

**Sixty-ninth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 7, 2025**

HOUSE BILL NO. 1156  
(Representatives Schauer, Bahl, Christy, Frelich, J. Johnson, O'Brien, S. Olson, Louser)  
(Senators Klein, Roers, Sickler)

AN ACT to create and enact a new section to chapter 43-02.2 of the North Dakota Century Code, relating to ownership of accounting firms by qualified plans; and to amend and reenact subsection 3 of section 10-31-04 and subsection 3 of section 43-02.2-06 of the North Dakota Century Code, relating to minority ownership of an accounting firm.

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

**SECTION 1. AMENDMENT.** Subsection 3 of section 10-31-04 of the North Dakota Century Code is amended and reenacted as follows:

3. If expressly authorized under this subsection, a professional organization may have a minority ownership by one or more minority owners. A professional organization created under this chapter for the purpose of providing professional services as set forth in ~~chapter~~chapters 43-02.2 and 43-03 is expressly authorized to have minority owners.

**SECTION 2. AMENDMENT.** Subsection 3 of section 43-02.2-06 of the North Dakota Century Code is amended and reenacted as follows:

3. ~~An~~Except as provided in section 3 of this Act, an applicant for initial issuance or renewal of a permit to practice under this section must show that ~~notwithstanding any other provision of law,~~ a simple majority of the ownership of the firm, in terms of financial interests and voting rights, belongs to licensees of a state or other recognized jurisdiction and that all certified public accountants or licensed public accountants associated with the firm whose principal place of business is in this state and who perform professional services in this state hold a valid certificate or license issued by this state. The minority of the ownership of a firm may belong to an individual or a qualified plan as described and defined in sections 401(a) and 4975(e)(7) of the Internal Revenue Code [26 U.S.C. 401(a) and 4975(e)(7)], including an employee stock ownership plan. The firm and its owners must comply with all board rules regarding ownership.

**SECTION 3.** A new section to chapter 43-02.2 of the North Dakota Century Code is created and enacted as follows:

**Permit to practice - Firm wholly owned by qualified plan.**

1. A firm may be wholly owned by a qualified plan as described and defined in sections 401(a) and 4975(e)(7) of the Internal Revenue Code [26 U.S.C. 401(a) and 4975(e)(7)], including an employee stock ownership plan, if an applicant for initial issuance or renewal of a permit to practice shows:
  - a. Fifty-one percent or more of the beneficial ownership of the plan belongs to certified public accountants or licensed public accountants of the state or other recognized jurisdiction;
  - b. All certified public accountants or licensed public accountants associated with the firm whose principal place of business is in this state and who perform professional services in this state hold a valid certificate or license issued by this state; and
  - c. A simple majority of the board of directors of the firm are certified public accountants or licensed public accountants of the state or other recognized jurisdiction.

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Speaker of the House

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President of the Senate

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Chief Clerk of the House

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Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1156.

House Vote:      Yeas 91              Nays 0              Absent 3

Senate Vote:      Yeas 47              Nays 0              Absent 0

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Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2025.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2025.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2025,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

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Secretary of State