

By: Schwertner

S.B. No. 519

A BILL TO BE ENTITLED

AN ACT

relating to the registration of dental support organizations;
imposing a fee; providing a civil penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 5, Business & Commerce Code, is
amended by adding Chapter 73 to read as follows:

CHAPTER 73. REGISTRATION OF DENTAL SUPPORT ORGANIZATIONS

Sec. 73.001. DEFINITIONS. In this chapter:

(1) "Business support services" means business, management, consulting, or administrative services, facilities, or staff provided for another person, including:

(A) office space, furnishings, and equipment;

(B) staff employed by the dental support organization;

(C) regulatory compliance;

(D) inventory or supplies, including dental equipment and supplies;

(E) information systems;

(F) marketing and advertising;

(G) financial services;

(H) accounting, bookkeeping, or monitoring or payment of accounts receivable;

(I) payroll or benefits administration;

(J) billing and collection for services and

1 products;

2 (K) reporting and payment of federal or state
3 taxes;

4 (L) administration of interest expense or
5 indebtedness incurred to finance the operation of a business; or

6 (M) insurance services.

7 (2) "Dental support organization" means an entity
8 that, under an agreement, provides two or more business support
9 services to a dentist or dental practice.

10 (3) "Dentist" means an individual licensed to practice
11 dentistry in this state.

12 Sec. 73.002. REGISTRATION REQUIRED. (a) A dental support
13 organization shall annually register with the secretary of state.

14 (b) A dental support organization's registration under this
15 section is considered registration of any subsidiary, contractor,
16 or affiliate of the dental support organization through or with
17 which the dental support organization provides business support
18 services.

19 Sec. 73.003. CONTENTS OF REGISTRATION; FEE. (a) The
20 registration required by Section 73.002 must include:

21 (1) the name and business address of the dental
22 support organization;

23 (2) the name and business address of each dentist or
24 dental practice in this state with which the dental support
25 organization has entered into an agreement to provide two or more
26 business support services and the name of each dentist providing
27 dental services at each location;

1 (3) the name of each dentist who owns 10 percent or
2 more of the dental support organization; and

3 (4) the name of each person who is not a dentist and
4 owns 10 percent or more of the dental support organization.

5 (b) A registration and each corrected registration must be
6 accompanied by a fee set by the secretary of state in an amount
7 necessary to recover the costs of administering this chapter.

8 (c) A registration or corrected registration is not
9 effective until the dental support organization pays the fee
10 required by this section.

11 Sec. 73.004. TIMING OF REGISTRATION; CORRECTION REQUIRED.

12 (a) Except as provided by Subsection (b), the registration required
13 by Section 73.002 must be filed with the secretary of state not
14 later than January 31 of each year for which the registration is
15 effective.

16 (b) A dental support organization that initially meets the
17 requirement for registration under Section 73.002 after January 31
18 shall file the registration required by that section not later than
19 the 90th day after the date an agreement to provide business support
20 services is executed.

21 (c) A dental support organization shall file a corrected
22 registration not later than the 90th day after the date the
23 information required to be contained in the registration under
24 Section 73.003 changes or becomes materially incomplete or
25 incorrect.

26 Sec. 73.005. FAILURE TO FILE REGISTRATION OR CORRECTION.

27 (a) A person who fails to file a registration or a corrected

1 registration as required by this chapter is liable to the state for
2 a civil penalty in an amount not to exceed \$1,000.

3 (b) Each day a violation continues or occurs is a separate
4 violation for the purpose of imposing the civil penalty.

5 (c) The attorney general shall file suit to collect the
6 civil penalty provided by this section. The suit may be filed in
7 Travis County or any county where the dental support organization
8 provides business support services.

9 Sec. 73.006. INTERAGENCY MEMORANDUM. The secretary of
10 state and the State Board of Dental Examiners shall enter into an
11 interagency memorandum to share the information collected by the
12 secretary of state under this chapter with the board.

13 SECTION 2. Notwithstanding Section 73.002, Business &
14 Commerce Code, as added by this Act, a dental support organization
15 is not required to register under that section before February 1,
16 2016.

17 SECTION 3. This Act takes effect September 1, 2015.