

## Harter Secrest &amp; Emery LLP

ATTORNEYS AND COUNSELORS

## DESIGN PROFESSIONALS

**CORPORATE STRUCTURE LIMITS REGARDING PROFESSIONAL GEOLOGISTS****Immediate Action Required to Add Geologists Before March 1 Deadline**

On March 1, 2018, an existing business corporation will no longer be permitted to convert into a professional corporation or design professional corporation for the purpose of practicing professional geology (nor will a limited liability company be permitted to convert into a professional limited liability company for the purpose of practicing professional geology). Business corporations will be prohibited from providing geology services starting on that same date. Organizations affected by this change should act immediately in order to avoid potential violation of law and associated professional malpractice liability.

New York State began recognizing geology as a design profession on November 21, 2016 and amended the Business Corporation Law to permit licensed geologists to become licensed shareholders or owners of a professional corporation, design professional corporation, or professional limited liability company (along with engineers, architects, landscape architects, and land surveyors). On November 20, 2017, New York State stopped accepting applications from geologists under the “grandparent” provision of the law, which waived certain testing/licensing requirements to become a licensed geologist. The process to become a licensed geologist has become more rigorous and requires that a geologist pass the National Association of State Boards of Geology (ASBOG) Fundamentals of Geology examination, the Practice of Geology examination, and meet additional educational and experience requirements. More details can be found [here](#).

Before adding a geologist as a shareholder or owner to a professional corporation, design professional corporation, or professional limited liability company, it is important to check the laws of any foreign states where the entity is qualified or operating. The laws of the foreign state should be examined to: (i) ensure the foreign state permits geologists as shareholders and owners; (ii) remain in compliance with the foreign state’s laws; and (iii) prevent a potential revocation of a foreign qualification.

The above should also be taken into consideration before adding a non-licensed shareholder to a design professional corporation. A number of foreign states, even some that share a border with New York State, prohibit non-licensed individuals from becoming shareholders, so admitting non-licensed persons as shareholders can jeopardize a design professional corporation’s qualification in that state.

If you would like to discuss the changes in the professional service law and the potential impact it may have on your organization, or if you have any questions regarding this LEGALcurrents®, please do not hesitate to contact any member of our firm’s Design Professional Practice Group at (585) 232-6500 or visit [www.hselaw.com](http://www.hselaw.com).

This publication is provided as a service to clients and friends of Harter Secrest & Emery LLP. It is intended for general information purposes only and should not be considered as legal advice. The contents are neither an exhaustive discussion nor do they purport to cover all developments in the area. The reader should consult with legal counsel to determine how applicable laws relate to specific situations. © 2018 Harter Secrest & Emery LLP



hselaw.com

Rochester ■ Buffalo ■ Albany ■ Corning ■ New York City  
Attorney Advertising. Prior results do not guarantee a similar outcome.