



ACT 225
Regular Session, 1979
House Bill Number 651
by Messrs. Bares, Bruneau & Downer

AN ACT

To amend Title 12 of the Louisiana Revised Statutes of 1950. To add thereto a new Chapter 16, comprising R.S. 12:1086 through R.S. 12:1101, both inclusive, to provide for the organization of professional architectural corporations pursuant to the business corporations law, subject to the provisions contained in the Chapter, to provide with respect to architects engaged in the business of offering architectural services in corporate form prior to the effective date hereof, to provide for the authority of the Louisiana State Board of Architectural Examiners to regulate the practice of architecture with respect to the use of the professional corporate form and compliance with the Chapter, and otherwise to provide with respect thereto.

BE IT ENACTED BY THE LEGISLATURE OF LOUISIANA:

SECTION 1. CHAPTER 16 of TITLE 12 of the LOUISIANA REVISED STATUTES OF 1950, COMPRISING R.S. 12:1086 THROUGH R.S. 12:1101, BOTH INCLUSIVE, IS HEREBY ENACTED TO READ AS FOLLOWS:

CHAPTER 16, PROFESSIONAL ARCHITECTURAL CORPORATIONS

1086. Terms Defined As used in this Chapter:

A. "Professional Architectural Corporation" means a corporation organized pursuant to this Chapter for the practice of architecture as provided for by R.S. 37:141 through R.S. 37:158 inclusive, or a corporation which is certified to be in compliance therewith by the Louisiana State Board of Architectural Examiners.

B. All terms used both in this Chapter and in Chapter 1 of this Title should have the same meaning when used in this Chapter, as when used in Chapter 1 -

1087. Professional Corporation

A corporation formed under Chapter 1 of this Title for the purpose of practicing architecture shall be subject to all of the provisions of Chapter 1, as the same may from time to time be amended, except to the extent that such provisions are inconsistent with the provisions of this Chapter.

1088. Corporate Name

The corporate name may consist of the full or last name or names of one or more shareholders duly licensed to practice architecture in this state, may include "Limited" or "LTD"; or it may consist of any other name approved by the Secretary of State. However, in either case, the name shall end with one of the phrases: "A Professional Corporation", "An Architectural Corporation", "A Professional Architectural Corporation", which phrase may be in parentheses. The name need not contain "Incorporated" or "Inc." but such use shall not be prohibited.

1089. Corporate Authority

A professional architectural corporation shall engage in the business of the practice of architecture and may engage in any business not in conflict with such business activity. It may hold, own, lease or otherwise deal in

property for investment or in connection with its architectural practice.

1090. Shares

A. There shall be only one class of shares of professional architectural corporations. Denominated common shares which shall be either with or without par value.

B. A majority of the outstanding shares of a professional architectural corporation shall be held by one or more natural persons duly licensed to practice architecture in this state. Holding his shares in his own right.

C. The requirement of R.S. 12:1090(B) may be met if such shares are held or owned by a holding company, a majority of the stock of which is owned by one or more natural persons duly licensed to practice architecture in this state, and the holding company is the direct owner of the stock of such professional architectural corporation.

1091. Certificate of Stock

A. Each certificate of stock shall contain reference to any and all agreements among the corporation's shareholders made pursuant to R.S. 12:1094.

1092. Liability of Incorporators, Subscribers, Shareholders, Directors, Offices and Agents

A. A subscriber to or holder of shares of a professional architectural corporation shall be under no liability to the corporation with respect to such shares, other than the obligation of complying with the terms of the subscription therefor, and said obligation shall continue whether or not his rights or shares have been assigned or transferred.

B. A shareholder shall not be personally liable for any debt or liability of the corporation.

C. Nothing in this Chapter shall be construed as in derogation of any rights which any person may by law have against an incorporator, subscriber, shareholder, director, officer or agent of the corporation, because of any fraud practiced upon him or because of any breach of professional duty, or other negligent or wrongful act, by such person, or in derogation of any right which the corporation may have against any of such persons because of any fraud practiced upon it by him.

1093. Action of Shareholders

Any action by, or requiring the assent of, the shareholders of a professional architectural corporation may be taken on the affirmative vote of a majority, or such greater proportion as the articles of incorporation may specify, in the interest of the shareholders present or represented at a meeting duly called and held on due notice or waiver thereof in writing, at which a quorum is present or represented.

1094. Shareholders' Agreements

A. Any lawful provision regulating the affairs of a professional architectural corporation or the rights and liabilities of its shareholders, which is not required to be set forth in the articles of incorporation, may be set forth in an agreement among all of the shareholders.

1095. Directors

A. The number and qualifications of directors shall be determined by a majority vote of the shareholders.

B. A majority of the Board of Directors, if more than two, shall be natural persons, duly licensed to practice architecture in this state.

C. Corporations having fewer than three directors shall have at least one director who is a natural person, duly licensed to practice architecture in this state.

D. Corporations having fewer than three directors pursuant to R.S. 12:1095(B) shall have at least one director who is a natural person, duly licensed to practice architecture in this state.

1096. Officers

There shall be a president, a secretary and such other officers as the shareholders may elect. If there is only one shareholder, all offices may be combined in his person.

1097. Contracts

A. A professional architectural corporation shall be entitled to enter into contracts to provide architectural services and such other contracts as may be consistent with the practice of architecture.

B. Architectural services rendered on behalf of a professional architectural corporation must be performed by or under the direct supervision of a natural person duly licensed to practice architecture in this state,

C. A contract to provide architectural services by a professional architectural corporation which at any time during the existence of the contract fails to comply with the requisites of LA.R.S. 12:1090(B) shall be voidable by any other party thereto.

1098. Merger and Consolidation

Professional architectural corporations may be merged into or consolidated only with other professional architectural corporations.

1099. Dissolution

A. The fact that it has less than a majority of outstanding shares held by one or more natural persons duly licensed to practice architecture in this state shall be an additional ground for involuntary dissolution of a professional architectural corporation.

B. In the event of the death of a shareholder of a professional architectural corporation, said shareholder's succession representative or those placed in possession of the shares of said shareholder if there be no administration of the succession, as the case may be, shall be entitled to vote the shares of said shareholder and to be elected a director and officer of the corporation for the purposes of effectuating a voluntary dissolution and liquidation of the corporation, in or out of court, pursuant to the Louisiana Business Corporation Law, or for the purpose of reorganizing or continuing the corporation subject to the provisions of this Chapter.

1100. Regulation by Louisiana State Board of Architectural Examiners

A. Professional architectural corporations shall be subject to the discipline of the Louisiana State Board of Architectural Examiners and to its authority to adopt rules and regulations governing the practice of architecture.

B. If upon the effective date of this act an architect or architects who are duly licensed to practice architecture in this state are so engaged in corporation form, contracts entered by such corporations to perform or furnish professional architectural services shall not be rendered invalid by virtue of the non-compliance with the provisions of this act. Architects operating in corporate form as of the effective date hereof shall cause such corporations to comply with the provisions of this act within ninety (90) days of the effective date of this act.

C. Evidence of such compliance referred to in R.S. 12:1100(B) shall be accomplished by the corporations filing with the Louisiana State Board of Architectural Examiners a declaration duly certified by the corporate president and secretary and sworn to before a Notary Public, that such corporation is in full compliance with this act and particularly with Section 1090(B) hereof.

D. Upon the receipt of such certification, the Louisiana State Board of Architectural Examiners shall issue a Certificate of Compliance upon being reasonably satisfied from the evidence available to it that the corporation meets the requirements of this act. The failure of the Board to issue such certificate without just cause shall in no way effect or invalidate contracts to furnish architectural services heretofore entered into by the corporation seeking to qualify without a hearing conducted by the Board under the provisions of the Louisiana Administrative Procedures Act.

1101. Short Title

This Chapter shall be known and may be referred to by the short title "Professional Architectural Corporations Law."

Section 2. If any provision of item of this act or the application thereof is held invalid such invalidity shall not affect other provisions, items or applications of this act which can be given effect without the invalid provisions, items or applications and to this end the provisions of this act are hereby declared severable.

Section 3. This act shall become effective upon signature by the Governor or, if not signed by the Governor, upon expiration of the time for bills to become law without signature of the Governor, as provided by Article III, Section 18 of the Louisiana Constitution of 1974.

Section 4. All laws or parts of laws in conflict herewith are hereby repealed.