

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0686.01 Eden Rolland x2373

HOUSE BILL 26-1249

HOUSE SPONSORSHIP

Gonzalez R. and Ricks,

SENATE SPONSORSHIP

(None),

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 CONCERNING OWNERSHIP OF MEDICAL-AESTHETICS PROFESSIONAL
102 SERVICE CORPORATIONS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Under current law, persons licensed to practice medicine in Colorado may form professional service corporations for the practice of medicine. The articles of incorporation for these corporations must reflect and comply with certain requirements, including the requirement that all shareholders of the corporation be individuals who are licensed by the Colorado medical board to practice medicine and who own their shares

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

in their own right (ownership requirement). A licensed physician assistant may be a shareholder, but one or more physician assistants may not own a majority of the corporation.

Section 1 of the bill specifies that one or more physician assistants licensed by the Colorado medical board may own a majority of a corporation organized solely for the purpose of providing medical-aesthetic services.

The bill codifies a new exception to the ownership requirement. **Section 2** establishes that, if a corporation is organized solely for the purpose of providing medical-aesthetic services, the following individuals may be a shareholder of that corporation, if the individual holds an active license issued by their profession's respective licensing body in Colorado:

- An esthetician;
- A cosmetologist;
- A practical nurse;
- A registered nurse;
- An advanced practice registered nurse; or
- A physician assistant.

Current statute defines "medical-aesthetic services" as therapeutic procedures used in aesthetics. This definition applies to the corporations recognized in the exception to the ownership requirement codified by the bill.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 12-240-107, **amend**
3 (6)(1) as follows:

4 **12-240-107. Practice of medicine defined - exemptions from**
5 **licensing requirements - unauthorized practice by physician**
6 **assistants and anesthesiologist assistants - penalties - definitions -**
7 **rules.**

8 (6) (1) Pursuant to section 12-240-138 (1)(d)(I), a physician
9 assistant is not authorized to own a majority of a medical practice;
10 EXCEPT THAT, IN ACCORDANCE WITH SECTION 12-240-138 (1)(d)(III), ONE
11 OR MORE PHYSICIAN ASSISTANTS MAY OWN A MAJORITY OF A
12 CORPORATION ORGANIZED SOLELY FOR THE PURPOSE OF PROVIDING
13 MEDICAL-AESTHETIC SERVICES.

1 **SECTION 2.** In Colorado Revised Statutes, 12-240-138, **amend**
2 (1) introductory portion, (1)(d)(I), (2), and (3); and **add** (1)(d)(III) as
3 follows:

4 **12-240-138. Professional service corporations, limited liability**
5 **companies, and registered limited liability partnerships for the**
6 **practice of medicine - exceptions - definitions.**

7 (1) Persons licensed to practice medicine by the board may form
8 professional service corporations for such persons' practice of medicine
9 under the "Colorado Business Corporation Act", articles 101 to 117 of
10 title 7, if the corporations are organized and operated in accordance with
11 ~~the provisions of~~ this section. The articles of incorporation of the
12 corporations ~~shall~~ **MUST** contain provisions complying with the following
13 requirements:

14 (d) (I) Except as specified in ~~subsection~~ **SUBSECTIONS (1)(d)(II)**
15 **AND (1)(d)(III)** of this section, all shareholders of the corporation are
16 ~~persons~~ **INDIVIDUALS** licensed by the board to practice medicine in the
17 state of Colorado who at all times own their shares in their own right;
18 except that one or more ~~persons~~ **INDIVIDUALS** licensed by the board as a
19 physician assistant may be a shareholder of the corporation as long as the
20 physician shareholders maintain majority ownership of the corporation.
21 The shareholders shall be individuals who, except for illness, accident,
22 time spent in the armed services, on vacations, and on leaves of absence
23 not to exceed one year, are actively engaged in the practice of medicine
24 or as a physician assistant in the offices of the corporation.

25 (III) **IF A CORPORATION IS ORGANIZED SOLELY FOR THE PURPOSE**
26 **OF PROVIDING MEDICAL-AESTHETIC SERVICES, ONE OR MORE INDIVIDUALS**
27 **MAY BE A SHAREHOLDER OF THE CORPORATION IF THE INDIVIDUAL IS:**

1 (A) ANESTHETICIAN OR A COSMETOLOGIST WHO HOLDS AN ACTIVE
2 LICENSE ISSUED PURSUANT TO ARTICLE 105 OF THIS TITLE 12;

3 (B) A LICENSED PRACTICAL NURSE, A REGISTERED NURSE, OR AN
4 ADVANCED PRACTICE REGISTERED NURSE WHO HOLDS AN ACTIVE LICENSE
5 ISSUED PURSUANT TO ARTICLE 255 OF THIS TITLE 12; OR

6 (C) A PHYSICIAN ASSISTANT WHO HOLDS AN ACTIVE LICENSE
7 ISSUED BY THE BOARD PURSUANT TO SECTION 12-240-113.

8 (2) The corporation shall do nothing that, if done by a licensee
9 employed by the corporation, would violate the standards of professional
10 conduct as provided for in section 12-240-121 OR THAT ARE APPLICABLE
11 TO THE PROFESSIONAL PRACTICE OF THE LICENSEE. Any violation of this
12 section by the corporation is grounds for the board OR APPLICABLE
13 REGULATOR to revoke or suspend the license of the person or persons
14 responsible for the violation.

15 (3) Nothing in this section diminishes or changes the obligation
16 of each licensee employed by the corporation to conduct ~~his or her~~ THEIR
17 practice in accordance with the standards of professional conduct
18 provided for in section 12-240-121 OR THAT ARE APPLICABLE TO THE
19 PROFESSIONAL PRACTICE OF THE LICENSEE. Any licensee who, by act or
20 omission, causes the corporation to act or fail to act in a way that violates
21 the standards of professional conduct, including any provision of this
22 section, is personally responsible for such act or omission and is subject
23 to discipline for the act or omission.

24 **SECTION 3. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly (August
27 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a

1 referendum petition is filed pursuant to section 1 (3) of article V of the
2 state constitution against this act or an item, section, or part of this act
3 within such period, then the act, item, section, or part will not take effect
4 unless approved by the people at the general election to be held in
5 November 2026 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.