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Sixty-ninth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1330**

Introduced by

Representatives Satrom, Grueneich, Ostlie

Senators Conley, Lemm

- 1 A BILL for an Act to create and enact a new section to chapter 21-10 and to amend and reenact  
2 section 21-10-07.1 of the North Dakota  
3 Century Code, relating to divestment from legacy fund investments in Chinese companies.

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

4 **SECTION 1.** A new section to chapter 21-10 of the North Dakota Century Code is created  
5 and enacted as follows:

6 **Prohibition against Chinese investment.**

7 1. As used in this section:

8 a. "China" means the government of the People's Republic of China, the Chinese  
9 Communist Party, the Chinese military, or any instrumentality thereof.

10 b. "Chinese company" means a company ~~publicly-known-to-be majority-owned-by,~~  
11 ~~controlled by, or subject to the jurisdiction or direction of~~ domiciled in China.

12 c. "Company" means a sole proprietorship, an organization, an association, a  
13 corporation, a partnership, a joint venture, a limited partnership, a limited liability  
14 partnership, a limited liability company, or any other entity or business  
15 association, including all wholly owned subsidiaries, majority-owned subsidiaries,  
16 and parent companies, or an affiliate of such entity or business associate which  
17 exists for the purpose of making a profit.

18 d. "Direct holdings" means all securities of a company which are held directly by the  
19 legacy fund or in an account or fund in which the legacy fund owns all shares or  
20 interests. The term does not include indirect holdings in actively managed  
21 investment funds, including a private equity fund, or holdings in exchange-traded  
22 funds.

23 e. "Indirect holdings" means all securities of a company which are held in a

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24 commingled fund or other collective investment, such as a mutual fund, in which

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1 the legacy fund owns shares or interests, together with other investors not  
2 subject to this chapter.

3 f. "Majority-owned" means to have ownership of more than fifty percent of the  
4 outstanding equity interests of a company.

5 2. The legacy fund investments may not consist of direct holdings in a Chinese company.

6 3. The state investment board shall:

7 a. Initiate a review of all direct holdings of legacy fund investments to determine  
8 which direct holdings, if any, include securities of a Chinese company;

9 b. Develop a divestment plan for all direct holdings in Chinese companies, which  
10 must divest at least twenty percent of the total value of Chinese investments held  
11 as of August 1, 2025, per year; and

12 c. Complete divestment from direct holdings in Chinese companies under the  
13 divestment plan pursuant to subdivision b no later than August 1, 2030.

14 SECTION 2. AMENDMENT. Section 21-10-07.1 is amended and reenacted as follows:

4315 Notwithstanding section 21-10-07, for purposes of investment of the legacy fund,  
the state investment board shall give preference to qualified investment firms and  
financial institutions with a presence in the state. The state investment board may  
divest from Chinese companies as defined in chapter 21-10, for the purposes of  
investment of the legacy funds.

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