

**2023 HOUSE AGRICULTURE**

**HB 1503**

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Agriculture Committee Room JW327C, State Capitol

HB 1503  
2/3/2023

Relating to prohibition of foreign ownership of real property; and to provide for retroactive application.
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Chairman Thomas called the meeting to order 10:10 AM

Members present: Chairman Thomas, Vice Chairman Beltz, Representatives Christy, Finley-DeVillie, Fisher, Headland, Henderson, Olson, Prichard, Schreiber-Beck, Tveit, VanWinkle. Member absent: Representative Kiefert

### Discussion Topics:

- Foreign corporation
- Purchase or Development agreement
- Transfer of property

### In favor:

Representative Jeff Hoverson, District 2, Primary bill sponsor, with proposed amendment, #19101, #19102, #20344, LC #23.1067.01001

Ross Kennedy, an agribusiness, and national security expert, (no written testimony)

Jodi Carlson, Resident of Grand Forks, #18988

Travis Zabloutney, Minot, ND Farmer, (no written testimony)

Alison Spicer, Grand Forks, (no written testimony)

Michael Coachman, Larimore ND, (no written testimony)

Nicole Johnson, Grand Forks, Nelson County Farmer, #18958

### Opposed:

Keith Lund, President, Grand Forks Region Economic Development Corporation, #18806

Mark Schramek, Executive Director, Corporate and Government Affairs Cirrus Aircraft Corporation, Economic Development Association of North Dakota, #18854, #19100

Andrea Pfennig, Greater North Dakota Chamber GNDC, #19103

Dana Hager, Director, Economic Development Association of ND, #18936

### Neutral:

Mark Jorritsma, ND Family Alliance, #18941

### Additional written testimony:

Samuel Wagner, Ag and Food Field Organizer, Dakota Resource Council, #18913

Frank Tomac, President of IBAND, #18948

Mona Leake, Grand Forks, #18966

Vicki Grafing, Fourth generation ND Farmer, #18969

Miki Thompson, Dickinson resident, #18976

Barry Wilfahrt, President, The Grand Forks/East Grand Forks Chamber, #18781

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Brad Barth, Executive Director Forward Devils Lake Corporation Economic Development organization for City of Devils Lake and Ramsey County, ND, #18891

Shannon Full, President Fargo, Moorhead, West Fargo Chamber of Commerce, #18995

Chairman Thomas adjourned the hearing 11:41 AM

*Diane Lillis, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

**Agriculture Committee**  
Room JW327C, State Capitol

HB 1503  
2/16/2023

Relating to prohibition of foreign ownership of real property; and to provide for retroactive application.
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Chairman Thomas called the meeting to order 11:17 AM

Members present: Chairman Thomas, Vice Chairman Beltz, Representatives Christy, Finley-DeVillie, Fisher, Headland, Henderson, Olson, Kiefert, Prichard, Schreiber-Beck, Tveit, VanWinkle.

**Discussion Topics:**

- Committee action

Representative Thomas proposed amendment, #21060, LC #23.1067.01002 for review.

Chairman Thomas adjourned the hearing 11:23 AM

*Diane Lillis, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

**Agriculture Committee**  
Room JW327C, State Capitol

HB 1503  
2/16/2023

Relating to prohibition of foreign ownership of real property; and to provide for retroactive application.
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Chairman Thomas called the meeting to order 4:28 PM

Members present: Chairman Thomas, Vice Chairman Beltz, Representatives Christy, Finley-DeVillie, Fisher, Headland, Henderson, Olson, Kiefert, Prichard, Schreiber-Beck, Tveit, VanWinkle.

**Discussion Topics:**

- Committee work

Representative Thomas proposed amendment, #21060, LC #23.1067.01002 for discussion and will work on correcting the amendment.

Keith Lund, President, Grand Forks Region Economic Development Corporation (no written testimony)

Chairman Thomas adjourned the meeting 4:47 PM

*Diane Lillis, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

**Agriculture Committee**  
Room JW327C, State Capitol

HB 1503  
2/17/2023

Relating to prohibition of foreign ownership of real property; and to provide for retroactive application.
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Chairman Thomas called the meeting to order 10:33 AM

Members present: Chairman Thomas, Vice Chairman Beltz, Representatives Christy, Finley-DeVilleville, Fisher, Headland, Henderson, Olson, Kiefert, Prichard, Schreiber-Beck, Tveit, VanWinkle.

### Discussion Topics:

- Committee action

Representative Thomas discusses proposed amendment, #21060

Representative Tveit moved to adopt amendment. LC #23.1067.01003  
Representative VanWinkle seconded.

Roll call vote:

Representatives	Vote
Representative Paul J. Thomas	Y
Representative Mike Beltz	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVilleville	Y
Representative Jay Fisher	Y
Representative Craig Headland	AB
Representative Donna Henderson	Y
Representative Dwight Kiefert	Y
Representative SuAnn Olson	Y
Representative Brandon Prichard	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	Y

Motion passed 12-0-1

Representative Tveit moved a do pass as amended.  
Representative VanWinkle seconded.

Roll call vote:

<b>Representatives</b>	<b>Vote</b>
Representative Paul J. Thomas	Y
Representative Mike Beltz	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Craig Headland	AB
Representative Donna Henderson	Y
Representative Dwight Kiefert	Y
Representative SuAnn Olson	Y
Representative Brandon Prichard	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Lori VanWinkle	Y

Motion passed 12-0-1

Representative Fisher will carry the bill.

Chairman Thomas adjourned the meeting 10:55 PM

*Diane Lillis, Committee Clerk*

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2-17-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1503

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new subsection to section 54-12-01 and a new section to chapter 54-12 of the North Dakota Century Code, relating to ownership of real property and commercial assets by foreign adversaries; to provide for a legislative management study; and to provide an expiration date."

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

**SECTION 1.** A new subsection to section 54-12-01 of the North Dakota Century Code is created and enacted as follows:

Conduct reviews and issue permits to a covered person as provided under section 2 of this Act and continue to assess threats to the state from malign activities, efforts, or influence by persons owned by a foreign adversary.

**SECTION 2.** A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

**Regulation of covered persons.**

Notwithstanding any other provision of law:

1. For purposes of this section:

- a. "Covered person" means a person that owns or controls any real estate or commercial assets or operates a business within this state which is owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary or an individual acting on behalf of or in conjunction with a foreign adversary, except the term does not include a person that, as of the effective date of this Act, has been a registered business and in good standing in this state for seven years or longer, or a person that has been approved by the committee on foreign investment in the United States and maintains an active national security agreement with the federal government of the United States.
- b. "Foreign adversary" means an individual or a government identified as a foreign adversary in 15 CFR 7.4(a).

2. A covered person may not own real estate, commercial assets, or operate a business within this state without first registering as a covered person and obtaining a permit from the attorney general. The registration of a covered person must include the beneficial or ownership interests of any person associated with the covered person, including the nation in which the covered person is domiciled, operated within and from, or owned wholly or in part.



3. Upon receiving the information in subsection 2, the attorney general shall conduct a state security review. The review must:
- a. Be completed within ninety days of receiving the information under subsection 2;
  - b. Include information from any federal and state military and intelligence organizations operating within this state;
  - c. Be conducted in conjunction with any relevant state, county, or municipal bodies to assess the potential impacts to any federal or state military and intelligence organizations operating within this state; and
  - d. Be made available as a public record if the covered person conducts business in this state and to the extent the review does not reflect information provided by the covered person and identified as confidential or proprietary, as provided by section 44-04-18.4.
4. All criminal violations committed by a covered person, constituting a threat to the state, must be reported immediately to the attorney general. If deemed necessary by the attorney general, the attorney general may report criminal violations to any state and federal authorities. If the attorney general review uncovers proof of any criminal violation under county, state, or federal law that constitutes a threat to this state within the previous five-year period, the permit must be revoked. If a covered person's permit is revoked, the covered person has thirty business days to appeal the attorney general's decision to the appropriate district court in the county where the covered person is domiciled. Failure to appeal revocation within the permitted period constitutes a waiver of appeal. If the permit ultimately is revoked by the attorney general or the district court, the attorney general shall notify the covered person of the official revocation, and the covered person must be provided:
- a. Twelve months to wind down all business enterprises in the state; and
  - b. Thirty-six months to divest of ownership of all real property and commercial assets within this state.
5. An active, registered business that has maintained a status of good standing with the secretary of state for seven years or longer, or a business approved by the committee on foreign direct investment, is not exempt from a state security review directed by the attorney general under this section.
6. This section applies to any covered person that:
- a. Is domiciled in this state;
  - b. Operates a duly registered business in this state;
  - c. Operates a charitable enterprise in this state; or
  - d. Obtains any beneficial interest in real estate, commercial assets, or a business or charitable organization in this state.

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2-17-23

7. Any organization, on the effective date of this Act, owning real estate or commercial assets or operating a business, that would otherwise be considered a covered person under this section, is subject to the annual permit review process effective one hundred eighty days from the effective date of this Act.

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2-17-23

**SECTION 3. LEGISLATIVE MANAGEMENT STUDY - NUMBER OF COVERED PERSONS IN NORTH DAKOTA.** During the 2023-24 interim, the legislative management shall consider studying the number of persons that own or control any real estate or commercial assets or operate a business within this state which is owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries or individuals acting on behalf of or in conjunction with foreign adversaries. This study must attempt to ascertain the number of such persons residing in this state which operate a business or a charitable enterprise or have obtained a beneficial interest in real estate, commercial assets, or a business or charitable organization in this state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 4. EXPIRATION DATE.** Sections 1 and 2 of this Act are effective through July 31, 2025, and after that date are ineffective."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1503: Agriculture Committee (Rep. Thomas, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1503 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new subsection to section 54-12-01 and a new section to chapter 54-12 of the North Dakota Century Code, relating to ownership of real property and commercial assets by foreign adversaries; to provide for a legislative management study; and to provide an expiration date.

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  - b. "Foreign adversary" means an individual or a government identified as a foreign adversary in 15 CFR 7.4(a).
2. A covered person may not own real estate, commercial assets, or operate a business within this state without first registering as a covered person and obtaining a permit from the attorney general. The registration of a covered person must include the beneficial or ownership interests of any person associated with the covered person, including the nation in which the covered person is domiciled, operated within and from, or owned wholly or in part.
3. Upon receiving the information in subsection 2, the attorney general shall conduct a state security review. The review must:
  - a. Be completed within ninety days of receiving the information under subsection 2;

- b. Include information from any federal and state military and intelligence organizations operating within this state;
  - c. Be conducted in conjunction with any relevant state, county, or municipal bodies to assess the potential impacts to any federal or state military and intelligence organizations operating within this state; and
  - d. Be made available as a public record if the covered person conducts business in this state and to the extent the review does not reflect information provided by the covered person and identified as confidential or proprietary, as provided by section 44-04-18.4.
4. All criminal violations committed by a covered person, constituting a threat to the state, must be reported immediately to the attorney general. If deemed necessary by the attorney general, the attorney general may report criminal violations to any state and federal authorities. If the attorney general review uncovers proof of any criminal violation under county, state, or federal law that constitutes a threat to this state within the previous five-year period, the permit must be revoked. If a covered person's permit is revoked, the covered person has thirty business days to appeal the attorney general's decision to the appropriate district court in the county where the covered person is domiciled. Failure to appeal revocation within the permitted period constitutes a waiver of appeal. If the permit ultimately is revoked by the attorney general or the district court, the attorney general shall notify the covered person of the official revocation, and the covered person must be provided:
  - a. Twelve months to wind down all business enterprises in the state; and
  - b. Thirty-six months to divest of ownership of all real property and commercial assets within this state.
5. An active, registered business that has maintained a status of good standing with the secretary of state for seven years or longer, or a business approved by the committee on foreign direct investment, is not exempt from a state security review directed by the attorney general under this section.
6. This section applies to any covered person that:
  - a. Is domiciled in this state;
  - b. Operates a duly registered business in this state;
  - c. Operates a charitable enterprise in this state; or
  - d. Obtains any beneficial interest in real estate, commercial assets, or a business or charitable organization in this state.
7. Any organization, on the effective date of this Act, owning real estate or commercial assets or operating a business, that would otherwise be considered a covered person under this section, is subject to the annual permit review process effective one hundred eighty days from the effective date of this Act.

**SECTION 3. LEGISLATIVE MANAGEMENT STUDY - NUMBER OF COVERED PERSONS IN NORTH DAKOTA.** During the 2023-24 interim, the legislative management shall consider studying the number of persons that own or control any real estate or commercial assets or operate a business within this state

which is owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries or individuals acting on behalf of or in conjunction with foreign adversaries. This study must attempt to ascertain the number of such persons residing in this state which operate a business or a charitable enterprise or have obtained a beneficial interest in real estate, commercial assets, or a business or charitable organization in this state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 4. EXPIRATION DATE.** Sections 1 and 2 of this Act are effective through July 31, 2025, and after that date are ineffective."

Renumber accordingly

**2023 SENATE ENERGY AND NATURAL RESOURCES**

**HB 1503**

# 2023 SENATE STANDING COMMITTEE MINUTES

## Energy and Natural Resources Committee Peace Garden Room, State Capitol

HB 1503  
3/17/2023

A bill relating to ownership of real property and commercial assets by foreign adversaries; to provide for a legislative management study; and to provide an expiration date.

10:30 AM Chairman Patten opened the meeting.

Chairman Patten and Senators Kessel, Boehm, Beard and Magrum are present. Senator Kannianen is absent.

### **Discussion Topics:**

- National security
- Chinese Communist Party
- Land ownership

10:32 AM Travis Zabloutney spoke in favor of the bill.

10:32 AM Representative Hoverson introduced the bill.

10:52 AM Ross Kennedy spoke in favor of the bill.

11:13 AM Scott Skokos, Executive Director, North Dakota Resource Council, spoke in favor of the bill.

11:14 AM John Ward, Lobbyist, introduced Nick Hacker.

11:15 AM Nick Hacker, State Farm Insurance Companies, testified opposed to the bill and provided written testimony #25647.

11:17 AM Carlee McLeod, President, Utility Shareholders of North Dakota, spoke opposed to the bill.

11:17 AM Andrea Pfennig, Director of Government Affairs, Greater North Dakota Chamber, spoke opposed to the bill.

11:18 AM Chairman Patten closed the public hearing.

### **Additional written testimony:**

Shannon Full #25666

Lisa Feldner #25664

Samuel Wagner #25619

Mark Jorritsma #24573

11:19 AM Senator Kessel moved to Do Not Pass the bill. Motion seconded by Senator Boehm.

11:19 AM Roll call vote was taken.

<b>Senators</b>	<b>Vote</b>
Senator Dale Patten	Y
Senator Jeffery J. Magrum	Y
Senator Todd Beard	Y
Senator Keith Boehm	Y
Senator Jordan L. Kannianen	AB
Senator Greg Kessel	Y

Motion passes 5-0-1

Senator Beard will carry the bill.

This bill does not affect workforce development.

11:19 AM Chairman Patten closed the meeting.

*Rick Schuchard, Committee Clerk*

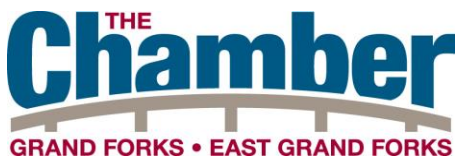


**REPORT OF STANDING COMMITTEE**

**HB 1503, as engrossed: Energy and Natural Resources Committee (Sen. Patten, Chairman)** recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1503 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

**TESTIMONY**

**HB 1503**



202 North 3<sup>rd</sup> Street  
Grand Forks, ND 58203-3719  
701-772-7271

2-2-203

The Chamber Grand Forks / East Grand Forks opposes HB1503.

Cirrus Aircraft has operated manufacturing facilities in Grand Forks, North Dakota, since 1997, under Dakota Aircraft Corporation, and today is one of the top 10 employers in Grand Forks.

In just the past three-years, Cirrus has grown from 240 to over 430 employees. They are making plans to expand the facilities and add further automation, and in so doing increase their highly skilled workforce by an additional 150+ new employees over the next five-years. This makes Cirrus the second largest manufacturing company in our community.

Cirrus is a strong community partner. It supports and participates in many community based initiatives aimed helping improve the lives of their employees and community. Their leadership team and employees are part of the fabric of our community.

Cirrus Aircraft purchased its manufacturing facility from the City of Grand Forks in January 2021 for \$2.1 million. If House Bill 1503 is passed, under the terms of the legislation, it would retroactively apply to ownership interests in real property acquired after July 31, 2020, by foreign entities. As such, due to its parent company ownership, the sales agreement between Cirrus Aircraft and the City of Grand Forks would be voided and require them to divest of the property within one-year.

The passage of House Bill 1503 would force Cirrus to halt expansion and potentially close their operations in North Dakota resulting in the loss of over 430 well-paying manufacturing jobs.

Please oppose HB1503

Thank you

A handwritten signature in blue ink that reads "Barry Wilfahrt".

Barry Wilfahrt, IOM CCE  
President & CEO  
The Chamber Grand Forks/East Grand Forks  
O – 701-772-7271  
C – 701-317-1555  
[www.gochamber.org](http://www.gochamber.org)  
[www.facebook.com/THECHAMBERGFEGF](https://www.facebook.com/THECHAMBERGFEGF)



**Testimony of Mr. Keith Lund  
Grand Forks Region Economic Development Corporation President & CEO**

**House Bill 1503  
House Agriculture Committee  
Bismarck, North Dakota – February 3, 2023**

Chairman Thomas, Vice Chairman Beltz, and members of the House Agriculture Committee. My name is Keith Lund, and I am President & CEO of the Grand Forks Region Economic Development Corporation. I am providing Grand Forks Region EDC board endorsed testimony today in opposition to HB 1503 as it relates to foreign ownership for industrial purposes.

HB 1503 provides that a foreign business entity, permanent resident or alien may not directly or indirectly acquire an ownership interest in real property in North Dakota unless the business or individual is entitled to by US treaty. There are numerous examples of foreign business entities owning and operating businesses in North Dakota. The impacts, should this legislation be adopted, will be detrimental to the Grand Forks region and for North Dakota.

Consider Cirrus Aircraft. Cirrus opened their initial manufacturing facility in Grand Forks in 1997 and is a model corporate citizen. The company is the global leader in the production and distribution of single-piston aircraft and has developed the world's first single-engine personal jet, the Vision Jet. Every composite and carbon fiber component used in the production of Cirrus aircrafts are manufactured in Grand Forks by American workers.

Cirrus was acquired by China Aviation Industry General Aircraft Company (CIAGA) in 2011. Prior to the purchase, CIAGA underwent a review by the Committee on Foreign Investment in the United States (CFIUS), a federal department established specifically and exclusively to review foreign corporate acquisitions of United States companies. After this extensive review, CFIUS approved the purchase of

Cirrus, which has invested significantly in their manufacturing facility, their employees and the community.

Cirrus currently employs 430 at their Grand Forks plant, having grown their workforce from 240 over the last three years. The company has aggressive growth goals and anticipates increasing their manufacturing footprint and adding an additional 150 high-paying jobs over the next five years.

The foreign ownership restrictions contained in HB 1503 would require Cirrus to divest of its real estate holdings in Grand Forks and would likely begin the process of disinvestment in North Dakota. The livelihoods of 430 friends, neighbors and their families would be directly impacted. Community jobs will be lost, \$10 million of North Dakota procurement by Cirrus would curtail, and the region's population will be negatively impacted, causing ripple effects throughout the regional economy.

I encourage the committee to consider the impacts of this legislation on companies such as Cirrus and others across North Dakota, the State's long-standing prioritization of business accessibility, and the long-term impacts on business expansion and attraction.

Thank you, Chairman Thomas, Vice Chairman Beltz, and members of the House Agriculture Committee, for your service to North Dakota and for the opportunity to provide testimony today.



**Statement of  
Mark A. Schramek  
Executive Director, Corporate and Government Affairs  
Cirrus Aircraft Corporation  
House Committee on Agriculture  
Legislative Hearing on  
Bill Relating to Prohibition of Foreign Ownership of Real Property;  
and to Provide for Retroactive Application**

Chairman Thomas, Vice Chairman Beltz, and Members of the Committee, thank you for the opportunity to provide testimony on the prohibition of foreign ownership of real property bill that the Committee is considering today.

Cirrus Aircraft is an American-made general aviation industry leader. Revolutionizing the aviation industry with innovations like the Cirrus Aircraft Parachute System (CAPS), which has saved over 240 lives to date. Every Cirrus aircraft we have ever manufactured since its inception has been developed in the states by my fellow Americans. They have been designed and engineered by Americans and supported by American suppliers. Over 400 suppliers from 34 States provide 96% of the components and parts for every Cirrus Aircraft built.

What started as a dream of two brothers in Baraboo, Wisconsin, has grown to be a leader in the general aviation industry. For over 38 years, Cirrus Aircraft has been driving aviation innovation and design.

Cirrus Aircraft is also an enormous contributor to the balance of trade for the United States, as we are an exporter of roughly 20% of our products and services going to foreign markets on an annual basis.

In 1997, Cirrus Aircraft, through a partnership with the Bank of North Dakota, established the Dakota Aircraft Corporation in Grand Forks. Today, the Dakota Aircraft Corporation is one of the top 10 employers in Grand Forks and second largest manufacturer. Throughout our 24-year history in the State of North Dakota, we have maintained strong partnerships with our State and local community and supported economic development and job growth, to include purchasing our current facility from the City of Grand Forks in January of 2021.

Due to lingering impacts of the economic downturns in 2008, Cirrus Aircraft was acquired by China Aviation Industry General Aircraft Company (CAIGA) in 2011, a Chinese aircraft manufacturer headquartered in Zhuhai, Guangdong, a subordinate company to the Chinese government owned company, Aviation Industry Corporation of China (AVIC).



Prior to the purchase of Cirrus Aircraft by CAIGA being completed, Cirrus Aircraft underwent a comprehensive review by the U.S. Department of Commerce Committee on Foreign Investment in the United States, or commonly referred to as CFIUS. As part of the CFIUS review, a formal National Security Agreement was put in-place with the U.S. Government related to ITAR controlled technologies. Cirrus Aircraft has fully complied with the National Security Agreement.

Since acquiring the company, Cirrus Aircraft has grown to be recognized as the global leader in personal aviation and maker of the best-selling SR Series piston aircraft. In addition, under CAIGA's ownership we engineered, certified, and now produce the Vision Jet, the world's first single-engine Personal Jet. The Vision Jet is a two-time recipient of the prestigious Robert J. Collier Trophy for revolutionary aviation innovations like the Cirrus Airframe Parachute System®, which is the first FAA-certified whole-airframe parachute safety system and is standard equipment on every SR Series and Vision Jet and for including Safe Return Emergency Autoland powered by Garmin in every Vision Jet.

The components for these aircraft are all built at the Cirrus Aircraft facility in Grand Forks. In 2022, the Grand Forks team produced over 125,000 pieces of composite components to support the production of 629 aircraft last year.

In 2022, we invested over \$7.3 million in equipment and building renovations to our North Dakota facility. Over the coming year, we anticipate further expansion of our existing 186,000-square foot North Dakota facility by adding up to an additional 35,000 square feet and implementing automation to the assembly line process. Additionally, over the past three-years, we have almost doubled our workforce from 240 to over 430 employees and we anticipate through expansion of the facilities and automation, we will increase our workforce by an additional 150+ new employees over the next five-years. Maintaining our status as the second largest manufacturer and amongst the top 10 employers in Grand Forks. In addition, University of North Dakota graduates currently rank as the second largest alumni group within Cirrus's employees.

In 2022, the Dakota Aircraft Corporation's annual payroll was \$23.1 million. The company will report for 2022 a total annual sales revenue of \$62.6 million for the Dakota Aircraft Corporation.

As indicated above, Cirrus Aircraft exercised the purchase clause to solidify our commitment to our current manufacturing facility from the City of Grand Forks in January 2021 for \$2.1 million, after having leased the facility since 2004. If House Bill 1503 is passed, under the terms of the current legislation, it would retroactively apply to ownership interests in real property acquired after July 31, 2020, by foreign entities. Due to our parent company ownership, the sales agreement between Dakota Aircraft Corporation and the City of Grand Forks would be voided. The passage of House Bill 1503 would result in reversing the sales agreement with the City of Grand Forks,



prohibit the obtaining of development or building plans, void all previously adopted ordinance approved within the State of North Dakota and City of Grand Forks, and require the company to divest of any assets held in the State within one year. Under these conditions, we would be forced to halt all expansion plans, including the growth of our workforce with 150 additional jobs, and potentially close our operations in North Dakota resulting in the loss of over 430 well paying manufacturing jobs.

By contrast, while North Dakota considers banning foreign direct investment, Cirrus Aircraft, through partnerships with the City of Duluth and Minnesota Department of Employment and Economic Development (DEED), in 2022, expanded our paint facilities and acquired an additional 185,000 square foot hangar to stand-up a new Innovation and Engineering Center.

As an employer and manufacturer in good standing in the community and State for over 24-years, I would request you oppose House Bill 1503 that artificially categorizes all foreign-owned entities as enemies of the State. Our goal at Cirrus Aircraft is to grow our business, while promoting the growth of general aviation. This can only be accomplished through partnerships with State and local community leaders who support a free and open economic system.

Thank you for the opportunity to appear before you today to discuss the impacts House Bill 1503 would have on Cirrus Aircraft's continued operations in the State of North Dakota. This concludes my written statement. I am happy to answer any questions.



**Written Testimony  
In Opposition of  
House Bill 1503**

Chairman Thomas and Vice Chairman Beltz and members of the House Agriculture Committee,

My name is Brad Barth, and I'm the Economic Development Director for the City of Devils Lake and Ramsey County, ND. I am providing testimony in opposition to House Bill 1503 regarding foreign ownership for industrial purposes.

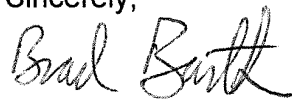
During my five years in the Economic Development role here in Devils Lake, many potential projects we have pursued have had some percentage of foreign ownership. Enough so that if this bill were to pass, I would look for another job due to the "cloud" it would put on North Dakota and our willingness to grow or, worse yet, retire early and add another unfilled position to the list of 20,000+ other jobs that are open in ND.

As a community with smaller populations than the bigger cities in the state, we really cannot "pick and choose" the companies we attract. In Devils Lake, for example, I've had multiple foreign companies interested in working with the strengths of our region, like wheat, beans, lentils, peas, sunflowers, and corn and using these commodities for value-added manufacturing products that could feed the world. Unfortunately, these companies went elsewhere, like Iowa, Illinois, Texas, Minnesota, etc., to locate their manufacturing facilities. We simply could not compete if this bill were to pass and it would reduce the number of prospects we work with in a given time significantly.

This great state has many attributes that help us to compete in the Global Economy. Please help us to expand the things that attract companies to North Dakota and not add to the things that detract organizations and workers from coming to the state.

Thank you for your consideration and opposition of House Bill 1503.

Sincerely,



Brad Barth  
Executive Director  
Forward Devils Lake Corporation  
Economic Development organization for  
City of Devils Lake and Ramsey County, ND

Testimony HB1503

Sam Wagner  
Ag and Food Field Organizer  
Dakota Resource Council  
1720 Burnt Boat Dr. Ste 104  
Bismarck ND 58503  
Testimony in Support for HB1503

To the Honorable Chairman and the members of the Committee, we submit these remarks on behalf of DRC.

Mr. Chairman,

We at DRC favor local control and support keeping foreign ownership out of agriculture in North Dakota. But we would also like to ensure that we take this a step further and make sure that value added agriculture is considered when writing these bills. After reviewing this with HB1135 we believe that these bills should be passed together in order to ensure the most protection for our local farmers and grain elevators.

The language on this bill may be somewhat problematic on its own and there may be several contradictions with 1135 on the date of effectiveness, and the language regarding permanent aliens. On Line 20 of page one it states that all permanent residents or aliens would have to divest ownership interest in real property, but on page 2 lines 8-14 it clearly states that there is an exception to the rule of ownership in columns a. and b. DRC would recommend all land purchases after July of 2020 instead of 2023, to review any land purchases previously made and cleaning up the contradictions.

We recommend a DO PASS as long as it is passed with HB1135. Thank you for your time and consideration.



**Testimony of Dana Hager  
Economic Development Association of North Dakota  
In Support of HB 1503  
Feb. 3, 2023**

Chairman Thomas and members of the House Agriculture Committee:

My name is Dana Hager, and I am the executive director of the Economic Development Association of North Dakota (EDND). EDND represents more than 80 state economic development organizations and businesses on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to promote the creation of new wealth throughout North Dakota, develop more vibrant communities and improve quality of life. Today EDND stands in opposition of HB 1503.

Among EDND's Legislative Priorities is our mission to stabilize the state's economy through investment and development. The United States, and North Dakota, remain attractive foreign investment destinations for a variety of reasons. As a result, foreign investments are no longer something of the past. North Dakota should be smart about its approach to foreign ownership of real property. It needs to make sound policy based on logic, not emotions. EDND opposes HB 1503.



# NORTH DAKOTA

## *Family Alliance* LEGISLATIVE ACTION

### Neutral Testimony on House Bill 1503

Mark Jorritsma, Executive Director  
North Dakota Family Alliance Legislative Action  
February 3, 2023

Dear Chairman Thomas and members of the House Agriculture Committee,

North Dakota Family Alliance Legislative Action would like to render neutral testimony on House Bill 1503.

Our organization wholeheartedly supports the protection and rights of North Dakotans to avoid possible threats to our freedoms and sovereignty. One recent potential threat to this has been associated with the acquisition of property by a foreign entity near a key military installation in our state. Frankly, we are very concerned that this was allowed to happen, and if there is a way to “undo” it and/or prevent future similar problems, we stand behind it.

That said, we are not entirely sure this bill will accomplish those goals. We are concerned about the lack of definitions for terms such as “*substantial* amount of capital” (Section 1, paragraph 2) and “*direct* the operations” (also Section 1, paragraph 2). We are also not sure of the ability to create ex post facto punitive laws or create what may in fact be a bill of attainder.

While North Dakota Family Alliance Legislative Action is completely in agreement that our domestic interests must be maintained and guarded, we have some uncertainty around the method this bill seeks to use to attain that goal, as well as questions on definitional issues. For these reasons, we are testifying in a neutral position on House Bill 1503.

Sincerely,

Mark Jorritsma  
Executive Director

Chairman Thomas and members of the House Ag Committee,

IBAND is in favor of HB 1503.

It is IBAND's policy to not allow any foreign entity to own any real property in North Dakota.

We especially like the retroactive part in Section 3.

Thank You

Frank Tomac  
President of IBAND

Hello Mr. Chairman and members of the committee, my name is Nicole Johnson. My husband and I live west of Grand Forks in Nelson County, where we are raising our two young boys on the family farm. As 5<sup>th</sup> generation family farmers and cattle ranchers there are few things more important to us than the integrity of our land and our allegiance to this country.

The events that unfolded most recently in Grand Forks County with Fufeng were an incredible eye opening experience for many different reasons - I would like to highlight just two of those day.

The first, I witnessed firsthand members of our community come together to fight against foreign adversaries taking a foothold in our own backyard. The countless hours committed to fighting our most recent battle is an example of the great lengths and dedication that North Dakotans are willing to go on the ground level to protect this great state, that passion and fortitude thankfully prevailed.

The second takeaway I had, is how quickly and aggressively our foreign adversaries acquire American soil given the chance. Quoting Chuck DeVore VP of National Initiatives of Texas "Buyers from the Peoples Republic of China purchased \$6.1 billion in real estate last year, the most of any foreign buyer. Many of these purchases over the past few years have been of farmland or ranchland near US military bases." Data from the USDA states the China owns over 191,000 acres of US land. Simply put, enough is enough.

For a year and a half, the Fufeng battle dragged on, something that frankly shouldn't have had the opportunity to get started in the first place. Allowing communist countries to do business here and own American soil certainly isn't what we stand for.

At the grassroots level, we spent all too long on the defense, now is our opportunity to build up and solidify the offense. We are looking to you do represent backbone of these citizens - put these protections into law.

No more room for Fufeng-style chaos going forward. I understand in bill 1356 as it currently stands, there's proposal for foreign investment review board, my concern is that it's potentially leaving the door open and keeping things a bit to ambiguous. Not the North Dakotan way. Lock it up. Keep it clean, keep it focused and keep it firm – we are not here to do business with anyone who presents a threat to the American way of life.

North Dakotans are here to work hard, protect our rights, freedoms, and to enjoy the land that our generations before us has fought to give us. All too quickly that can be taken away from us, other countries will be quick to jump at the chance. Not here. Not in North Dakota. I am calling on our North Dakota leaders to be an example to the rest of the nation of what protection and patriotism looks like.

In conclusion, I'd like to quote US Senator, Tom Cotton from Arkansas, "Unknown to most Americans, the CCP has been buying our farms, land and even our homes for decades. Why? So, they can take our food, technology and other resources for themselves... We would never have permitted Russian communists to acquire our land in the last Cold War, and we ought not to permit Chinese communists to do so in this Cold War".

I look forward to seeing a solid bill coming to pass, because in the light of the past fight with Fefung, all eyes are on North Dakota. Now all eyes are on you. Make us proud. Thank you.

I strongly support the spirit of HB 1503. Thank you Mona Leake Grand Forks

Dear Committee Members

As a fourth generation North Dakotan, raised in a small town 13 miles from my grandparents farm they established for themselves in 1929 and raised their 11 children, I understand the importance of protecting our rich ND farm land. My grandfather loved his farm. He taught me the love of nature. I remember as a little girl in the 70's, my grandfather used to talk about how the communists would one day come for ND farm land. I used to laugh because "there were no communists in America". That's what I believed then, I wish I were as carefree today to believe that to be true. There are many on the world stage that want our rich ND farm land. It is up to US to protect that. Please render a DO PASS on this bill and keep our state safe from foreign bad players.

Thank you,



Mr. Chairman and representatives on the House Agriculture Committee,

My name is Miki Thompson. I am a resident of Dickinson. I urge you to vote Do Pass on HB 1503. Protecting North Dakota from foreign interests and interference should be one of our number one priorities. We have been blessed with productive land and industry in our state. Those blessings belong to those who are citizens of this country. No foreign entity should be able to advantage of our beautiful state, only to ship the proceeds to their home country. Thank you for your time.

House Agriculture Committee

Written and Oral Testimony in support of Amended HB 1503

Testimony from: Jodi Carlson, Grand Forks, ND

As a resident of Grand Forks, who has fought and been considered nationally, the most vocal citizen opponent of the Fufeng, Communist China, Wet Corn Mill Development for the last year and a half, I believe that this amended bill must be approved in order to protect our local citizens, our state, and our country.

I need each of you to consider what our community has been through over the past months in attempting to fight this project from coming to our city, buying our prime agricultural land, raping us of our natural resources, and being subsidized by our tax dollars as they do it. As citizens we had our 1<sup>st</sup> Amendment Rights stripped away from us in pursuit of some type of financial or incentivized gain, which we can speculate about, but have yet to understand.

We had essentially 4 people on our city council of 6 as well as our Mayor, who were pushing this project forward, despite what they were told from the citizens, from National Security experts, and from a plethora of both State and Federal Government officials. We know now that these 4 people were willing to put our city, our state and our country at a very high level of national security risk for their own personal gain, or for the few dollars they could claim in economic development.

I can say, without doubt, that this land transaction and this project has been ripe with collusion, fraud, and conflict of interest. These issues are being addressed through other avenues. I will say however; that issues of failure to release records from the Governor's Office as well as violation of the current law under NDCC 47-10.1, which is the current bill we are looking to make changes to, have fallen on deaf ears through our Attorney General's Office. When our Attorney General fails to enforce laws that our ND legislature has put in place, this should cause a great deal of concern in each and every one of us.

This fiasco should have never happened and I pray that it never happens again, anywhere in this country, but certainly never again in this state. This has been a horrific ordeal for many. Please remember that this was 4 local people making a determination on National Security, while belittling and laughing at the citizens who spoke up and refusing to consider the input of those who are directly or indirectly involved with oversight of National Security.

Any land purchase, not just agricultural land, from any of our foreign adversaries must never be allowed, let alone left up to a few people to decide. Rezoning current agricultural land to industrial takes a motion and a second to accomplish. Our state can do better. Our citizens deserve better. Please be the voice to ensure that the citizens of ND receive better.

I stand for questions.



## FMWF Chamber Opposition to HB 1503

02/03/2023

Chair Thomas and members of the House Agriculture Committee,

For the record, my name is Shannon Full, and I have the pleasure of serving as the President and CEO of the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. On behalf of our over 1,900 members, I respectfully offer testimony in opposition to House Bill 1503.

We recognize the importance of national security and the safeguarding of financial investments and real property. However, we also recognize the global nature of our state's economy and the diverse investment into companies across our great state. Under the proposed language, this bill would present immense challenges for businesses currently located throughout the state and would deter future investment in our state. Given the gravity of the current bill language and its implications on the state's business environment, I respectfully urge the committee to recommend a DO NOT PASS for House Bill 1503.

On behalf of our members, I would like to thank the committee for their time and consideration.

Best,

Shannon Full  
President/CEO  
FMWF Chamber of Commerce  
[sfull@fmwfchamber.com](mailto:sfull@fmwfchamber.com)



# Delivering a world-class aviation experience that is THE PINNACLE OF QUALITY, INNOVATION AND SAFETY

Cirrus Aircraft is the recognized global leader in personal aviation and the maker of the best-selling SR Series piston aircraft and the Vision Jet®, the world's first single-engine Personal Jet™. Founded in 1984, the company has redefined aviation performance, comfort and safety with innovations like the Cirrus Airframe Parachute System® (CAPS®) – the first FAA-certified whole-airframe parachute safety system included as standard equipment on an aircraft.

Cirrus Aircraft established its global headquarters in Duluth, Minnesota in 1994 and continues to grow its operations and workforce across the United States. Today, Cirrus has operations in seven States across the United States including Benton Harbor, Michigan; Duluth, Minnesota; Grand Forks, North Dakota; Greater Dallas, Texas; Greater Phoenix, Arizona; Greater Orlando, Florida; and Knoxville, Tennessee.

In 2017, Cirrus Aircraft was named the winner of the Robert J. Collier Trophy for achievement in aeronautics. The trophy was awarded for designing, certifying, and entering-into-service the Vision Jet – the world's first single-engine general aviation personal jet aircraft with a whole airframe parachute system.

Cirrus Aircraft continues to transform personal aviation by ushering in a new generation of owners and operators. In 2021, Cirrus Aircraft built 32% of all single-engine piston aircraft in the world and accounts for over 77% of the high-performance single-engine piston market.



## IN THE STATE OF NORTH DAKOTA

**24**  
YEARS

Over **24 years** operating in North Dakota



Over **430 North Dakota employees**, one of the **top 10 employers** in Grand Forks



Over **185,000 square feet** of facilities



**125,000 composite parts** manufactured in 2022 supporting production of **629 Cirrus aircraft**

**6.2**  
BILLION

Over **9,000 Cirrus Aircraft** delivered since 1999, generating more than **\$6.2 billion** in revenue



Over **50 North Dakota based** supply chain partners



# CIRRUS AIRCRAFT AT A GLANCE

**38**  
YEARS

Over **38 years**  
in business



Over **\$80 million**  
**invested** in the U.S.,  
half in the last ten years



Over **2,500**  
employees



Over **\$850 million**  
total revenue  
in 2022



Over **30 Cirrus**  
**facilities** with  
**1,200,000 square**  
**feet** of operations



Over **\$300 million**  
spent annually with  
U.S. supply chain  
partners



Over **400 supply**  
**chain partners**  
from 34 U.S. states



**96%** of Cirrus  
Aircraft's parts  
and components  
are built in the **U.S.**



## Global Headquarters

Cirrus Aircraft  
4515 Taylor Circle  
Duluth, MN 55811



## Composite Manufacturing

Dakota Aircraft Corporation  
1400 S 48th Street  
Grand Forks, ND 58201



## Customer Delivery

Vision Center  
110 Tyson Boulevard Suite 201  
Alcoa, TN 37701



23.0591.01000  
 Sixty-eighth  
 Legislative Assembly  
 of North Dakota

Introduced by  
 Representatives Beltz, D. Anderson, Kempenich, Nelson, Schreiber-Beck, Weisz  
 Senators Piepkorn, Weber, Weston

A BILL for an Act to create and enact four new sections to chapter 4.1-03 of the North Dakota Century Code, relating to the creation of beef commission districts, the selection of commission members, and the referral of cattle assessments; to amend and reenact sections 4.1-03-01, 4.1-03-02, 4.1-03-03, 4.1-03-04, and 4.1-03-12 of the North Dakota Century Code, relating to the definition of a cattle industry representative, the election and terms of members to the North Dakota beef commission, and requiring livestock auction markets and livestock dealers to forward names of cattle sellers; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**  
**SECTION 1. AMENDMENT.** Section 4.1-03-01 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-03-01. Definitions.**

As used in this chapter:

1. "Beef producer" means any person that has an ownership interest in cattle.
2. "Cattle" means live domesticated bovine animals.
3. "Cattle feeder" means a person in the business of feeding cattle for the purpose of adding weight to the cattle prior to slaughter.
4. "Cattle industry representative" means an individual a person who has been is a beef producer, cattle feeder, dairy producer, or representative of a public livestock market in this state who exercises control of livestock.
5. "Commission" means the North Dakota beef commission.
- 5.6. "Dairy producer" means any person in the business of producing and selling milk from cows.
- 6.7. "Livestock auction market" means a public market or private buying station in which livestock is offered for sale or sold.
- 7.8. "Livestock dealer" means a person that purchases cattle and is required to be licensed under chapter 36-04.
- 8.9. "Participating producer" means a producer that has not obtained a refund of any assessment paid on the sale of cattle under this chapter for the preceding three years
10. "Public livestock market" means a livestock auction market, public market, or private buying station in which livestock is offered for sale, auctioned, or sold and which is

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required to be licensed under chapter 4.1 - 27 or 4.1 - 28 .

**SECTION 2. AMENDMENT.** Section 4.1-03-02 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-03-02. North Dakota beef commission - Membership - Qualifications.**

~~1. The North Dakota beef commission consists of:~~

- ~~a. Three beef producers;~~
- ~~b. One cattle feeder;~~
- ~~c. One dairy producer;~~
- ~~d. One representative of a public livestock market; and~~
- ~~e. Three at-large representatives.~~

~~2. The governor shall appoint:~~

- ~~a. Each beef producer from a list of at least two names submitted by the North Dakota stockmen's association;~~
- ~~b. The cattle feeder from a list of at least two names submitted by the North Dakota stockmen's association feeder council;~~
- ~~c. The dairy producer from a list of at least two names submitted by the milk producers association of North Dakota;~~
- ~~d. The representative of a public livestock market from a list of at least two names submitted by the North Dakota livestock marketing association; and~~
- ~~e. The three at-large representatives.~~

3. a. The commission consists of one cattle industry representative elected from each of the nine districts listed in section 6 of this Act. The commission chair, vice - chair, and secretary-treasurer serving on December 31, 2023, may continue to serve in those positions as provided under section 4.1 - 03 - 03 .

1. Each member of the commission must:

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~~(1)a. Be a United States citizen and a resident of this state;~~

~~(2)b. Be a resident of the district the member represents; and~~

~~c. Be an actively engaged in that phase of the cattle industry ~~the member represents; and~~~~

~~(3) Have been actively engaged in that phase of the cattle industry for a period of five years representative.~~

b.2. Each member of the commission, ~~except~~unless the member is a representative of a public livestock market, must be a participating producer.

c.3. For purposes of this subsection, "actively engaged" means that the individual:

(1)a. Has an ownership interest in ~~an~~the cattle operation that qualifies the individual as a cattle industry representative and which is of sufficient scope and significance as to constitute a distinct activity; and

(2)b. Has and regularly exercises direct control of the cattle operation for the preceding three years.

**SECTION 3. AMENDMENT.** Section 4.1-03-03 of the North Dakota Century Code is

amended and reenacted as follows:

**4.1-03-03. Term of office.**

1. ~~The~~Except as otherwise provided in this section, the term of office for each member is three years and begins on July first. The terms must be staggered so that no more than three terms expire each year.

2. The terms of all commission members, except the commission chair, vice-chair, and secretary-treasurer serving on December 31, 2023, expire on ~~December 31, 2023~~June 30, 2024.

a. The commission chair, serving on December 31, 2023, represents district six, as established under section 6 of this Act, for a ~~two-year~~ term expiring on ~~December 31, 2025~~June 30, 2026.

b. The commission vice-chair serving on December 31, 2023, represents district five, as established by section 6 of this Act, for a ~~three-year~~ term expiring on ~~December 1, 2026~~June 30, 2027.

c. The commission secretary-treasurer serving on December 31, 2023, represents district nine, as established by section 6 of this Act, for a ~~one-year~~ term expiring on ~~December 31, 2024~~June 30, 2025.

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3. Between October 1, 2023, and December 31, 2023, districts one, two, three, four, seven, and eight, as established under section 6 of this Act, each shall elect a commission member with a term beginning January 1, 2024. The initial terms of individuals elected to begin serving as commission members on January 11, 2024, are:

- a. One year for commission members representing districts one and two;
- b. Two years for commission members representing districts three and seven; and
- c. Three years for commission members representing districts four and eight.

4. Between October 1, 2023, and December 31, 2023, before the pending expiration of the terms of the chair, vice-chair, and secretary-treasurer serving on December 31, 2023, and the expiration of each initial term of the individuals elected to begin serving as commission members on ~~January~~July 1, 2024, and thereafter before the expiration of a commission member's term, the respective district shall elect an individual to serve as a commission member to represent that district in the succeeding term.

5. A member of the commission may not serve more than two consecutive terms. ~~If an individual is appointed after August 1, 2009, to complete a vacancy, that service is not counted as a term, for purposes of this section, unless the duration of that service exceeds one year.~~ The service of the initial term of one year beginning ~~January~~July 1, 2024, under subsection 3 for commission members of districts one and two may not be counted for purposes of this subsection.

**SECTION 4. AMENDMENT.** Section 4.1-03-04 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-03-04. Vacancy.**

~~If a member's office is vacant, the position must be filled, for the remainder of the term, in the same manner as the original appointment. A member's office is vacant if:~~

1. ~~At any time during a member's term the member ceases to possess any of the qualifications provided for in this chapter;~~



- ~~2. Any event enumerated in section 44-02-01 occurs; or~~  
~~3. The commission determines that a member has failed to attend three consecutive meetings of the commission without justification. If at any time during a commission member's term the member ceases to possess the qualifications to hold office or a~~

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vacancy otherwise occurs, the commission, by majority vote, shall appoint another qualified cattle industry representative for the remainder of the term. If an individual is appointed by the commission to complete a vacancy, that service is not counted as a term for purposes of section 4.1 - 03 - 03, unless the duration of that service exceeds one year.

**SECTION 5. AMENDMENT.** Section 4.1-03-12 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-03-12. Collection of assessment.**

1. Each livestock auction market and livestock dealer shall:
  - a. Collect the assessments due under this chapter by deducting the assessments from any credit given or payment made to the seller of the cattle, at the time of the transaction; and
  - b. Forward the assessments to the commission in accordance with section 4.1-03-13; and
  - c. Provide the name and address of the seller of the cattle to the commission.
2. a. If a person sells North Dakota cattle outside this state or if a person sells North Dakota cattle to an out-of-state buyer, the person shall forward any assessments due under this chapter to the commission in accordance with section 4.1-03-13.
  - b. This subsection does not apply if the assessment has been paid to a brand inspector in another state or to another qualified state beef council.
3. Any other person selling cattle in this state shall forward any assessments due under this chapter to the commission in accordance with section 4.1-03-13.
4. If a brand inspector obtains the name and address of the seller, the brand inspector shall provide the commission with name and address of the seller.

**SECTION 6.** A new section to chapter 4.1-03 of the North Dakota Century Code is created and enacted as follows:

**Geographical districts.**

The state consists of the following districts:

1. District one: Barnes, Cass, Cavalier, Eddy, Foster, Grand Forks, Griggs, Nelson, Pembina, Ramsey, Steele, Towner, Traill, and Walsh Counties;
2. District two: Dickey, LaMoure, McIntosh, Ransom, Richland, and Sargent Counties;
3. District three: Kidder, Logan, and Stutsman Counties;
4. District four: Burleigh, Emmons, Sheridan, and Wells Counties;

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5. District five: Benson, Bottineau, McHenry, Pierce, Renville, and Rollette Counties;
6. District six: Burke, Divide, McKenzie, McLean, Mountrail, Ward, and Williams Counties;
7. District seven: Billings, Dunn, Golden Valley, Oliver, and Mercer Counties;

8. District eight: Adams, Bowman, Hettinger, Slope, and Stark Counties; and  
9. District nine: Grant, Morton, and Sioux Counties.

**SECTION 7.** A new section to chapter 4.1-03 of the North Dakota Century Code is created and enacted as follows:

**Director or director's Designee of the North Dakota state university extension service -  
Nomination and election of district commission candidates.**

1. a. The director of the North Dakota state university extension service shall oversee district representative commission member nominations and elections.  
b. Between October first and December thirty-first of each year, the director shall conduct the nominating and election process to elect successors for districts with terms expiring that fiscal year.  
c. The director shall notify, by mail or electronic means, no fewer than forty - five nor more than sixty days before the district representative commission election, all known cattle industry representatives in the respective district and request nominations for district representative commission candidates.  
d. To be eligible as a candidate in a district commission election, at least five cattle industry representatives who reside in the district must nominate the candidate in writing. A cattle industry representative may not self - nominate .  
e. Upon receiving the district commission nominations, the director shall certify that nominated candidates meet the requirements of section 4.1 - 03 - 02. The director shall prepare the election ballots with the names of the certified nominated district commission candidates. Each ballot also must include a statement indicating:  
(1) The date, time, and location the director will open the ballots and tabulate the results;  
(2) The last date by which the ballots must be postmarked or filed with the director; and

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- (3) Any cattle industry representative in the district may be present at the time the ballots are opened and tabulated.  
f. The director shall hold the district commission election by mail paper ballot. The director shall mail the ballots to each known cattle industry representative in the district at least thirty days before the election.  
g. The director shall canvass the votes. The director shall notify the commission and the governor that the election has taken place, and provide to the commission and the governor the name and address and term of the newly elected district representative commission member.  
2. If the cattle industry representatives in a district fail to elect an individual, as required by this section, the director shall notify the commission and the governor. The governor shall appoint a cattle industry representative who meets the requirements of section 4.1 - 03 - 02 to serve as the district commission member for the district .

**SECTION 8.** A new section to chapter 4.1-03 of the North Dakota Century Code is created and enacted as follows:

**Election costs - Responsibility .**

All costs of holding district commission member nominations and elections under section 6 of this Act are the responsibility of the commission.

**SECTION 9.** A new section to chapter 4.1-03 of the North Dakota Century Code is created and enacted as follows:

**Referendums - Assessments .**

1. If petitioned by at least fifteen percent of the cattle industry representatives of the state, the commission shall conduct a referendum among the cattle industry representatives to determine the amount by which the assessment imposed under section 4.1 - 03 - 11 should be adjusted .

2. No more than fifty percent of the cattle industry representatives who signed the petition may reside in the same district.

3. The commission shall hold an assessment referendum by mail paper ballot. The commission shall prepare the ballots with the petitioned amount by which the assessment imposed under section 4.1 - 03 - 11 is proposed to be adjusted and

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distribute the ballots to each cattle industry representative at least thirty days before the last date for filing ballots.

4. Each ballot must include a statement indicating:

a. The date the petition was filed and the number of signatures on the petition;

b. The date, time, and location the commission will open the ballots and tabulate the results;

c. The last date by which the ballots must be postmarked or filed with the commission; and

d. Any cattle industry representative may be present at the time the ballots are opened and tabulated.

5. The date selected by the commission for the opening and tabulation of the ballots must be at least five days after the date by which the ballots must be postmarked or filed with the commission.

6. The commission shall canvass the votes. If the majority of voting cattle industry representatives vote in favor of the proposed change, the commission shall submit a bill to the next legislative assembly to propose amending the statutory assessment in a manner consistent with the results of the vote.

7. All costs of holding an assessment referendum under this section are the responsibility of the commission.

**SECTION 10. EFFECTIVE DATE.** Section 2 of this Act becomes effective on January 1, 2024.

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**GF Herald – Meghan Arbegast - - - January 31 - 2023**

GRAND FORKS — Grand Forks Mayor Brandon Bochenski said he believes the controversial Fufeng project “should be stopped” after a representative from the U.S. Air Force wrote that the proposed wet corn mill in Grand Forks is a “significant threat to national security.”

“The federal government has requested the city’s help in stopping the project as geo-political tensions have greatly increased since the initial announcement of the project,” Bochenski said in a statement sent to the media Tuesday afternoon. “The only remedies the city has to meet this directive is to refuse to connect industrial infrastructure and deny building permits. As mayor of the city of Grand Forks, I am requesting these remedies be undertaken and the project be stopped, pending City Council approval.”

The mayor’s comment comes after the Department of the Air Force declared — through the state’s two U.S. senators — that the proposed Fufeng project presents a “significant threat to national security.”

In a letter to Sen. John Hoeven, R-N.D., Andrew P. Hunter, assistant secretary of the Air Force for acquisition, technology and logistics, stressed the Air Force’s stance on the China-based company.

“While (a review by the Committee of Foreign Investment in the United States recently) concluded that it does not have jurisdiction, the (Department of the Air Force’s) view is unambiguous: the proposed project presents a significant threat to national security with both near- and long-term risks of significant impacts to our operations in the area,” Hunter wrote.



GREATER NORTH DAKOTA CHAMBER  
HB 1503  
House Agriculture Committee  
Chair Paul Thomas  
February 2, 2023

Mr. Chairman and members of the House Agriculture Committee, my name is Andrea Pfennig with 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 House Bill 1503.

Our members support pro-business policies that improve the legal and regulatory environment, maintain consistency, promote growth, and lower business costs. We oppose general regulatory changes and mandates that would increase business burdens and costs.

Our concern with HB 1503 is that it could limit access to financing and capital which would hinder growth. This is a global economy. Putting a prohibition in place could restrict North Dakota businesses from accessing investor opportunities that would enable them to be globally competitive. Additionally, the investments that are prohibited from North Dakota would potentially go to companies in other states and countries giving them an advantage.

HB 1503 is retroactive to real property acquired after July 31, 2020. This inconsistency in the regulatory environment can create a lack of confidence from an investment standpoint. Additionally, companies that have chosen to invest in North Dakota would be required to divest the ownership interest in the real property. This will directly lead to existing companies leaving the state and a loss of jobs in North Dakota.

We urge you to keep markets open with a Do Not Pass on HB 1503.

23.1067.01001  
Title.

Prepared by the Legislative Council staff for  
Representative Hoverson  
February 2, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1503

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 54-12 and a new subsection to section 54-12-01 of the North Dakota Century Code, relating to ownership of real property and commercial assets by foreign adversaries.

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

**SECTION 1.** A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

**Regulation of covered persons.**

Notwithstanding any other provision of law:

1. For purposes of this section:

- a. "Covered person" means an individual, person, or entity that owns or controls any real estate or commercial assets, or operates a business within this state which is owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries or individuals acting on behalf of or in conjunction with foreign adversaries.
- b. "Entity" means a partnership, association, trust, joint venture, corporation, group, subgroup, or other organization.
- c. "Foreign adversary" means any foreign government or foreign nongovernment person engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or security and safety of United States persons originating from:
  - (1) The People's Republic of China, including the Hong Kong Special Administrative Region;
  - (2) The Republic of Cuba;
  - (3) The Islamic Republic of Iran;
  - (4) The Democratic People's Republic of Korea;
  - (5) The Russian Federation; or
  - (6) The Maduro Regime from Venezuela.

- 2. A covered person may not own real estate, commercial assets, or operate a business within this state without first registering as a covered person with and obtaining a permit from the attorney general. The registration of a covered person must include:

- a. The beneficial or ownership interests of all entities associated with the covered person operating in this state, including the nation in which the covered person and all related entities are domiciled, operated within and from, or owned wholly or in part; and
  - b. Whether the covered person or any related individual, person, or entity, has participated in a review conducted by the federal committee on foreign investment in the United States, whether specific to or separate from the intended activities of the persons and related persons in this state.
3. Upon receiving the information in subsection 2, the attorney general shall conduct a state security review. The review must:
    - a. Be completed within ninety days of receiving the information under subsection 2;
    - b. Include information from any federal and state military and intelligence organizations operating within this state;
    - c. Be conducted in conjunction with any relevant state, county, or municipal bodies to assess the potential impacts to any federal or state military and intelligence organizations operating within the state;
    - d. Be made available as a public record if the covered person conducts business in this state; and
    - e. Be conducted annually by the attorney general to ensure the covered individual is not a security threat to this state.
  4. If at any point the attorney general review uncovers any criminal activity under county, state, or federal law within the previous five-year period, the permit must be revoked immediately. Any violations or criminal activity by the covered person or related entity must be reported immediately to the attorney general and all relevant state and federal authorities.
  5. This section applies to any covered person that wishes to register in, domicile in, or otherwise operate a business or charitable enterprise, or obtain any beneficial interest in real estate, commercial assets, or a business or charitable entity within this state.
  6. Any entity, on the effective date of this Act, owning real estate or commercial assets or operating a business, that would otherwise be considered a covered person under this section, is subject to the annual permit review process effective one hundred eighty days from the effective date of this Act.

**SECTION 2.** A new subsection to section 54-12-01 of the North Dakota Century Code is created and enacted as follows:

Conduct reviews and issue permits to a covered person under section 1 of this Act and continue to assess threats to the state from malign activities, efforts, or influence by persons owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary or nationals."

Renumber accordingly

23.1067.01002

Sixty-eighth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1503**

Introduced by

Representatives Hoverson, Timmons

Senator Paulson

1 ~~A BILL for an Act to amend and reenact section 47-01-09 and subsection 1 of section~~  
 2 ~~47-10.1-02 of the North Dakota Century Code, relating to prohibition of foreign ownership of real~~  
 3 ~~property; and to provide for retroactive application for an Act to create and enact a new~~  
 4 ~~subsection to section 54-12-01 and a new section to chapter 54-12 of the North Dakota Century~~  
 5 ~~Code, relating to ownership of real property and commercial assets by foreign adversaries; to~~  
 6 ~~provide for a legislative management study; and to provide an expiration date.~~

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

8 **SECTION 1. AMENDMENT.** ~~Section 47-01-09 of the North Dakota Century Code is~~  
 9 ~~amended and reenacted as follows:~~

10 ~~— 47-01-09. Public or private ownership — All property subject to — Foreign ownership~~  
 11 ~~prohibited.~~

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

15 ~~— 2. Notwithstanding any other provision of law, a government of a foreign country or a~~  
 16 ~~foreign business entity, permanent resident, or alien may not directly or indirectly~~  
 17 ~~acquire an ownership interest in real property in this state unless the individual is an~~  
 18 ~~alien entitled to enter the United States under the provisions of a treaty of commerce~~  
 19 ~~and navigation between the United States and the foreign state of which the individual~~  
 20 ~~is a national, solely to develop and direct the operations of an enterprise in which the~~  
 21 ~~individual has invested or to direct the operations of an enterprise in which the~~  
 22 ~~individual is actively in the process of investing a substantial amount of capital.~~

23 ~~— 3. Any government of a foreign country or a foreign business entity, permanent resident,~~  
 24 ~~or alien that acquires an ownership interest in real property after the effective date of~~



~~this Act, has one year from the effective date of this Act to divest the ownership interest in the real property. The one-year period is deemed a covenant running with the title to the real property against any grantee or assignee. Any real property not divested within one year must be sold at public sale in the manner prescribed by law for the foreclosure of a real estate mortgage by action.~~

~~**SECTION 2. AMENDMENT.** Subsection 1 of section 47-10.1-02 of the North Dakota Century Code is amended and reenacted as follows:~~

~~1. An individual who is not a citizen of the United States, a citizen of Canada, or a permanent resident alien of the United States may not acquire directly or indirectly any interest in agricultural land unless:~~

~~a. The individual is an alien entitled to enter the United States under the provisions of a treaty of commerce and navigation between the United States and the foreign state of which the individual is a national, solely to develop and direct the operations of an enterprise in which the individual has invested or to direct the operations of an enterprise in which the individual is actively in the process of investing a substantial amount of capital;~~

~~b. The individual resides in this state for at least ten months out of every year;~~

~~c. The individual actively participates in the operation of the agricultural land;~~

~~d. The agricultural landholding does not exceed six hundred forty acres [258.99 hectares]; and~~

~~e. The agricultural landholding includes a dairy operation.~~

~~**SECTION 3. RETROACTIVE APPLICATION.** This Act applies retroactively to ownership interests in real property acquired after July 31, 2020.~~

**SECTION 1.** A new subsection to section 54-12-01 of the North Dakota Century Code is created and enacted as follows:

Conduct reviews and issue permits to a covered person as provided under section 2 of this Act and continue to assess threats to the state from malign activities, efforts, or influence by persons owned by a foreign adversary.

**SECTION 2.** A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

**Regulation of covered persons.**

1 Notwithstanding any other provision of law:

2 1. For purposes of this section:

3 a. "Covered person" means a person that owns or controls any real estate or  
4 commercial assets or operates a business within this state which is owned by,  
5 controlled by, or subject to the jurisdiction or direction of a foreign adversary or an  
6 individual acting on behalf of or in conjunction with a foreign adversary, except  
7 the term does not include a person that, as of the effective date of this Act, has  
8 been a registered business and in good standing in this state for seven years or  
9 longer, or a person that has been approved by the committee on foreign direct  
10 investment in the United States and maintains an active national security  
11 agreement with the federal government of the United States.

12 b. "Foreign adversary" means any foreign government or foreign nongovernment  
13 person engaged in a long-term pattern or serious instances of conduct  
14 significantly adverse to the national security of the United States or security and  
15 safety of United States persons originating from:

16 (1) The People's Republic of China, including the Hong Kong Special

17 Administrative Region;

18 (2) The Republic of Cuba;

19 (3) The Islamic Republic of Iran;

20 (4) The Democratic People's Republic of Korea;

21 (5) The Russian Federation; or

22 (6) The Maduro Regime from Venezuela.

23 2. A covered person may not own real estate, commercial assets, or operate a business  
24 within this state without first registering as a covered person and obtaining a permit  
25 from the attorney general. The registration of a covered person must include the  
26 beneficial or ownership interests of any person associated with the covered person,  
27 including the nation in which the covered person is domiciled, operated within and  
28 from, or owned wholly or in part.

29 3. Upon receiving the information in subsection 2, the attorney general shall conduct a  
30 state security review. The review must:

31 a. Be completed within ninety days of receiving the information under subsection 2;

- 1            b. Include information from any federal and state military and intelligence  
2            organizations operating within this state;
- 3            c. Be conducted in conjunction with any relevant state, county, or municipal bodies  
4            to assess the potential impacts to any federal or state military and intelligence  
5            organizations operating within the state; and
- 6            d. Be made available as a public record if the covered person conducts business in  
7            this state and to the extent the review does not reflect information provided by the  
8            covered person and identified as confidential or proprietary, as provided by  
9            section 44-04-18.4.
- 10          4. All criminal violations committed by a covered person, constituting a threat to the state,  
11          must be reported immediately to the attorney general. If deemed necessary by the  
12          attorney general, the attorney general may report criminal violations to any state and  
13          federal authorities. If the attorney general discovers a covered person committed a  
14          criminal violation constituting a threat to this state, within five years from the date of  
15          discovery, the attorney general shall meet and confer with the covered person, to  
16          assess if the criminal actions warrant revocation of the permit. The attorney general  
17          may not revoke a permit under this section until thirty days after the discovery of a  
18          criminal violation. If the attorney general revokes the permit under this subsection, the  
19          attorney general shall notify the covered person of the revocation, and the covered  
20          person must be provided:
- 21            a. Twelve months to wind down all business enterprises in the state; and
- 22            b. Thirty-six months to divest of ownership of all real property and commercial  
23            assets within the state.
- 24          5. An active, registered business that has maintained a status of good standing with the  
25          secretary of state for seven years or longer, or a business approved by the committee  
26          on foreign direct investment, is not exempt from a state security review directed by the  
27          attorney general under this section.
- 28          6. This section applies to any covered person that:
- 29            a. Is domiciled in this state;
- 30            b. Operates a duly registered business in this state;
- 31            c. Operates a charitable enterprise in this state; or

1           d. Obtains any beneficial interest in real estate, commercial assets, or a business or  
2           charitable entity in this state.

3           7. Any entity, on the effective date of this Act, owning real estate or commercial assets or  
4           operating a business, that would otherwise be considered a covered person under this  
5           section, is subject to the annual permit review process effective one hundred eighty  
6           days from the effective date of this Act.

7           **SECTION 3. LEGISLATIVE MANAGEMENT STUDY - NUMBER OF COVERED**

8 **PERSONS IN NORTH DAKOTA.** During the 2023-24 interim, the legislative management shall  
9 consider studying the number of persons that own or control any real estate or commercial  
10 assets or operate a business within this state which is owned by, controlled by, or subject to the  
11 jurisdiction or direction of foreign adversaries or individuals acting on behalf of or in conjunction  
12 with foreign adversaries. This study must attempt to ascertain the number of such persons  
13 residing in this state which operate a business or a charitable enterprise or have obtained a  
14 beneficial interest in real estate, commercial assets, or a business or charitable entity in this  
15 state. The legislative management shall report its findings and recommendations, together with  
16 any legislation required to implement the recommendations, to the sixty-ninth legislative  
17 assembly.

18           **SECTION 4. EXPIRATION DATE.** Sections 1 and 2 of this Act are effective through July 31,  
19 2025, and after that date are ineffective.



# NORTH DAKOTA

## *Family Alliance* LEGISLATIVE ACTION

### Testimony in Support of House Bill 1503

Mark Jorritsma, Executive Director  
North Dakota Family Alliance Legislative Action  
March 17, 2023

Dear Chairman Thomas and members of the Senate Energy and Natural Resources Committee, North Dakota Family Alliance Legislative Action would like to render testimony in support of House Bill 1503.

Our organization wholeheartedly supports the protection and rights of North Dakotans to avoid possible threats to our freedoms and sovereignty. One recent potential threat to this has been associated with the acquisition of property by a foreign entity near a key military installation in our state. Frankly, we are very concerned that this was allowed to happen. If there is a way to “undo” it and/or prevent future similar problems, we stand behind it.

We appreciate the amendments made to the first version of this bill introduced into the House, and believe that what you have before you today is markedly improved. Also, the inclusion of a Legislative Management study further enhances this bill.

North Dakota Family Alliance Legislative Action is completely in agreement that our domestic interests must be maintained and guarded, and for that reason we are testifying in support of House Bill 1503.

Sincerely,

Mark Jorritsma  
Executive Director

Testimony HB1503

Sam Wagner  
Ag and Food Field Organizer  
Dakota Resource Council  
1720 Burnt Boat Dr. Ste 104  
Bismarck ND 58503  
Testimony in Support for HB1503

To the Honorable Chairman and the members of the Committee, we submit these remarks on behalf of DRC.

Mr. Chairman,

We at DRC favor local control and support keeping foreign ownership out of agriculture in North Dakota. After reviewing the amendments to the bill along with HB1135 and 2371 we believe that these bills should be passed together in order to ensure the most protection for our local farmers and grain elevators.

We applaud this much needed deep dive into our businesses. Opponents may try to scare you with cost, or staff needs, or loss of business opportunity in our state. But we would argue this bill would give us the freedom to set up businesses owned by North Dakotans. We would also ask why do we want to undermine national security? Why do we want to potentially invest in companies that have blood on their hands with human rights violations?

This bill is ultimately about our state officials being able to do their due diligence to make sure North Dakota does business with trustworthy companies.

We recommend a DO PASS as long as it is passed with HB1135 and 2371. If the language of this bill is being considered to be combined with 2371 we also could find this bill favorable. Thank you for your time and consideration.

**Proposed Amendments to HB 1503**  
North Dakota Land Title Association  
Nick Hacker, Legislative Chair  
(701) 751-4984 or [nick@thetitleteam.com](mailto:nick@thetitleteam.com)

Section 2 after Subsection 4 (b) insert:

- c. If the covered person fails to divest itself of the real property within the required time which leads the attorney general to believe that a violation of this section may exist, the attorney general may issue subpoenas requiring the appearance of witnesses, the production of relevant records and the giving of relevant testimony. On concluding, as a result of the investigation, that a violation of this section may have occurred the attorney general shall take action under subsection d.
- d. The attorney general shall commence an action in the district court of the county in which the substantial portion of the land owned in violation of this section is situated if the attorney general has reason to believe a covered person is violating this section. The attorney general shall file for record with the recorder of each county in which any portion of the land is located a notice of the pendency of the action. If the court finds that the land in question is being held in violation of this section, the court shall enter an order so declaring. The attorney general shall file any such order for record with the recorder of each county in which any portion of the land is located. Thereafter, the covered person shall, within the time set by the court not to exceed [6 months] from the date of the court's final order, divest itself of any land owned in violation of this section. Any covered person that fails to comply with the court's order is subject to a civil penalty not to exceed twenty-five thousand dollars.
- e. Any land not divested within the divestment period prescribed must be sold at a public sale in the manner prescribed by law for the foreclosure of real estate mortgage by action brought by the attorney general [as prescribed in chapter 32-19]; provided, however, that proceeds shall be disbursed as follows: first, for authorized costs, including costs borne by the attorney general in an amount approved by the court; second, to lien holders in their order of priority; and all remaining proceeds to the covered person. In addition, any prospective or threatened violation may be enjoined by an action brought by the attorney general in the manner provided by law, including from completing performance on the remainder of any leasehold which is in violation of this section. No title to land or encumbrance thereon shall be invalid or subject to forfeiture by reason of the alienage of any former owner or person having a former interest therein.
- f. No individual, person, or entity not subject to this section shall be required to:
  - a. determine whether another individual, person, or entity is a covered person under this section; or
  - b. inquire into the status of another individual, person, or entity as a covered person under this section.



**Senate Energy & Natural Resources Committee  
Testimony in Opposition to HB 1503  
March 17, 2023**

Chairman Patton & Members of the Senate Energy & Natural Resources,

My name is Lisa Feldner and I am here today on behalf of Enel North America. Enel North America is an energy company based in Andover, Massachusetts with an Italian minority interest. The company operates in 14 states and has had a presence in North Dakota since 2017. It has 2 operating wind farms near Tioga and 2 projects under development.

We do not believe that Enel would be considered a “covered person” under this definition because none of the ownership falls into the category of foreign adversary. However, section 2 of the bill, regulation of covered persons, may be problematic because Enel has not been operating in the state for 7 years.

Companies generally register **projects** (not the corporate holding entity) with the secretary of state. If this provision were adopted, and Enel created a new project in ND, we would register the project with the SOS; but, that project, by definition, would not have seven years of history as being in good standing in ND. This would discriminate against new projects. Also, Enel as a company would not meet the 7-year registration history even if this were specific to the Company and not the project.

Enel has not been approved by the Committee for Foreign Direct Investment in the US (CFDIUS) for any of its investments in the U.S. As a standard of practice,



CFDIUS investigates bad actors. Having an investigation would trigger concern, not confidence, in the investor and the company.

Our suggested amendments to Section 2, subsection 1(a), and subsection 5: remove “seven years or longer”, and replace with “is a duly registered business and has maintained a status of good standing with the secretary of state”.

Thank you.

*Lisa Feldner*

[lisa@olsoneffertz.com](mailto:lisa@olsoneffertz.com)

701-214-3709



## FMWF Chamber Opposition to HB 1503

March 17<sup>th</sup>, 2023

Chairman Patten and members of the Senate Energy and Natural Resources Committee,

For the record, my name is Shannon Full, and I have the pleasure of serving as the President and CEO of the Fargo Moorhead West Fargo (FMWF) Chamber of Commerce. The Chamber's mission is to be a catalyst for economic growth and prosperity for businesses, members, and the greater community. On behalf of our over 1,900 members, I respectfully offer testimony in opposition to House Bill 1503.

We recognize the importance of national security and the safeguarding of financial investments and real property. However, we also recognize the global nature of our state's economy and the diverse investment into companies across our great state. Under the proposed language, this bill would present immense challenges for businesses currently located throughout the state and would deter future investment in our state. Given the gravity of the current bill language and its implications on the state's business environment, I respectfully urge the committee to recommend a DO NOT PASS for House Bill 1503.

On behalf of our members, I would like to thank the committee for their time and consideration.

Best,

Shannon Full  
President/CEO  
FMWF Chamber of Commerce  
[sfull@fmwfchamber.com](mailto:sfull@fmwfchamber.com)