

lected under sections 326.17 to 326.23 the board shall pay all expenses incident to the examinations, hearings, and expense of issuing certificates, traveling expenses of the board while performing their duties. The members of the board of accountancy shall be paid all necessary expenses incurred in the performance of their duties.

Sec. 6. Minnesota Statutes 1961, Section 326.23 is amended to read:

326.23. Revocation or suspension; reinstatement. The state board of accountancy may revoke *or suspend* any certificate issued under sections 326.17 to 326.23, ~~or may cancel the registration of any certificate issued under sections 326.17 to 326.23;~~ for bad moral character, dishonesty, conviction of crime, incompetency or unprofessional conduct; provided, a written notice shall have been mailed to the holder of such certificate at least 20 days before any hearing thereon, stating the cause for such contemplated action and appointing a time and place for a hearing thereon by the state board of accountancy; and, provided, further, that no certificate issued under sections 326.17 to 326.23 shall be revoked *or suspended* until an opportunity for such hearing shall have been afforded. At all such hearings the attorney general, or one of his assistants designated by him, shall attend. Certificates issued ~~or registered~~ under sections 326.17 to 326.23 shall be surrendered to the state board of accountancy on their revocation *or suspension* by the board.

The state board of accountancy may reinstate a revoked certificate upon a petition for reinstatement by the former holder thereof ~~presented within two years after the date of revocation.~~ The board of accountancy shall appoint a time and place for the hearing on such petition and may prescribe any necessary rules and regulations relating to such reinstatement of a revoked certificate not inconsistent with any provisions of the statutes relating to public accountancy.

Approved April 3, 1963.

CHAPTER 146—H. F. No. 460

An act relating to the Minnesota professional corporation act; amending Minnesota Statutes 1961, Section 319.03, Section 319.05, Section 319.16, Section 319.18, and Section 319.19.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1961, Section 319.03, is amended to read as follows:

Changes or additions indicated by italics, deletions by strikeout.

319.03 Professional corporations; physicians; formation of corporation. ~~Three~~ *One or more natural persons licensed to render within this state the same type of professional service may form a corporation pursuant to either Minnesota Statutes 1957, Chapter 301, or Minnesota Statutes 1957, Chapter 317, for the purpose hereinafter set forth.*

Sec. 2. Minnesota Statutes 1961, Section 319.05, is amended to read as follows:

319.05 Applicability of corporation acts. A corporation incorporating pursuant to the provisions of sections 319.01 to 319.23 under either Minnesota Statutes 1957, Chapter 301, or Minnesota Statutes 1957, Chapter 317, shall proceed in the manner specified in the particular act under which it has elected to incorporate except that *(1) if it has only one shareholder or member, it need have only one director who shall be such shareholder or member and it may permit such shareholder or member to hold all offices; (2) if it has only two shareholders or members, it need have only two directors who shall be such shareholders or members and it may permit such shareholders or members to hold all offices; and (3) if it elects to proceed pursuant to Minnesota Statutes 1957, Chapter 317, its articles of incorporation need not contain the statement required by paragraph 3 of subdivision 2 of section 317.08 thereof. and; After incorporation; a professional corporation shall enjoy the powers and privileges and shall be subject to the duties and liabilities of other corporations organized under the particular act under which it has elected to incorporate, except insofar as the same may be limited or enlarged by sections 319.01 to 319.23. If any provision of sections 319.01 to 319.23 conflicts with the provisions of the act under which such corporation elects to incorporate, sections 319.01 to 319.23 shall take precedence.*

Sec. 3. Minnesota Statutes 1961, Section 319.16, is amended to read as follows:

319.16 Relationship to person served. Sections 319.01 to 319.23 do not alter any law applicable to the relationship between a person furnishing professional service and a person receiving such professional service, including liability arising out of such professional service; *provided, however, that nothing contained in this section shall render a person personally liable in tort for any act in which he has not personally participated; and, provided further, that nothing contained in this section shall render a director, officer, or employee of a professional corporation personally liable in contract for any contract which he executes on behalf of a professional corporation within the limits of his actual authority.*

Changes or additions indicated by italics, deletions by strikeout.

Sec. 4. Minnesota Statutes 1961, Section 319.18, is amended to read as follows:

319.18 To whom shares and memberships may be issued. A professional corporation may issue its stock only to, and may admit as a member only, natural persons who are licensed in this state to render the type of professional service which such corporation was organized to render. A person who becomes a shareholder or member in any such corporation may transfer his shares or his membership only to a natural person to whom such corporation could issue such shares or such membership pursuant to the provisions of this section. No proxy to vote any share of or any membership in such a corporation may be given to a person who is not so licensed, nor may any voting trust be established with respect to the shares of such corporation unless all the voting trustees are natural persons who are so licensed. *No shareholder or member of a professional corporation may be a shareholder or member of any other professional corporation.*

Sec. 5. Minnesota Statutes 1961, Section 319.19, is amended to read as follows:

319.19 Death or disqualification of shareholder. A professional corporation which holds a certificate of registration shall report to the board the death of any of its shareholders or members within 30 days thereafter. *Within 90 days following the date of death of a shareholder or member of a professional corporation or the loss of his license to practice medicine and surgery in the state of Minnesota, all of the shares owned by such shareholder shall be transferred to and acquired by the professional corporation or persons qualified to own such shares.* If the articles of incorporation or bylaws of a professional corporation fail to state a price or method of determining a price at which such corporation or its shareholders may purchase the shares of a deceased shareholder or a shareholder no longer qualified to own shares in such corporation, then the price for such shares shall be the ~~book value as of the end of the month immediately preceding the death or disqualification of the shareholder~~ *fair market value as determined by the board of directors but not less than the book value as of the end of the month immediately preceding the death or disqualification of the shareholder.* Book value shall be determined from the books and records of such corporation in accordance with the regular method of accounting used by such corporation.

Sec. 6. *This act shall become effective upon its passage.*

Approved April 3, 1963.

Changes or additions indicated by italics, deletions by strikeout.