2025 SENATE STATE AND LOCAL GOVERNMENT

SB 2314

2025 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee
Room JW216, State Capitol

SB 2314
2/6/2025

Relating to the prohibition of, investigation of, and penalty for approving a development agreement in the state for a foreign adversary; and to the investigation of and penalty for approving a development agreement in the state for a foreign adversary; and to provide a penalty.

Members Present: Chairman Roers; Vice Chair Castaneda; Senators: Barta, Braunberger, Lee and Walen.

9:00 a.m. Chair Roers called the meeting to order.

Discussion Topics:

- Foreign adversary prohibition
- Penalties

9:00 a.m. Senator Magrum, District 8, introduced the bill and submitted testimony #35822.

9:25 a.m. Ross Kennedy, Founder of Fortis Analysis, testified in favor.

9:38 a.m. Lanny Kenner, District 7, testified in favor and submitted testimony #35760.

9:39 a.m. Jerol Gohrick, Sons of Liberty President, testified in favor and submitted testimony #34459.

Additional written testimony:

Doug Pearson, citizen, submitted testimony in favor #34437.

Robert Martin, citizen, submitted testimony in favor #35038.

Jenny Martin, citizen, submitted testimony in favor #35077.

Andrea Pfennig, Vice President Government Affairs Greater North Dakota Committee, submitted testimony in opposition #35670.

Cale Dunwoody, Vice President of Public Policy FMWF Chamber of Commerce, submitted testimony in opposition #35786.

9:41 a.m. Chair Roers closed the hearing.

Susan Helbling, Committee Clerk

Senate State and Local Government Committee

My name is Doug Pearson and I am in favor of SB2314. As a state we must protect our state from foreign adversaries. We are a sovereign state and must look out for what is best for the people of ND. Foreign countries do not have our best interests. We shouldn't allow money to control what happens in ND over the safety of the people. Please support SB2314.

Thank you Doug Pearson

Committee Members:
I am writing this today in support of SB2314. There is no reason at all that we need to sell property to someone that is not a U.S. citizen in my book. If we deem it necessary to do so, there should be a certain protocol that exists to protect our citizens from foreign countries, especially those who intend harm on us. If we have not learned anything in the last four years with what has happened in Grand Forks, ND with FuFeng, this bill will help with that!! We are still whirling about the land FuFeng owns over there, and now they get to double their money on that property!!! There is absolutely no reason they were allowed to purchase that land in the first place, and now a Chinese Communist Company gets to make money off our soil. SB 2314 will prevent us from doing business with foreign adversaries, and other nefarious companies throughout the world!!!
Please issue a do pass on SB2314

Respectfully yours,

Jerol Gohrick
Sons of Liberty
President

Committee Members

I support this bill. The security of our nation should not be compromised by foreign adversaries possessing an interest in property within our borders. I highly recommend a yes vote on this bill.

Robert Martn

Committee Members

I support a do pass recommendation. Foreign countries owning land in our state could put our food supply at risk as well as the security of our country. We don't need threats coming from inside our borders.

Jenny Martin

GREATER NORTH DAKOTA CHAMBER
SB 2314
Senate State & Local Government Committee
Chair Kristin Roers
February 6, 2025

Chair Roers and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **opposition** of Senate Bill 2314.

Our members recognize that North Dakota businesses are competing in a global economy. Because of this, it is important that we have a policy framework that helps the state attract capital investment.

The bill requires criminal penalties for individuals and businesses found in violation, which could lead to unintended legal consequences for well-meaning businesses and entrepreneurs. This could create confusion and costly legal battles.

We'd like to note that other states that have made similar efforts have been challenged in the courts. The federal government's Corporate Transparency Act has also been challenged. It may be beneficial to pause further action until those court cases have been determined.

Lanny Kenner
District 7

Good morning chairperson Roers.

My name is Lanny Kenner and I am asking for yes votes on Senate bill 2314.

This is a bill that should never have been needed in this great state of North Dakota! North Dakota should never be selling land or allowing businesses from foreign adversaries to be operated in North Dakota but seeing how some people are willing to sell their souls just to make a buck, we find it necessary to pass a bill like this. I would prefer not selling to any foreign countries but that is not what this bill is trying to stop.

This bill is trying to stop things happening again like what happened in Grand Forks with Fue Fang.

In that case many of our elected leaders (state and Federal) were not willing to stop this deal with China even though it was way too close to the Grand Forks Air Base. Thank God we finally got help from the top military leader at the base who said it would be detrimental to the security of the United States to have a Chinese company that close to the air base. We knew this all along so why weren't our elected officials willing to stop it from happening??

So that is a reason we have a need for a bill like this in North Dakota and I am urging all you to vote Yes on Senate bill 2314 for the safety and the security of our state and country. Thank you for listening.

THE CHAMBER
FARGO MOORHEAD WEST FARGO

Letter of Opposition – SB 2314

Thursday, February 6, 2025

Chairwoman Roers and Members of the Senate State and Local Government Committee,

For the record, my name is Cale Dunwoody, and I have the distinct pleasure of serving as the Vice President of Public Policy for the Fargo Moorhead West Fargo Chamber of Commerce (FMWF Chamber). On behalf of our more than 1,700 members, I respectfully offer testimony in opposition to Senate Bill 2314.

At the FMWF Chamber, our mission is to protect and promote business, inspire individuals, cultivate communities, and influence action. While we deeply respect and support efforts to safeguard national security, we believe this bill, as currently written, would hinder North Dakota's business climate, economic growth, and international partnerships. Specifically, our concerns center on the inadvertent financial and regulatory burdens this bill may place on businesses operating in good faith, as well as the possibility of deterring valuable economic development across the state.

As the committee considers this legislation, we encourage a judicious analysis of its impacts and urge pragmatic modifications that protect national security interests and minimize the negative effects on the business community, thereby safeguarding legitimate economic development opportunities. For these reasons we urge the committee to give this bill a DO NOT PASS.

Thank you for your attention to this matter and your commitment to North Dakota's business environment.

Sincerely,

Cale Dunwoody
Vice President of Public Policy
Fargo Moorhead West Fargo Chamber of Commerce

Legislative Assembly

North Dakota Senate

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

Senator Jeffery Magrum
District 8
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COMMITTEES:
Appropriations
Appropriations - Human Resources Division

02/06/2025

Good morning, Madam Chair Roers and committee members.

For the record I am Senator Jeff Magrum serving district 8. I stand before you to introduce SB2314. The goal of 2314 is to create a path to protect our state and nation from foreign adversaries. What do I mean by that? There are 6 foreign adversaries identified by our federal government. What is a foreign adversary? A foreign adversary is a foreign government or person that has engaged activities that are harmful to the security of the United States. The number one foreign adversary is the Peoples Republic of China, the Republic of Cuba, the Islamic Republic of Iran, the Democratic Republic of Korea, the Russian Federation and Venezuelan politician Nicolas Maduro. The United States Military has been warning about the Chinese Communist Party invading us through the investments. They say ther is no Chinese owned company or individual in America that doesn't owe allegiance to the CCP. We have seen recently that the CCP has been trying to get a foothold on ND property such as the FuFeng acquisition near Grand Forks Air Force Base and the Summit Carbon Solutions CO2 pipeline around Bismarck. A retired employee of the Pentagon testified in front of the ND Public Service Commission, under oath that Super Critical Carbon Dioxide Pipelines are considered potential weapons of mass destruction by the Pentagon. With CCP ownership in the pipeline this is very alarming.

President Trump has warned about the CCP threat as well as Chris Wray of the FBI. General Luten asked the attendees of th Nuclear Triad Symposium at Minot Air Force Base, last spring, to help guard against the CCP from coming into ND through investments. Colonel Whitmore from Grand Forks Air Force Base echoed the same request at the Rare Earth Symposium at the University of North Dakota last Fall, Our state Legislature is proposing spending millions of dollars to replace Chinese made Drones because of fear that they may have capabilities to be weaponized against us. ND Internet Technology has reported that the Chinese are continually trying to Hack our state Internet system. The ND Legislature passed SB2371 last session to address Foreign Adversaries. This law will compliment the existing law.

Madam Chair and committee members I ask for a due pass on SB2314 and stand for questions.

This content is from the eCFR and is authoritative but unofficial.

Displaying title 15, up to date as of 2/04/2025. Title 15 was last amended 2/04/2025.

There has been one change in the last two weeks to § 791.4.

Title 15 —Commerce and Foreign Trade
Subtitle B —Regulations Relating to Commerce and Foreign Trade
Chapter VII —Bureau of Industry and Security, Department of Commerce
Subchapter E
—Information and Communications Technology and Services Regulations
Part 791
—Securing the Information and Communications Technology and Services Supply Chain
Subpart A —General

EDITORIAL NOTE ON PART 791

Editorial Note: Nomenclature changes to part 791 appear at 89 FR 96892, Dec. 6, 2024.

§ 791.4 Determination of foreign adversaries.

(a) The Secretary has determined that the following foreign governments or foreign non-government persons have 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 and, therefore, constitute foreign adversaries solely for the purposes of the Executive Order, this rule, and any subsequent rule:

(1) The People's Republic of China, including the Hong Kong Special Administrative Region and the Macau Special Administrative Region (China);

(2) Republic of Cuba (Cuba);

(3) Islamic Republic of Iran (Iran);

(4) Democratic People's Republic of Korea (North Korea);

(5) Russian Federation (Russia); and

(6) Venezuelan politician Nicolás Maduro (Maduro Regime).

(b) The Secretary's determination of foreign adversaries is solely for the purposes of the Executive Order, this rule, and any subsequent rule promulgated pursuant to the Executive Order. Pursuant to the Secretary's discretion, the list of foreign adversaries

will be revised as determined to be necessary. Such revisions will be effective immediately upon publication in the FEDERAL REGISTER without prior notice or opportunity for public comment.

(c) The Secretary's determination is based on multiple sources, including but not limited to:

(1) National Security Strategy of the United States;

(2) The Director of National Intelligence's Worldwide Threat Assessments of the U.S. Intelligence Community;

(3) The National Cyber Strategy of the United States of America; and

(4) Reports and assessments from the U.S. Intelligence Community, the U.S. Departments of Justice, State and Homeland Security, and other relevant sources.

(d) The Secretary will periodically review this list in consultation with appropriate agency heads and may add to, subtract from, supplement, or otherwise amend this list. Any amendment to this list will apply to any ICTS Transaction that is initiated, pending, or completed on or after the date that the list is amended.

[86 FR 4923, Jan. 19, 2021. Redesignated at 89 FR 58265, July 18, 2024, as amended at 89 FR 96893, Dec. 6, 2024]

Lynne Schneider

Ms. Schneider has extensive experience in the defense industry and as an international strategy consultant in public/private sector economic development. She served as the principal policy advisor (Highly Qualified Expert) to the Deputy Under Secretary of the Army on matters affecting Army Stability Operations. She currently supports strategy development at NRO for Xcelerate Solutions.

She spent 15 years in the Pentagon and was key in designing the first Chief Management Officer Act, Information Technology Management Reform Act and Government Performance and Results Act.

Ms. Schneider started her own independent consulting firm in 1998 and is currently CEO of Entovation International applying innovation strategies to position clients for emerging markets. She has traveled extensively overseas and has international business partners and contacts in Europe and the Middle East.

She has served in the US Army Reserve as a Civil Affairs officer for 25 years, deploying to twice to Iraq and supporting various missions in EUCOM. Ms. Schneider volunteers on the Board for the Orphan Foundation of America, One World Medical Relief, TAPS and ISOA.

She is co-author of six books including: *Non-traditional Warfare: 21st Century Threats and Responses; Knowledge Economics;* and *The Future of Innovation, as well as numerous articles.*

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State and Local Government Committee
Room JW216, State Capitol

SB 2314
2/13/2025

Relating to the prohibition of, investigation of, and penalty for approving a development agreement in the state for a foreign adversary; and to the investigation of and penalty for approving a development agreement in the state for a foreign adversary; and to provide a penalty.

8:40 a.m. Chair Roers called the meeting to order.

Members Present: Chairman Roers; Vice Chair Castaneda; Senators: Barta, Braunberger, Lee and Walen.

Discussion Topics:

- Committee Action

8:40 a.m. Senator Walen moved a Do Not Pass.

8:40 a.m. Senator Barta seconded the motion.

Senators	Vote
Senator Kristin Roers	Y
Senator Jose L. Castaneda	Y
Senator Jeff Barta	Y
Senator Ryan Braunberger	Y
Senator Judy Lee	Y
Senator Chuck Walen	Y

Motion Passed 6-0-0

Senator Walen will carry the bill.

9:43 a.m. Chair Roers closed the hearing.

Susan Helbling, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2314 (25.0978.02000)

State and Local Government Committee (Sen. Roers, Chairman) recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2314 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.