

**BILL NO.**

Introduced by

Representative Hoverson

1 A BILL for an Act to create and enact a new section to chapter 54-09 of the North Dakota  
2 Century Code, relating to the filing of ownership information statements with the secretary of  
3 state; to amend and reenact sections 11-11-70, 40-05-26, and 47-01-09 of the North Dakota  
4 Century Code, relating to the powers of a board of county commissioners, a board of city  
5 commissioners, and a city council regarding development by a foreign country of concern or  
6 foreign organization of concern and the prohibition on ownership of real property by a foreign  
7 country of concern or a foreign organization of concern; and to provide a penalty.

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

9 **SECTION 1. AMENDMENT.** Section 11-11-70 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **11-11-70. Development by a foreign adversary country of concern or foreign**  
12 **organization of concern - Prohibition. (~~Expired effective July 31, 2025~~)**

13 1. A board of county commissioners, including a board in a home rule county, may not  
14 procure, authorize, or approve a development agreement, building plan, or proposal  
15 relating to county development with ~~an individual or government identified as a foreign~~  
16 ~~adversary country of concern or a foreign organization of concern~~ under ~~15-CFR 7.4(a)-~~  
17 ~~or a person identified on the office of foreign assets control sanctions list~~ section  
18 47-01-09.

19 2. This section does not apply to a foreign adversary ~~defined under~~  
20 ~~subsection 1~~ organization of concern possessing an interest in real property if the  
21 foreign ~~adversary~~ organization of concern:

22 a. Is a duly registered business and has maintained a status of good standing with  
23 the secretary of state for seven years or longer before August 1, 2023;

- 1           b. Has been approved by the committee on foreign investment in the United States;
- 2           and
- 3           c. Maintains an active national security agreement with the federal government.

4           **SECTION 2. AMENDMENT.** Section 40-05-26 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **40-05-26. Development by a foreign adversarycountry of concern or foreign**  
7 **organization of concern - Prohibition. (~~Expired effective July 31, 2025~~)**

- 8           1. A board of city commissioners or city council, including a board or council in a home  
9           rule city, may not procure, authorize, or approve a development agreement, building  
10           plan, or proposal relating to city development with an individual or government  
11           identified as a foreign adversarycountry of concern or foreign organization of concern  
12           under 15 CFR 7.4(a) or a person identified on the office of foreign assets control  
13           sanctions listsection 47-01-09.
- 14           2. This section does not apply to a foreign adversary as defined in  
15           subsection 1organization of concern possessing an interest in real property if the  
16           foreign adversaryorganization of concern:
  - 17           a. Is a duly registered business and has maintained a status of good standing with  
18           the secretary of state for seven years or longer before August 1, 2023;
  - 19           b. Has been approved by the committee on foreign investment in the United States;
  - 20           and
  - 21           c. Maintains an active national security agreement with the federal government.

22           **SECTION 3. AMENDMENT.** Section 47-01-09 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24           **47-01-09. Public or private ownership - All property subject to - Foreign ownership**  
25 **prohibited. (~~Effective through July 31, 2025~~)**

- 26           1. All property in this state has an owner, whether that owner is the United States or the  
27           state, and the property public, or the owner an individual, and the property private. The  
28           state also may hold property as a private proprietor.
- 29           2. Notwithstanding any other provision of law, the following governments or entities may  
30           not purchase or otherwise acquire title to real property in this state after July 31,  
31           ~~2023~~2025:

- 1           a. A foreign ~~adversary~~country of concern.
- 2           b. A foreign ~~business entity~~organization of concern with a principal executive office  
3           located in a foreign country ~~that is identified as a foreign adversary~~of concern.
- 4           c. A foreign ~~business entity~~organization of concern in which a foreign  
5           ~~adversary~~country of concern owns:
- 6           (1) More than fifty percent of the total controlling interests or total ownership  
7           interests, as defined under section 10-19.1-01, in the foreign ~~business-~~  
8           ~~entity~~organization of concern, unless the foreign ~~business entity-~~  
9           ~~organization of concern~~ was operating lawfully in the United States on or  
10           before August 1, 2023; or
- 11           (2) Fifty percent or less of the total controlling interests or total ownership  
12           interests, as defined under section 10-19.1-01, in the foreign ~~business-~~  
13           ~~entity~~organization of concern, if the foreign ~~adversary~~country of concern  
14           directs the business operations and affairs of the foreign ~~business-~~  
15           ~~entity~~organization of concern without the requirement of consent ~~of any-~~  
16           ~~nonforeign adversary~~from the committee on foreign investment in the United  
17           States, unless the foreign ~~business entity~~ organization of concern was  
18           operating lawfully in the United States on or before August 1, 2023.
- 19        3. When requested by a city council or commission, county commission, or title agent or  
20        company, the attorney general shall complete a civil review, to the extent allowable by  
21        law, ~~relating to~~. Under the review, the ~~qualifications of any~~attorney general shall  
22        determine whether a foreign adversary business entity acquiring organization of  
23        concern is qualified and eligible to acquire real property under ~~subdivision e of~~  
24        subsection 2.
- 25        4. This section does not apply to an ~~entity~~a foreign organization of concern possessing  
26        an interest in real property under subsection 2 if the ~~entity~~foreign organization of  
27        concern:
- 28           a. Is a duly registered business and has maintained a status of good standing with  
29           the secretary of state for seven years or longer before August 1, 2023;
- 30           b. Has been approved by the committee on foreign investment in the United States;  
31           and

- 1           c. Maintains an active national security agreement with the federal government.
- 2           5. A foreign government of a foreign country of concern or foreign ~~business-~~  
3           ~~entity~~organization of concern subject to and in violation of this section shall divest itself  
4           of all real property in this state within thirty-six months after August 1, 2023.
- 5           6. If a foreign government of a foreign country of concern or foreign ~~business-~~  
6           ~~entity~~organization of concern subject to this section fails to divest itself of all real  
7           property in this state within the period specified under subsection 4, the state's  
8           attorney of the county in which the majority of the real property is situated may issue  
9           subpoenas to compel witnesses to appear to provide testimony or produce records.
- 10          7. Upon receiving testimony and records, if the state's attorney concludes a foreign  
11          government of a foreign country of concern or foreign ~~business-~~entityorganization of  
12          concern, in violation of this section, has failed to divest ownership of real property as  
13          required under this section, the state's attorney shall commence an action in the  
14          district court of the county in which the majority of the real property is situated. Once  
15          the action is commenced, the state's attorney shall file a notice pursuant to section  
16          28-05-07 with the recorder of each county where the real property subject to the action  
17          is situated. If the court finds divestment of real property under this section is proper,  
18          the district court shall enter an order consistent with its findings. As part of the order,  
19          the court shall cancel the notice pursuant to section 28-05-08.
- 20          8. Pursuant to an order for divestment, a foreign government of a foreign country of  
21          concern or foreign ~~business-~~entityorganization of concern subject to an order shall  
22          divest all real property within six months from the date of the final entry of judgment. A  
23          foreign government of a foreign country of concern or foreign ~~business-~~  
24          ~~entity~~organization of concern that fails to comply with the court's order is subject to a  
25          civil penalty not to exceed twenty-five thousand dollars.
- 26          9. Any real property not divested within the period prescribed by law may be sold at a  
27          public sale in the manner provided under chapter 32-19 through an action brought by  
28          the state's attorney. A title to real property or encumbrance on the real property may  
29          not be deemed invalid by an order of divestiture under this section.
- 30          10. A person that is not subject to this section may not be required to:  
31          a. Determine whether another person is subject to this section; or

1           b. Inquire if another person is subject to this section.

2       11. ~~For purposes of~~As used in this section, ~~"foreign adversary":~~

3           a. "Foreign country of concern" means an individual or a government identified as a  
4           foreign adversary in ~~15 CFR 7.4(a)~~15 CFR 791.4 or a person identified on the  
5           office of foreign assets control sanctions list.

6           b. "Foreign organization of concern" means an organization domiciled or formed  
7           within a foreign country of concern.

8           c. "Owner" means the holders of an ownership interest in an organization.

9       **~~Public or private ownership – All property subject to. (Effective after July 31, 2025)~~**

10       All property in this state has an owner, whether that owner is the United States or the state,  
11       and the property public, or the owner an individual, and the property private. The state also may  
12       hold property as a private proprietor.

13       **SECTION 4.** A new section to chapter 54-09 of the North Dakota Century Code is created  
14       and enacted as follows:

15       **Statement of ownership - Secretary of state to forward certain filings - Penalty.**

16       1. An organization required to file with the secretary of state and a beneficial ownership  
17       information statement with the financial crimes enforcement network under the  
18       Corporate Transparency Act [Pub. L. 116-283; 134 Stat. 4604; 31 U.S.C. 5336] also  
19       shall file a statement with the secretary of state certifying whether the organization is a  
20       foreign organization of concern under section 47-01-09. An organization required to  
21       file a statement under this section shall file the statement simultaneously with the  
22       articles of incorporation, articles of organization, certificate of authority, or other  
23       organization registration document required by the secretary of state.

24       2. The secretary of state shall review each filing upon receipt. If the secretary of state  
25       discovers any filing in which the statement of ownership was falsified and the filing  
26       violates section 47-01-09 or chapter 47-10.1, the secretary of state shall forward the  
27       filing to the attorney general.

28       3. If the attorney general determines a violation occurred, the attorney general shall  
29       prosecute the action in the district court of the county in which the registered agent of  
30       the organization is located or in Burleigh County.

31       4. An organization that willfully violates this section is guilty of a class B misdemeanor.