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BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 2. HEALING ARTS [500 - 4999.129] (*Division 2 enacted by Stats. 1937, Ch. 399.)*

CHAPTER 6. Nursing [2700 - 2838.4] (*Chapter 6 repealed and added by Stats. 1939, Ch. 807.)*

ARTICLE 3.5. Nursing Corporations [2775 - 2781] (*Article 3.5 added by Stats. 1981, Ch. 621, Sec. 2.)*

2775. A nursing corporation is a corporation which is authorized to render professional services, as defined in Section 13401 of the Corporations Code, so long as that corporation and its shareholders, officers, directors, and employees rendering professional services who are registered nurses are in compliance with the Moscone-Knox Professional Corporation Act, the provisions of this article and all other statutes and regulations now or hereafter enacted or adopted pertaining to such corporation and the conduct of its affairs.

With respect to a nursing corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act is the Board of Registered Nursing.

(*Added by Stats. 1981, Ch. 621, Sec. 2.*)

2776. It shall constitute unprofessional conduct and a violation of this chapter for any person licensed under this chapter to violate, attempt to violate, directly or indirectly, or assist in or abet the violation of, or conspire to violate any provision or term of this article, the Moscone-Knox Professional Corporation Act, or any regulations duly adopted under those laws.

(*Added by Stats. 1981, Ch. 621, Sec. 2.*)

2777. A nursing corporation shall not do or fail to do any act the doing of which or the failure to do which would constitute unprofessional conduct under any statute or regulation, now or hereafter in effect. In the conduct of its practice, it shall observe and be bound by such statutes and regulations to the same extent as a person holding a license under this chapter.

(*Added by Stats. 1981, Ch. 621, Sec. 2.*)

2778. The name of a nursing corporation and any name or names under which it may render professional services shall contain the words "nursing" or "registered nursing," and wording or abbreviations denoting corporate existence.

(*Added by Stats. 1981, Ch. 621, Sec. 2.*)

2779. Except as provided in Sections 13401.5 and 13403 of the Corporations Code, each shareholder, director and officer of a nursing corporation, except an assistant secretary and an assistant treasurer, shall be a licensed person as defined in Section 13401 of the Corporations Code.

(*Added by Stats. 1981, Ch. 621, Sec. 2.*)

2780. The income of a nursing corporation attributable to professional services rendered while a shareholder is a disqualified person, as defined in Section 13401 of the Corporations Code, shall not in any manner accrue to the benefit of the shareholder or their shares in the nursing corporation.

(*Amended by Stats. 2023, Ch. 510, Sec. 40. (SB 887) Effective January 1, 2024.*)

2781. The board may adopt and enforce regulations to carry out the purposes and objectives of this article, including regulations requiring (a) that the bylaws of a nursing corporation shall include a provision whereby the capital stock of such corporation owned by a disqualified person (as defined in Section 13401 of the Corporations Code), or a deceased person, shall be sold to the corporation or to the remaining shareholders of such corporation within such time as such regulations may provide, and (b) that a nursing corporation shall provide adequate security by insurance or otherwise for claims against it by its patients arising out of the rendering of professional services.

