

**SECOND ENGROSSMENT
with Senate Amendments**Fifty-seventh
Legislative Assembly
of North Dakota**REENGROSSED HOUSE BILL NO. 1319**

Introduced by

Representatives Koppelman, Grumbo, Kasper

Senators Bercier, Christmann, Grindberg

1 A BILL for an Act to amend and reenact paragraphs 1 and 2 of subdivision a of subsection 17
2 of section 52-01-01 of the North Dakota Century Code, relating to unemployment compensation
3 coverage for corporations and limited liability companies.

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

5 **SECTION 1. AMENDMENT.** Paragraphs 1 and 2 of subdivision a of subsection 17 of
6 section 52-01-01 of the North Dakota Century Code are amended and reenacted as follows:

- 7 (1) Any officer of a corporation. If a corporate officer is employed by a
8 corporation in which one-fourth or more of the ownership interest,
9 however designated, is owned or controlled by the officer or by the
10 officer's parent, child, or spouse, or by any combination of them, the
11 corporation with the concurrence of the officer may exclude that
12 officer's service from employment as of the first day of January of any
13 calendar year if, during January of that year, the corporation files a
14 written application to exclude the officer's service from employment or
15 as of the formation of the corporation if, within sixty days of the
16 formation, the corporation files a written application to exclude the
17 officer's service from employment.
- 18 (2) Any manager of a limited liability company. If a limited liability company
19 manager is employed by the limited liability company in which
20 one-fourth or more of the ownership interest, however designated, is
21 owned or controlled by the manager or by the manager's parent, child,
22 spouse, or by any combination of them, the limited liability company
23 with the concurrence of the manager may exclude that manager's
24 service from employment as of the first day of January of any calendar

1 year if, during January of that year, the limited liability company files a
2 written application to exclude the manager's service from employment
3 or as of formation of the limited liability company if, within sixty days of
4 the formation, the limited liability company files a written application to
5 exclude the manager's service from employment. This exclusion from
6 employment does not apply to any limited liability company that is
7 wholly owned by or operates as an Indian tribe, state or local
8 government, or nonprofit organization with respect to services
9 performed for those entities which are required by federal law to be
10 covered under the North Dakota unemployment compensation law.