



New York Governor Approves New Design Professional Service Corporation Legislation

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On Friday, September 23, 2011, Governor Cuomo approved Bill S.2987/A.4581 which significantly changes the laws regulating design professional corporations. The new law, which takes effect January 1, 2012 will permit a new "Design Professional Service Corporation" (D.P.C.).

This new entity form will require that "greater than seventy-five percent" of the outstanding shares be owned by a licensed design professional (s). In addition "greater than seventy-five percent" of the officers and directors must also be licensed. (The president, CEO and chairman must also be licensed individuals). However, there is an ownership interest of just less than 25% that can consist of non-licensed individuals.

This bill marks the end of an era in New York where all owners of a design firm (except grandfathered corporations) were required to be licensed design professionals.

Previously, state law prohibited non-licensed individuals or entities from owning any portion of a firm that provided professional architecture, engineering, landscape architecture, or land surveying services in New York.