

## SECTION .0500 - PROFESSIONAL CORPORATIONS

### 21 NCAC 36 .0501 PURPOSE AND DEFINITIONS

(a) The purpose of the rules in this Section is to adopt rules supplementing or clarifying Chapter 55B of the General Statutes for professional corporations whose purpose is the provision of nursing and related services.

(b) The following definitions shall apply throughout this Section:

- (1) "Board" means the North Carolina Board of Nursing.
- (2) "Nursing and Related Services" means those activities through which nursing, as defined in G.S. 90-171.20(4), is practiced.
- (3) "Licensee" means any individual who is duly licensed to practice nursing in North Carolina as a registered nurse.
- (4) "Professional Corporation" means professional corporations organized for the purpose of providing nursing related services in North Carolina.
- (5) "Director" means the Executive Director of the North Carolina Board of Nursing.

*History Note:* Authority G.S. 55B-2; 55B-12; 90-171.20(6); 90-171.23  
Eff. March 1, 1991;  
Amended Eff. November 1, 2008

### 21 NCAC 36 .0502 NAME OF PROFESSIONAL CORPORATION

The following requirement, in addition to the provisions of Chapter 55B, the Professional Corporation Act of North Carolina, must be met regarding the corporate name:

The name of the professional corporation referred to herein shall not include any adjectives or words not in accordance with ethical customs of the nursing profession.

*History Note:* Authority G.S. 55B-5; 55B-12; 90-171.43;  
Eff. March 1, 1991.

### 21 NCAC 36 .0503 PREREQUISITES FOR INCORPORATION

The following requirements must be met in order to incorporate:

- (1) The incorporator, whether one or more, of a professional corporation shall be duly licensed to practice nursing in North Carolina as a registered nurse.
- (2) Before the filing of the articles of incorporation with the Secretary of State, the incorporators shall file, with the assistant to the Board, the original articles of incorporation, plus a copy, together with a registration fee of fifty dollars (\$50.00).
- (3) The original articles of incorporation and the copy shall be accompanied by an application to the Board (Corp. Form 1) certified by all incorporators, setting forth the names, addresses, and certificate numbers of each shareholder of said corporation who will be practicing nursing for said corporation.
- (4) Included with the above shall be a statement that all such persons are duly licensed to practice nursing in North Carolina as a registered nurse, and stating that the corporation will be conducted in compliance with the Professional Corporation Act and these Regulations.
- (5) If the articles are changed in any manner before being filed with the Secretary of State, they shall be re-submitted to the assistant of the Board and shall not be filed with the Secretary of State until approved by the assistant of the Board.

*History Note:* Authority G.S. 55B-4; 55B-10; 55B-12; 90-171.20(6);  
Eff. March 1, 1991.

### 21 NCAC 36 .0504 CERTIFICATE OF REGISTRATION

The Certificate of Registration shall be issued as follows:

- (1) The Board shall issue a Certificate of Registration (Corp. Form 2) for the professional corporation to become effective only when the professional corporation files the articles of incorporation with the Secretary of State and if:
  - (a) the Board finds that no disciplinary action is pending before the Board against any of the licensed incorporators or persons who will be directors, officers, or shareholders of such corporation; and
  - (b) it appears to the Board that such corporation will be conducted in compliance with the law and rules.
- (2) The proposed original articles of incorporation, and the Certification of Registration, will be returned to the incorporators for filing with the Secretary of State. A copy of the articles of incorporation and a copy of the Certificate of Registration will be retained in the Board office. If the required findings cannot be made, the registration fee shall be refunded to the incorporators.
- (3) The initial Certificate of Registration shall remain in effect until December 31, of the year in which it was issued unless suspended or terminated as provided by law. The Certificate of Registration shall be renewed annually thereafter.
- (4) At least 20 days prior to the date of expiration of the certificate, the corporation shall submit its written application for renewal on a form provided by the Board (Corp. Form 3), along with a check in the amount of twenty-five dollars (\$25.00) in payment of the renewal fee.

*History Note:* Authority G.S. 55B-12; 90-171.20(6);90-171.23;  
Eff. April 1, 1991;  
Amended Eff. November 1, 2008.

#### **21 NCAC 36 .0505 GENERAL AND ADMINISTRATIVE PROVISIONS**

The following general provisions shall apply to all incorporating professional corporations:

- (1) If the Board declines to issue a Certificate of Registration required by 21 NCAC 36 .0504 (a)(1), or declines to renew the same when properly requested, or refuses to take any other required action, the aggrieved party may request, in writing, a review of such action by the Board, and the Board shall provide a formal hearing for such aggrieved party before a majority of the Board.
- (2) All amendments to charters of professional corporations, all merger and consolidation agreements to which a professional corporation is a party, and all dissolution proceedings and similar changes in the corporate structure of a professional corporation shall be filed with the Board for approval before being filed with the Secretary of State. A true copy of the changes filed with the Secretary of State shall be filed with the Board within ten days after filing with the Secretary of State.
- (3) The Board is authorized to issue the certificate (Corp. Form 4) required by G.S. 55B-6 when stock is transferred in a professional corporation, and such certificate shall be permanently attached to the stub of the transferee's certificate in the stock book of the professional corporation.

*History Note:* Authority G.S. 55B-6; 55B-12; 90-171.23;  
Eff. April 1, 1991;  
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#### **21 NCAC 36 .0506 FORMS**

The following forms may be obtained from the office of the Board of Nursing regarding professional corporations:

- (1) Rules adopted by the North Carolina Board of Nursing relating to Professional Corporations whose purpose is providing nursing related services;
- (2) Corp. Form 1 - Certificate of Incorporator(s) and Application for a Certificate of Registration for a Professional Corporation;
- (3) Corp. Form 2 - Certificate of Registration of a Professional Corporation for the Purpose of Providing Nursing Related Services;
- (4) Corp. Form 3 - Application for Renewal of Certificate of Registration; and
- (5) Corp. Form 4 - Certificate Authorizing Transfer of Stock in Professional Corporation Organized to Provide Nursing Related Services.

*History Note:* Authority G.S. 55B-12; 90-171.23;  
Eff. March 1, 1991;  
Amended Eff. November 1, 2008.

**21 NCAC 36 .0507 FEES**

- (a) Initial registration fee of fifty dollars (\$50.00) is required.
- (b) Fee for renewal of Certificate of Registration is twenty-five dollars (\$25.00).

*History Note:* Authority G.S. 55B-10; 55B-11; 55B-12;  
Eff. April 1, 1991.