

AN ACT

ENTITLED, An Act to revise and repeal certain provisions regarding dental corporations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 47-12-1 be amended to read:

47-12-1. One or more dentists licensed pursuant to chapter 36-6A may associate to form a corporation, limited liability company, limited partnership, limited liability partnership, or limited liability limited partnership, registered to do business in this state, to own, operate, and maintain an establishment for the study, diagnosis, and treatment of dental ailments and injuries, to promote dental and scientific research and knowledge, and for any other purpose incident or necessary thereto.

Section 2. That § 47-12-1.1 be repealed.

Section 3. That § 47-12-2 be repealed.

Section 4. That § 47-12-3 be amended to read:

47-12-3. Each director, manager, member, partner, and shareholder of an entity subject to this chapter shall be a dentist licensed pursuant to chapter 36-6A or a qualified entity. No person other than a licensed dentist or a qualified entity may have any part in the ownership or control of an entity subject to this chapter, nor may any proxy to vote any shares of such entity be given to a person who is not so licensed.

For purposes of this chapter, the term, qualified entity, means any entity subject to this chapter that meets all of the following standards:

- (1) Each director, manager, member, partner, and shareholder of the entity shall be a dentist licensed under chapter 36-6A;
- (2) The entity is registered to do business in this state; and
- (3) The entity has a certificate of registration under this chapter from the State Board of

Dentistry.

Section 5. That § 47-12-3.1 be amended to read:

47-12-3.1. Notwithstanding any other provisions of this chapter, a revocable trust may be a shareholder in a corporation, a member in a limited liability company, or a partner in a limited partnership, a limited liability limited partnership, or a limited liability partnership subject to this chapter, for so long as the grantor of the revocable trust is living and is a licensed dentist pursuant to chapter 36-6A.

Section 6. That § 47-12-4 be repealed.

Section 7. That § 47-12-5 be repealed.

Section 8. That § 47-12-6 be repealed.

Section 9. That § 47-12-7 be amended to read:

47-12-7. No entity subject to this chapter may open, operate, or maintain an establishment for any of the purposes set forth in § 47-12-1 without a certificate of registration from the State Board of Dentistry. It is unprofessional or dishonorable conduct under § 36-6A-59.1 to maintain or operate an entity subject to this chapter without a certificate of registration.

Section 10. That § 47-12-8 be amended to read:

47-12-8. An application for registration shall contain the name, address, state of organization, employer identification number of the entity, and such other information as may be required by the State Board of Dentistry. Upon receipt of an application for registration and a registration fee of one hundred dollars, the board shall issue a certificate of registration if the board finds that each director, manager, member, partner, and shareholder is licensed as a dentist pursuant to chapter 36-6A or is a qualified entity, if no disciplinary action is pending before the board, or any other state dental board, against any of them, and if it appears the entity has been compliant with law and the regulations of the board. The board may deny an application for registration for failure to meet the

requirements of this chapter or any rule promulgated thereunder. If the board denies an application for a certificate of registration, the entity whose application has been denied shall be afforded an opportunity for hearing pursuant to chapter 1-26.

No certificate of registration is assignable. The certificate of registration shall be conspicuously posted at the premises to which it is applicable. Each certificate holder shall notify the board within ten days of a change in the location of the registered entity.

Section 11. That § 47-12-9 be repealed.

Section 12. That § 47-12-10 be repealed.

Section 13. That § 47-12-11 be repealed.

Section 14. That § 47-12-12 be amended to read:

47-12-12. Each entity subject to this chapter shall annually submit, on or before July first, an application for renewal of its certificate of registration which shall contain the information required by the State Board of Dentistry. Upon application of the entity, accompanied by a renewal fee of twenty-five dollars, the board shall renew the certificate of registration if the board finds the entity has complied with the provisions of this chapter and the regulations prescribed by the board. If a certificate of registration is not renewed on or before July first, the entity's registration under this chapter is automatically suspended until the entity complies with the requirements of this section.

Section 15. That § 47-12-13 be amended to read:

47-12-13. The State Board of Dentistry may place a condition, limit, suspend, or revoke any certificate of registration for any of the following reasons:

- (1) The revocation or suspension of the license to practice dentistry of any officer, director, manager, member, partner, shareholder, or employee not promptly removed or discharged by the entity;
- (2) Unethical professional conduct, professional incompetence, or unprofessional or

dishonorable conduct under chapter 36-6A on the part of any officer, director, manager, member, partner, shareholder, or employee not promptly removed or discharged by the entity;

- (3) The death of the last remaining licensed member, partner, or shareholder; or
- (4) Upon finding that the certificate holder failed to comply with the provisions of this chapter or the regulations prescribed by the board.

If the board places on condition, limits, suspends, or revokes a certificate of registration, the affected entity shall be afforded an opportunity for hearing pursuant to chapter 1-26.

Section 16. That § 47-12-14 be amended to read:

47-12-14. Each hearing and other proceeding under this chapter shall be conducted in accordance with chapter 1-26. Any final decision of the State Board of Dentistry under § 47-12-8 or 47-12-13 may be appealed to circuit court in accordance with chapter 1-26 within thirty days. Prior to taking any appeal to circuit court, the entity shall first exhaust all available remedies under this chapter and chapter 1-26. Notice of appeal to circuit court shall be served upon the board by service upon the secretary of state, as registered agent for the board under this chapter, an attested copy thereof within thirty days after the board has notified the appellant of its decision.

Section 17. That § 47-12-15 be repealed.

Section 18. That § 47-12-16 be repealed.

Section 19. That § 47-12-18 be repealed.

Section 20. That § 47-12-20 be amended to read:

47-12-20. If any provision of this chapter conflicts with chapter 36-6A, the provisions of chapter 36-6A shall take precedence.

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I certify that the attached Act
originated in the

SENATE as Bill No. 47

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 47

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State