme Court Special Purposes Fund.

(c) After the effective date of this amendatory Act of the 98th General Assembly, the amount of any fee collected under this Section from a professional corporation organized to practice law may be set by Supreme Court rule, except that the amount of the fees shall remain as set by statute until the Supreme Court adopts rules specifying a higher or lower fee amount.

(Source: P.A. 98-324, eff. 10-1-13; 99-227, eff. 8-3-15.)

Section 10. The Medical Corporation Act is amended by changing Section 6 as follows:

(805 ILCS 15/6) (from Ch. 32, par. 636)

Sec. 6. The certificate of registration shall expire on

January 1, 2019 and on January 1 of every third year thereafter. Upon written application of the holder, the Department shall renew the certificate of registration if the Department finds that the corporation has complied with its regulations and the provisions of this Act.

The fee for renewal of a certificate of registration shall be \$40. ~~calculated at the rate of \$40 per year.~~

(Source: P.A. 83-863.)

Section 15. The Limited Liability Company Act is amended by changing Sections 1-5 and 1-25 as follows:

(805 ILCS 180/1-5)

Sec. 1-5. Definitions. As used in this Act, unless the context otherwise requires:

"Anniversary" means that day every year exactly one or more years after: (i) the date the articles of organization filed under Section 5-5 of this Act were filed by the Office of the Secretary of State, in the case of a limited liability company; or (ii) the date the application for admission to transact business filed under Section 45-5 of this Act was filed by the Office of the Secretary of State, in the case of a foreign limited liability company.

"Anniversary month" means the month in which the anniversary of the limited liability company occurs.

"Articles of organization" means the articles of

organization filed by the Secretary of State for the purpose of forming a limited liability company as specified in Article 5 and all amendments thereto, whether evidenced by articles of amendment, articles of merger, or a statement of correction affecting the articles.

"Assumed limited liability company name" means any limited liability company name other than the true limited liability company name, except that the identification by a limited liability company of its business with a trademark or service mark of which it is the owner or licensed user shall not constitute the use of an assumed name under this Act.

"Bankruptcy" means bankruptcy under the Federal Bankruptcy Code of 1978, Title 11, Chapter 7 of the United States Code, as amended from time to time, or any successor statute.

"Business" includes every trade, occupation, profession, and other lawful purpose, whether or not carried on for profit.

"Company" means a limited liability company.

"Contribution" means any cash, property, services rendered, or other benefit, or a promissory note or other binding obligation to contribute cash or property, perform services, or provide any other benefit, that a person contributes to the limited liability company in that person's capacity as a member or in order to become a member.

"Court" includes every court and judge having jurisdiction in a case.

"Debtor in bankruptcy" means a person who is the subject of

an order for relief under Title 11 of the United States Code, a comparable order under a successor statute of general application, or a comparable order under federal, state, or foreign law governing insolvency.

"Distribution" means a transfer of money, property, or other benefit from a limited liability company to a member in the member's capacity as a member or to a transferee of the member's distributional interest.

"Distributional interest" means a member's right to receive distributions of the limited liability company's assets, but no other rights or interests of a member.

"Entity" means a person other than an individual.

"Federal employer identification number" means either (i) the federal employer identification number assigned by the Internal Revenue Service to the limited liability company or foreign limited liability company or (ii) in the case of a limited liability company or foreign limited liability company not required to have a federal employer identification number, any other number that may be assigned by the Internal Revenue Service for purposes of identification.

"Foreign limited liability company" means an unincorporated entity organized under laws other than the laws of this State that afford limited liability to its owners comparable to the liability under Section 10-10 and is not required to register to transact business under any law of this State other than this Act.

"Insolvent" means that a limited liability company is unable to pay its debts as they become due in the usual course of its business.

"Legal representative" means, without limitation, an executor, administrator, guardian, personal representative and agent, including an appointee under a power of attorney.

"Limited liability company" means a limited liability company organized under this Act.

"L3C" or "low-profit limited liability company" means a for-profit limited liability company which satisfies the requirements of Section 1-26 of this Act and does not have as a significant purpose the production of income or the appreciation of property.

"Manager" means a person, whether or not a member of a manager-managed company, who is vested with authority in an operating agreement as provided in Section 15-1.

"Manager-managed company" means a limited liability company that vests authority in a manager or managers in an operating agreement as provided in Section 15-1.

"Member" means a person who becomes a member of the limited liability company upon formation of the company or in the manner and at the time provided in the operating agreement or, if the operating agreement does not so provide, in the manner and at the time provided in this Act.

"Member-managed company" means a limited liability company other than a manager-managed company.

"Membership interest" means all of a member's rights in the limited liability company, including the member's right to receive distributions of the limited liability company's assets.

"Operating agreement" means the agreement under Section 15-5, whether or not referred to as an operating agreement and whether oral, in a record, implied, or in any combination thereof, of all of the members of a limited liability company, including a sole member, concerning the relations among the members, managers, and limited liability company. The term "operating agreement" includes amendments to the agreement.

"Organizer" means one of the signers of the original articles of organization.

"Person" means an individual, partnership, domestic or foreign limited partnership, limited liability company or foreign limited liability company, trust, estate, association, corporation, governmental body, or other juridical being.

"Professional limited liability company" means a limited liability company that provides professional services licensed by the Department of Financial and Professional Regulation and that is organized under the Professional Limited Liability Company Act and this Act.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Registered office" means that office maintained by the

limited liability company in this State, the address, including street, number, city and county, of which is on file in the office of the Secretary of State, at which, any process, notice, or demand required or permitted by law may be served upon the registered agent of the limited liability company.

"Registered agent" means a person who is an agent for service of process on the limited liability company who is appointed by the limited liability company and whose address is the registered office of the limited liability company.

"Restated articles of organization" means the articles of organization restated as provided in Section 5-30.

"Sign" means, with the present intent to authenticate or adopt a record:

- (1) to execute or adopt a tangible symbol; or
- (2) to attach to or logically associate with the record an electronic symbol, sound, or process.

"State" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

"Transfer" includes an assignment, conveyance, deed, bill of sale, lease, mortgage, security interest, encumbrance, and gift.

(Source: P.A. 99-637, eff. 7-1-17.)

(805 ILCS 180/1-25)

Sec. 1-25. Nature of business.

(a) A limited liability company may be formed for any lawful purpose or business except: ~~(1) (blank); (2)~~ insurance unless, for the purpose of carrying on business as a member of a group including incorporated and individual unincorporated underwriters, the Director of Insurance finds that the group meets the requirements of subsection (3) of Section 86 of the Illinois Insurance Code and the limited liability company, if insolvent, is subject to liquidation by the Director of Insurance under Article XIII of the Illinois Insurance Code. ~~+~~

~~(3) the practice of dentistry unless all the members and managers are licensed as dentists under the Illinois Dental Practice Act;~~

~~(4) the practice of medicine unless all the managers, if any, are licensed to practice medicine under the Medical Practice Act of 1987 and each member is either:~~

~~(A) licensed to practice medicine under the Medical Practice Act of 1987; or~~

~~(B) a registered medical corporation or corporations organized pursuant to the Medical Corporation Act; or~~

~~(C) a professional corporation organized pursuant to the Professional Service Corporation Act of physicians licensed to practice under the Medical Practice Act of 1987;~~

~~(C-5) a hospital or hospital affiliate as defined in Section 10.8 of the Hospital Licensing Act; or~~

~~(D) a limited liability company that satisfies the requirements of subparagraph (A), (B), (C), or (C-5);~~

~~(5) the practice of real estate unless all the managers, if any, or every member in a member-managed company are licensed to practice as a managing broker or broker pursuant to the Real Estate License Act of 2000;~~

~~(6) the practice of clinical psychology unless all the managers and members are licensed to practice as a clinical psychologist under the Clinical Psychologist Licensing Act;~~

~~(7) the practice of social work unless all the managers and members are licensed to practice as a clinical social worker or social worker under the Clinical Social Work and Social Work Practice Act;~~

~~(8) the practice of marriage and family therapy unless all the managers and members are licensed to practice as a marriage and family therapist under the Marriage and Family Therapy Licensing Act;~~

~~(9) the practice of professional counseling unless all the managers and members are licensed to practice as a clinical professional counselor or a professional counselor under the Professional Counselor and Clinical Professional Counselor Licensing and Practice Act;~~

~~(10) the practice of sex offender evaluations unless all the managers and members are licensed to practice as a sex offender evaluator under the Sex Offender Evaluation~~

~~and Treatment Provider Act; or~~

~~(11) the practice of veterinary medicine unless all the managers and members are licensed to practice as a veterinarian under the Veterinary Medicine and Surgery Practice Act of 2004.~~

(b) (Blank). ~~Notwithstanding any provision of this Section, any of the following professional services may be combined and offered within a single company provided that each professional service is only offered by persons licensed to provide that professional service and all managers and members are licensed in at least one of the professional services offered by the company:~~

~~(1) the practice of medicine by physicians licensed under the Medical Practice Act of 1987, the practice of podiatry by podiatrists licensed under the Podiatric Medical Practice Act of 1987, the practice of dentistry by dentists licensed under the Illinois Dental Practice Act, and the practice of optometry by optometrists licensed under the Illinois Optometric Practice Act of 1987; or~~

~~(2) the practice of clinical psychology by clinical psychologists licensed under the Clinical Psychologist Licensing Act, the practice of social work by clinical social workers or social workers licensed under the Clinical Social Work and Social Work Practice Act, the practice of marriage and family counseling by marriage and family therapists licensed under the Marriage and Family~~

~~Therapy Licensing Act, the practice of professional counseling by professional counselors and clinical professional counselors licensed under the Professional Counselor and Clinical Professional Counselor Licensing and Practice Act, and the practice of sex offender evaluations by sex offender evaluators licensed under the Sex Offender Evaluation and Treatment Provider Act.~~

(c) (Blank). ~~Professional limited liability companies may be organized under this Act.~~

(d) A limited liability company that intends to provide a professional service licensed by the Department of Financial and Professional Regulation must be formed in compliance with the Professional Limited Liability Company Act.

(Source: P.A. 99-227, eff. 8-3-15.)

Section 20. The Professional Limited Liability Company Act is amended by changing Sections 5 and 15 and by adding Sections 2, 11, 12, and 13 as follows:

(805 ILCS 185/2 new)

Sec. 2. Legislative intent. It is the intent of the General Assembly to provide for an individual or group of individuals to form a professional limited liability company to render the same professional service or related professional services to the public for which such individuals or individuals providing the professional services are required by law to be licensed,

while preserving the established professional aspects of the personal relationship between the professional person and those he or she serves professionally.

(805 ILCS 185/5)

Sec. 5. Definitions. In this Act:

"Department" means the Department of Financial and Professional Regulation.

"License" means a license, certificate of registration, or any other evidence of the satisfaction of the requirements of this State issued by the Department.

"Professional limited liability company" means a limited liability company that intends to provide, or does provide, professional services that require the individuals engaged in the profession to be licensed by the Department ~~of Financial and Professional Regulation.~~

(Source: P.A. 99-227, eff. 8-3-15.)

(805 ILCS 185/11 new)

Sec. 11. Articles of organization. One or more individuals may organize a professional limited liability company by filing articles of organization with the Secretary of State on forms furnished by the Secretary. Such articles of organization shall meet the requirements of the Limited Liability Company Act and this Act and must also state the specific professional service or related professional services to be rendered by the

professional limited liability company.

A limited liability company that provides professional services and requires registration with the Department may convert to a professional limited liability company by filing the appropriate forms with the Secretary of State. There shall be no fee for this conversion.

(805 ILCS 185/12 new)

Sec. 12. Professional limited liability company name. The name of each professional limited liability company or foreign professional limited liability company organized, existing, or subject to the provisions of this Act shall contain the terms "professional limited liability company", "P.L.L.C.", or "PLLC".

(805 ILCS 185/13 new)

Sec. 13. Nature of business.

(a) A professional limited liability company may be formed to provide a professional service or services licensed by the Department except:

(1) the practice of dentistry unless all the members and managers are licensed as dentists under the Illinois Dental Practice Act;

(2) the practice of medicine unless all the managers, if any, are licensed to practice medicine under the Medical Practice Act of 1987 and each member is either:

(A) licensed to practice medicine under the Medical Practice Act of 1987;

(B) a registered medical corporation or corporations organized pursuant to the Medical Corporation Act;

(C) a professional corporation organized pursuant to the Professional Service Corporation Act of physicians licensed to practice under the Medical Practice Act of 1987;

(D) a hospital or hospital affiliate as defined in Section 10.8 of the Hospital Licensing Act; or

(E) a professional limited liability company that satisfies the requirements of subparagraph (A), (B), (C), or (D);

(3) the practice of real estate unless all the managers, if any, or every member in a member-managed company are licensed to practice as a managing broker or broker pursuant to the Real Estate License Act of 2000;

(4) the practice of clinical psychology unless all the managers and members are licensed to practice as a clinical psychologist under the Clinical Psychologist Licensing Act;

(5) the practice of social work unless all the managers and members are licensed to practice as a clinical social worker or social worker under the Clinical Social Work and Social Work Practice Act;

(6) the practice of marriage and family therapy unless all the managers and members are licensed to practice as a marriage and family therapist under the Marriage and Family Therapy Licensing Act;

(7) the practice of professional counseling unless all the managers and members are licensed to practice as a clinical professional counselor or a professional counselor under the Professional Counselor and Clinical Professional Counselor Licensing and Practice Act;

(8) the practice of sex offender evaluation and treatment unless all the managers and members are licensed to practice as a sex offender evaluator or sex offender treatment provider under the Sex Offender Evaluation and Treatment Provider Act; or

(9) the practice of veterinary medicine unless all the managers and members are licensed to practice as a veterinarian under the Veterinary Medicine and Surgery Practice Act of 2004.

(b) Notwithstanding any provision of this Section, any of the following professional services may be combined and offered within a single professional limited liability company provided that each professional service is offered only by persons licensed to provide that professional service and all managers and members are licensed in at least one of the professional services offered by the professional limited liability company:

(1) the practice of medicine by physicians licensed under the Medical Practice Act of 1987, the practice of podiatry by podiatric physicians licensed under the Podiatric Medical Practice Act of 1987, the practice of dentistry by dentists licensed under the Illinois Dental Practice Act, and the practice of optometry by optometrists licensed under the Illinois Optometric Practice Act of 1987; or

(2) the practice of clinical psychology by clinical psychologists licensed under the Clinical Psychologist Licensing Act, the practice of social work by clinical social workers or social workers licensed under the Clinical Social Work and Social Work Practice Act, the practice of marriage and family counseling by marriage and family therapists licensed under the Marriage and Family Therapy Licensing Act, the practice of professional counseling by professional counselors and clinical professional counselors licensed under the Professional Counselor and Clinical Professional Counselor Licensing and Practice Act, and the practice of sex offender evaluation and treatment by sex offender evaluators and sex offender treatment providers licensed under the Sex Offender Evaluation and Treatment Provider Act.

(805 ILCS 185/15)

Sec. 15. Certificate of registration.

(a) No professional limited liability company may render professional services that require the issuance of a license by the Department, except through its managers, members, agents, or employees who are duly licensed or otherwise legally authorized to render such professional services within this State. An individual's association with a professional limited liability company as a manager, member, agent, or employee, shall in no way modify or diminish the jurisdiction of the Department that licensed, certified, or registered the individual for a particular profession.

(b) A professional limited liability company shall not open, operate, or maintain an establishment for any of the purposes for which a limited liability company may be organized without obtaining a certificate of registration from the Department.

(c) Application for a certificate of registration shall be made in writing and shall contain the name and primary mailing address of the professional limited liability company, the name and address of the company's registered agent, the address of the practice location maintained by the company, each assumed name being used by the company, and such other information as may be required by the Department. All official correspondence from the Department shall be mailed to the primary mailing address of the company except that the company may elect to have renewal and non-renewal notices sent to the registered agent of the company. Upon receipt of such application, the

Department shall make an investigation of the professional limited liability company. If this Act or any Act administered by the Department requires the organizers, managers, and members to each be licensed in the particular profession or related professions related to the professional services offered by the company, the Department shall determine that the organizers, managers, and members are each licensed pursuant to the laws of Illinois to engage in the particular profession or related professions involved (except that an initial organizer may be a licensed attorney) and that no disciplinary action is pending before the Department against any of them before issuing a certificate of registration. For all other companies submitting an application, the Department shall determine if any organizer, manager, or member claiming to hold a professional license issued by the Department is currently so licensed and that no disciplinary action is pending before the Department against any of them before issuing a certificate of registration. If it appears that the professional limited liability company will be conducted in compliance with the law and the rules and regulations of the Department, the Department shall issue, upon payment of a registration fee of \$50, a certificate of registration.

(d) A separate application shall be submitted for each business location in Illinois. If the professional limited liability company is using more than one fictitious or assumed name and has an address different from that of the parent

company, a separate application shall be submitted for each fictitious or assumed name.

(e) The certificate of registration shall expire on January 1, 2019 and on January 1 of every third year thereafter. Upon written application of the holder, the Department shall renew the certificate if it finds that the professional limited liability company has complied with its regulations and the provisions of this Act and the applicable licensing Act. This fee for the renewal of a certificate of registration shall be \$40. ~~calculated at the rate of \$40 per year.~~ The certificate of registration shall be conspicuously posted upon the premises to which it is applicable. A certificate of registration shall not be assignable.

(f) The Department shall not issue or renew any certificate of registration to a professional limited liability company during the period of dissolution.

(Source: P.A. 99-227, eff. 8-3-15.)

Section 99. Effective date. This Act takes effect upon becoming law.

Public Act 100-0894

SB3398 Enrolled

LRB100 16080 KTG 31199 b

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Statutes amended in order of appearance

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