

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1453

Introduced by

Representatives Hauck, Fisher, Hagert, Morton, Novak, Dressler

Senators Gerhardt, Kessel, Luick, Thomas

1 A BILL for an Act to create and enact a new section to chapter 21-06 of the North Dakota
2 Century Code, relating to prohibiting natural asset companies; and to provide a penalty.

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

4 **SECTION 1.** A new section to chapter 21-06 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Natural asset companies prohibited - Penalty.**

- 7 1. As used in this section, "natural asset company" means a corporation with a primary
8 purpose to actively manage, maintain, restore, and grow the value of natural assets
9 and the company's production of ecosystem services, with a value based on the
10 natural assets and ecosystem services.
- 11 2. This state or a political subdivision may not:
- 12 a. Sell, lease, license, grant a lien, or otherwise encumber land or resources owned,
13 leased, or controlled by the state, or the rights to the land or resources, including
14 land, resources, or the rights to the land or resources owned by a state
15 retirement system, to a natural asset company; or
- 16 b. Otherwise conduct business directly or indirectly with a natural asset company
17 granting a natural asset company a direct or indirect interest in or right to the land
18 or resources.
- 19 3. The investment of public funds in a natural asset company is prohibited. Public funds
20 may not be invested in:
- 21 a. Securities or other interests in natural asset companies;
22 b. Mutual funds or other funds invested in natural asset companies or the securities
23 of natural asset funds; or

c. Private placements, partnerships, or other public or private investments in natural asset companies.

4. This state or a political subdivision may not issue, approve, sponsor, guarantee, or otherwise engage with any bond offering involving a natural asset company or any project in which a natural asset company holds an interest or may exercise control. State or political subdivision assets, land, and other interests, including easements, liens, and other encumbrances, may not be used for the benefit of, transferred or promised to, or created for later transfer to or use by, a natural asset company.

5. A natural asset company may not acquire land or any rights to land or the encumbrance of land owned by the state or a political subdivision. Any acquisition by a natural asset company acquiring land owned by the state or a political subdivision is void.

6. The governor, the attorney general, a state agency, a member of the legislative assembly, a political subdivision, or a private citizen who is adversely affected by a violation of this section, may file an action in the district court in the district in which the land affected by the violation is located. If the court finds a violation has occurred, the ownership of the land affected by the violation must revert to the previous owner, and the court may award attorney's fees and costs to the plaintiff.

7. A natural asset company may not operate, conduct business, or acquire assets, easements, or other asset interests in the state. The secretary of state may not:

a. Accept for filing any corporate charter or articles of incorporation by, or grant authority to transact business in this state to, any natural asset company;

b. Accept amendments of any existing company's corporate charter or articles of incorporation to convert any existing company into a natural asset company;

c. Permit the authority of any company doing business in this state to continue to transact business in this state if the company becomes a natural asset company;

d. Accept filing fees from any natural asset company or permit a natural asset company to enjoy good standing, transact business, or otherwise operate in this state; or

e. Accept filing fees from a natural asset company or permit a natural asset company to operate in this state.

- 1 8. A contract entered between a natural asset company and the state, a political
- 2 subdivision, or a person, in violation of this section.
- 3 9. An investment manager or government official overseeing management or bonding
- 4 violating this section shall arrange immediately for the disposition of any prohibited
- 5 investment or funds.