

**SENATE BILL NO. 2152
with House Amendments
SENATE BILL NO. 2152**

Sixty-third
Legislative Assembly
of North Dakota

Introduced by

Senators Sitte, Campbell, Laffen

Representatives Karls, K. Koppelman, Mooney

1 A BILL for an Act to create and enact a new subsection to section 10-31-13 of the North Dakota
2 Century Code, relating to regulation of professional organizations; to amend and reenact
3 section 10-31-06 of the North Dakota Century Code, relating to ownership of professional
4 organizations; and to provide legislative intent.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 10-31-06 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **10-31-06. Executives and owners.**

- 9 1. ~~No~~An individual may ~~be~~not simultaneously be an executive or owner of more than one
10 professional organization rendering the same professional service.
- 11 2. A professional organization in the form of a corporation which has only one
12 shareholder need have only one director, who must be the shareholder. That individual
13 also shall serve as the president and treasurer of the corporation. The other officers of
14 the corporation need not be licensed or otherwise legally authorized in the same field
15 of endeavor as the president.
- 16 3. A retired individual may not continue as an executive or owner of a professional
17 organization.

18 **SECTION 2.** A new subsection to section 10-31-13 of the North Dakota Century Code is
19 created and enacted as follows:

20 In order to help defray the costs associated with regulating organizations that have
21 ownership that renders more than one professional service, the secretary of state may
22 establish fees for filings related to an organization that has ownership that renders
23 more than one professional service. Fees collected by the secretary of state under this

1 subsection must be deposited in the secretary of state's general services operating
2 fund.

3 **SECTION 3. LEGISLATIVE INTENT.** It is the intent of the sixty-third legislative assembly:

- 4 1. That if the secretary of state establishes additional fees under section 2 of this Act,
5 that the secretary of state take all reasonable efforts to minimize costs associated with
6 regulating professional organizations that have ownership that renders more than one
7 professional service; and
- 8 2. That if the secretary of state regulates more than a combined total of nine professional
9 organizations that have ownership that renders more than one professional service
10 and, if Senate Bill No. 2144 is approved by the sixty-third legislative assembly and
11 becomes effective, professional organizations that have minority ownership, the
12 secretary of state not invest in software changes related to regulation of those
13 professional organizations until after December 31, 2014.