

Introduced by

Representatives Klemin, Kasper, Keiser

Senators Andrist, Fischer, Klein

1 A BILL for an Act to create and enact two new sections to chapter 10-04 of the North Dakota
2 Century Code, relating to requirement of statutory or administrative rules as a basis for action
3 by the securities commissioner and prohibition of imposition by the securities commissioner of
4 restrictions on income or assets of investors or potential investors in real estate investment
5 trusts; and to provide an effective date.

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

7 **SECTION 1.** A new section to chapter 10-04 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Statute or administrative rule basis for actions of commissioner.**

10 Any order, directive, policy, refusal, disapproval, restriction, or requirement made by the
11 securities commissioner must be based on and contain a reference to a state statute or
12 administrative rule provision providing authority for the action taken in the circumstances in
13 which that action is taken.

14 **SECTION 2.** A new section to chapter 10-04 of the North Dakota Century Code is created
15 and enacted as follows:

16 **Income or asset restriction required to be adopted as rule for investors or potential**
17 **investors in real estate investment trusts.**

18 The securities commissioner may not establish any restriction on income or assets of
19 investors or potential investors in real estate investment trusts unless the restriction is adopted
20 as a rule in accordance with chapter 28-32 upon a finding supported by substantial evidence to
21 establish that the restriction is in the public interest and in the best interest of investors.

22 **SECTION 3. EFFECTIVE DATE.** Section 1 of this Act becomes effective on January 1,
23 2012.