1. Professional associations are governed by section 301 of the BOC.

2. Medical professionals may use Professional Associations. This includes:
   a. Medical Doctors,
   b. Osteopaths, and
   c. Podiatrists.

3. All other professionals should consider professional corporations, regular corporations, limited liability corporations, professional limited liability corporations, and registered limited liability partnerships.

4. The act provides that any one or more persons duly licensed to practice a profession, including podiatry, under the laws of this state may form a professional association as distinguished from either a partnership or corporation.

5. They may associate themselves for the purpose of performing professional services, and dividing the gains as stated in the certificate of formation or the bylaws.

6. The term professional service means any type of personal service to the public which requires a license, and which cannot be performed by a corporation. The term license includes a license, a certificate of registration, or any other evidence of the satisfaction of meeting state requirements.

7. A professional association may own in its own name and invest in real estate, mortgages, stock, bonds, or any other type of investment. Any investment or property owned may be transferred in the association’s name by action of its board of directors or its executive committee.

8. An association shall have the power to sue and to be sued, complain and defend in its association name.

9. Each individual licensed in Texas to perform professional services, who is employed by a professional association, shall remain in subject to the same discipline for his or her conduct under the provisions of the statute under which he or she is licensed.

10. The Professional Association status does not alter the relationship between a person furnishing professional service and the person receiving professional service, including liability arising out of the professional service.
11. The certificate of formation may provide that the professional association shall continue as a separate entity independent of its members for such period of time as stated in its certificate of formation, or until it is dissolved by a vote of 2/3 of its members.

12. The professional association may continue notwithstanding the death, insanity, incompetence, conviction, withdrawal or transfer of membership, retirement, or expulsion of any one or more of its members, except the last surviving member. New members may be admitted to the association.

13. The certificate of formation shall provide that no member of a professional association shall have the power to dissolve the association by his or her independent act of any kind.

14. Shares or ownership in a professional association shall be transferable to the persons licensed to perform the same type of professional service as that for which the professional association was formed.

15. A professional association is required to file an annual statement with the Secretary of State's office. The Secretary of State's office mails the required form to the registered office of each professional association during April or May of each year.

16. The statement must be completed and returned with the filing fee prior to June 30th. Failure to file the annual statement may result in involuntary dissolution of the association.

17. The following form may be used to incorporate a professional association. File the original and a copy with the secretary of state’s office. Be sure to include the filing fee of $750.
Certificate of Association for Professional Association

1. The provisions of chapters 20 and 21 of the BOC apply to a professional association, unless there is a conflict with a specific provision in title.
   a. A professional association is created by filing Certificate of Association with the Secretary of State.
   b. A professional association may amend its certificate of formation by following the procedures set forth in its certificate of formation. If the certificate of formation does not provide a procedure for amending the certificate, the certificate of formation is amended by a two-thirds vote of its members.

2. The provisions of this Act are applicable only to individuals licensed to practice medicine by the Texas State Board of Medical Examiners.

3. Professional Associations are not subject to the initial franchise tax prepayment requirement.

4. The name must be followed by the words "Associated," "Association," "Professional Association" or "and Associates" or by the abbreviation "Assoc." or "P.A."
Certificate of association for professional association

CERTIFICATE OF ASSOCIATION OF

[NAME], M.D., P.A.

The undersigned subscriber, a natural person competent to contract and a doctor of medicine licensed to render services under the Laws of the State of Texas, adopts the following Certificate of Association.

ARTICLE 1. NAME, ADDRESS, AND PRINCIPAL OFFICE

1.1 Name: The name and address of the Association shall be: ____________, M.D., P.A., [address].

1.2 Principal Office: The principal office and permanent address for the transaction of business of this Association shall be the address stated in paragraph 1.1 of this Article.

1.3 Registered Agent and Office: The name of its initial registered agent is [name]. The address of its initial registered office is [address].

ARTICLE 2. PURPOSE

2.1 The purpose of the Association is to conduct successfully those professional services that a doctor of medicine, duly licensed under the laws of the State of Texas, is authorized to render, including, but not limited to, the practice of medicine and surgery, to aid the sick and afflicted, to encourage scientific study, to promote investigation in medical research, to promote better business and administration in this professional work, to furnish related laboratory and clinical services, to own and hold such real and personal property as will be useful or necessary to the successful operation of the foregoing activities; provided always, however, that such professional services shall be rendered only through officers, employees, and agents who are duly licensed under the laws of the State of Texas to practice medicine therein.

2.2 The Association may do all and everything necessary and proper for the accomplishment of the stated purposes herein or the attaining of any of the objects or the furtherance of any of the purposes enumerated in these Certificate of Association or any amendment thereof, necessary or incidental to the protection and benefit of the Association, and in general, either alone or in association with other firms, individuals, corporations, or associations, to carry on any lawful pursuit necessary or incidental to the accomplishment of the purposes or the attainment of the objects and the furtherance of such purposes or objects of this Association.

2.3 The foregoing paragraph shall be construed as enumerating both objects and purposes of this Association, and it is hereby expressly provided that the foregoing enumeration of specific purposes shall not be held to limit or restrict in any manner the purposes of this Association otherwise permitted by law.

ARTICLE 3. DURATION AND CONTINUITY

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3.1 **Duration:** The duration of this Association shall be perpetual subject to the provisions of Section 8 of the Texas Professional Association Act. No shareholder shall have the power to dissolve the Association by his or her independent act of any kind.

3.2 **Continuity:** The Association shall not be terminated, dissolved, or in any similar manner affected by the death, insanity, incompetency, conviction for felony, resignation, withdrawal, transfer, retirement, or expulsion of any one or more of the members (except the last surviving member), the admission of or transfer of membership to any new member or members, or the happening of any other event, which under the laws of the State of Texas and under like circumstances, would work a dissolution of a partnership.

**ARTICLE 4. ORIGINAL MEMBERS**

4.1 **Original Members:** The name and address of the original member of this Association, who is a doctor of medicine, duly licensed under the laws of the State of Texas to render services as such, is:

| Name | Address |

**ARTICLE 5. MANAGEMENT**

5.1 **Directors:** The Association shall be governed by a board of directors elected by the members. The initial board of directors shall consist of one director provided, however, the number of directors may be increased or decreased from time to time by amendment to the bylaws of the Association.

5.2 The name and address of the initial directors who shall serve until the first annual meeting or until his successor is elected and qualified is as follows:

| Name | Address |

5.3 **Officers:** The Association shall be represented by officers elected by the board of directors. Officers and members of the board of directors shall be members of this professional association. Officers need not be members of the board of directors except that the president shall be a member of the board of directors.

**ARTICLE 6. BYLAWS**

6.1 The members of this Association hereby delegate to the board of directors the power and authority to make and to alter the bylaws of this Association and to further amend and alter such bylaws by a two-thirds vote of the board of directors.

**ARTICLE 7. CAPITAL**
7.1 The authorized shares of ownership of the Association shall consist of [number] shares which shall have no par value. The board of directors shall determine the consideration to be received for each share of ownership in the Association. None of the shares of this Association shall be issued to anyone other than an individual duly licensed to practice medicine in the State of Texas.

ARTICLE 8. TRANSFER OF SHARES

8.1 The shares of ownership of this Association shall only be transferable to persons who are duly licensed doctors of medicine in accordance with the laws of the State of Texas. The transfer of any share of ownership in the Association shall be made in accordance with the requirement of the bylaws of this Association. The bylaws of the Association may include any regulatory or restrictive provisions regarding a proposed sale, transfer, or other disposition of any of the outstanding shares of this Association by any of its shareholders, or in the event of the death of any of its shareholders. The transfer and form, as well as relevant terms, conditions, and details, of the transfer or issuance of such shares may be prescribed by the bylaws of the Association.

ARTICLE 9. VOTING RIGHTS

9.1 Number of Votes: Each outstanding share of ownership in the Association shall be entitled to one vote. Cumulative voting shall not be allowed.

9.2 Manner of Voting: All questions shall be determined by a majority vote of shares present in person or by proxy, unless otherwise provided herein or in the bylaws of the Association. All voting matters shall be governed by the bylaws of the Association.

ARTICLE 10. DENIAL OF PREEMPTIVE RIGHTS

10.1 The members (shareholders) of this Association shall not have the preemptive right to subscribe to any issue of shares or securities of the Association.

ARTICLE 11. AMENDMENT OR ALTERATIONS

11.1 These Certificate of Association may be changed, altered, repealed, or supplemented at any time upon the affirmative vote of two-thirds of the outstanding shares of ownership in the Association.

ARTICLE 12.

12.1 If any phrase, clause, sentence, paragraph, or provision of these Certificate of Association is void or illegal, it shall not impair or affect the balance of these Certificate, and the undersigned original members of the Association do hereby declare that they would have signed and executed the balance of these Certificate without such void or illegal provision.

Signed on ______________________.

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Filing letter to the secretary of state’s office for a professional association.

Office of the Secretary of State of Texas
Statutory Filings Division
Corporations Section
Special Handling
P.O. Box 13697
Austin, Texas 78711-3697

Regarding: [Name of the Professional Association]

Enclosed please find duplicate originals of the Certificate of formation for a Professional Association and a check for $[Amount] from the Organizer in the required amount for the filing fees and the special handling costs.

Your expeditious cooperation is appreciated. Thank you in advance for your assistance and cooperation.

Very truly yours

[Attorney’s Name]

THIS DOCUMENT

THANK YOU
Letter to the internal revenue service for a professional association’s federal I.D. number

[Date]

Internal Revenue Service Center
3651 South Interregional Highway
Austin, Texas 78740

Regarding: [Name of the professional association]

Enclosed please find an application for an employer identification number for the above captioned professional association.

Thank you in advance for your assistance.

Very truly yours

[Attorney’s Name]

THIS DOCUMENT

THANK YOU

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