

Chair Roers and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **opposition** of Senate Bill 2026.

Our members recognize that North Dakota businesses are competing in a global economy. Because of this, it is important that we have a policy framework that helps the state attract capital investment. By removing the threshold of 50% of total controlling interests or total ownership interests, it is unclear how current and future publicly traded corporations would be affected by this bill.

Section 6 of the bill indicates that any organization required to file a beneficial ownership information statement with the Financial Crimes Enforcement Network must also file a statement with the Secretary of State. However, there are several cases across the country challenging the federal law making the enforcement of the reporting requirement messy and unclear. In early December 2024, a federal court halted the implementation of the Corporate Transparency Act's Beneficial Ownership Information (BOI) reporting requirements indicating that the Act was likely unconstitutional. On Dec. 23, 2024, the injunction was lifted, and the report went back into effect. A few days later, a different panel of judges reversed that order, and the reporting requirements were again halted.

Treasury's Financial Crimes Enforcement Network (FinCEN), which administers the CTA, estimates that BOI reporting regulations (if enforced) apply to 32.6 million entities with 5 million to be added each year through 2034. As you can see, this report alone has the potential for significant impact on American businesses.

On the surface, requiring North Dakota businesses to file a report that is already required at the federal level is duplicative and burdensome. Digging deeper, requiring businesses to file a report of which the validity is being challenged on the federal level from multiple fronts adds significant confusion for North Dakota business owners.

We hope that you will consider the potential consequences this bill could have. In light of the questions being raised at the federal level regarding the BOI reports, it may be beneficial to postpone taking action at this time. Thank you for your consideration.