

2025 HOUSE AGRICULTURE

HB 1453

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1453
2/6/2025

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

7:58 a.m. Chairman Beltz opened the meeting.

Members Present: Chairman Beltz, Vice Chairman Hauck, Representatives Anderson, Dobervich, Henderson, Holle, Hoverson, Kiefert, Nehring, Olson, Rios, Schreiber-Beck, Tveit, Vollmer

Discussion Topics:

- Private property rights
- Natural Asset Companies (NAC)
- Purchase of lands under easement contracts
- National and State parks
- Executive order 14072
- Wetland mitigation
- Define natural assets

8:00 a.m. Representative Dori Hauck, District 36, Hebron, ND, introduced, testified and submitted testimony #35815 and #35816.

8:20 a.m. Drew Courtney, Board member, ND Corn Growers Association (NDCGA), testified in opposition and submitted testimony #35819 and #35824

8:26 a.m. Lance Gaebe, Policy Strategist, ND Farmers Union, testified in opposition and submitted testimony #35668.

8:27 a.m. Parrell Grossman, Legislative Director, ND Soybean Growers Association, testified in opposition and submitted testimony #35777.

8:31 a.m. Genny Dienstmann, North Dakota Association of Counties (NDACo), testified in opposition.

8:32 a.m. Chairman Beltz closed the hearing.

Diane Lillis, Committee Clerk



Contact:
Lance Gaebe, Lobbyist
lgaebe@ndfu.org | 701 952-0103

**Testimony of Lance Gaebe
North Dakota Farmers Union
In Opposition to HB 1453
House Agriculture Committee
February 6, 2025**

Chairman Beltz and members of the House Agriculture Committee,

Thank you for the opportunity to testify on behalf of the members of the North Dakota Farmers Union regarding House Bill No. 1453. I am Lance Gaebe.

HB 1453 prohibits the state and political subdivisions from doing business with natural asset companies. It also prohibits state investment in natural asset companies. North Dakota Farmers Union (NDFU) does not have a position on those provisions of the bill. However, we are concerned that paragraph 7, which prohibits natural asset companies from conducting business in the state may have unintended consequences.

North Dakota Farmers Union is a founding sponsor of North Dakota Agricultural Mitigation (NDAM), which manages a farmer-run wetland mitigation banking program. The Ag Wetland Trade facilitates the exchange of wetland mitigation credits, allowing landowners to offset the impact of permitted drainage or other field improvements. NDAM works directly with landowners to establish agricultural wetland banks on their property through the restoration, enhancement, or creation of wetland functions and values.

Our concern with HB 1453 stems from the bill's prohibition on natural asset ownership. This prohibition could negatively impact existing and future wetland bank projects facilitated by NDAM. These wetland mitigation credits have a demonstrable economic value, and NDAM plays a vital role in facilitating their exchange between willing partners. We are concerned that HB 1453, in its current form, may inadvertently prohibit these important, locally driven wetland mitigation effort, which provide critical water management options for North Dakota farmers, ranchers and landowners.

Therefore, we urge the committee to carefully consider the language of HB 1453 and amend it to explicitly exempt wetland mitigation banking activities. This will ensure that these vital environmental and agricultural programs are not unintentionally harmed.

Thank you for your time and consideration. I am happy to answer any questions you may have.



HOUSE BILL NO. 1453
AGRICULTURE COMMITTEE
MIKE BELTZ, CHAIR
TESTIMONY IN SUPPORT OF HOUSE BILL 1453

Chairman Beltz and members of the House Agriculture Committee. I am Parrell Grossman, and it is my privilege to be the Legislative Director for the North Dakota Soybean Growers Association. I appear on behalf of the Association in opposition to House Bill 1453.

The Association advocates for more than 8,900 operations that raise soybeans in North Dakota. In 2024, North Dakota farmers planted 6.6 million acres of soybeans, producing over 245 million bushels of soybeans.

Mr. Chairman and members of the committee, Vice Chairwoman Hauck and the other sponsors certainly have very good intentions with this proposed legislation. Nonetheless, the Association cannot support this Bill. First, we note the Bill does not actually define the term “natural assets.” In section 1, it defines a “natural asset company” and not a “natural asset.” It might be presumed to be land or resources, or the rights to both, although it is not so identified. There is some concern the definition could mean nearly anything on a farmer’s land.

Ultimately, we share the stated concerns about prohibition on natural asset ownership and its potential negative impact on the programs of North Dakota Agricultural Mitigation, as well as any inadvertent prohibition on any other wetland mitigation efforts by farmers, ranchers, and landowners.

Additionally, there have been other stated concerns that this legislation could hinder the options farmers and ranchers have for managing or using their land, including necessary mitigation measures or tools.

Mr. Chairman and members of the Committee, for these reasons, the Association respectfully asks the House Agriculture Committee to give House Bill 1453 a “Do Not Pass” recommendation.

Thank you for and I will stand for any questions.





North Dakota House of Representatives

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Dori Hauck

District 36
2461 81st Avenue SW
Hebron, ND 58638-9510
dorihauck@ndlegis.gov

COMMITTEES:

Education
Agriculture (Vice Chair)

February 6, 2025

Mr. Chair and Members of the Agriculture Committee. I am Dori Hauck, District 36, here to introduce HB1453.

According to a recent ND Game & Fish Conservation note, 93% of North Dakota's land is privately owned. As an advocate for private property rights, it is important to recognize a problem before it begins.

Early in 2021, several organizations who focus on maintaining private property rights and working lands exposed the Biden Administration's 30 x 30 Land Grab plan under Executive Order 14008. The Executive Order known as America the Beautiful was to permanently secure 30% of United States land under federal management and eliminate human use of those lands.

Another of the administration's executive orders was 14072 which directed the Office and Management and Budget to issue guidance on the valuation of ecosystems and environmental services in Federal regulatory decision making. Natural Capital Accounts were created under this order to place natural assets - land, water and air - on the US balance sheet to be used as collateral. The idea is to lock up land through natural capital accounts which quantify nature's values to be added as an asset of the federal government. This idea created Natural Asset Companies (NAC) allowing investors to purchase the rights to millions of acres of public federal land and private lands under easement contracts.

The NAC monetizes ecosystem processes like pollination and photosynthesis. An arbitrary valuation on the ecosystem processes is determined and management authority on land, water and even the air - all of the components necessary for pollination - become under the management of the NAC. Arbitrary because it is not a hard asset nor is it consumer driven. Who is paying for the valuation? The intent is not to make money on these investments, the intent is to gain control of these assets - land, water and air.

The Intrinsic Exchange Group, a potential NAC, website stated that "Farmers are currently compensated for producing commodity crops but not for producing clean air, water, healthy food, soil, a stable climate, or wildlife habitat yet producing these essential goods and services and managing resources wisely is as valuable or perhaps more valuable than food production." When you read that closely, you see the goal is to take working land out of production. The goal is to make it illegal or at the very least impossible to conduct any economic production activity on those lands such as hunting, fishing, ranching, grazing, farming, mining, drilling, or harvesting timber. NAC is one tool in an entire toolbox with an agenda of permanently removing land from productive use and shutting down access to our natural resources destroying rural economies.

The NAC conservation easement could be enrolled with or without the landowner consent. Land targeted for enrollment includes federal lands like our national and state parks, and land in conservation easements on private property. State and national parks are very important and to be able to enjoy them means that we must make a living. As exemplary stewards of the assets, we must be able to farm, mine, travel and work on the lands. We need these resources to live.

Additionally, the NAC would prohibit any use of resources that is not regenerative such as mining, oil extraction and any other activity the company deems as unsustainable. Around October 2023, an investment group, the Intrinsic Exchange Group backed by the Rockefeller Foundation, applied to the New York Stock Exchange to create a new investment class - Natural Asset Companies. Not an investment ASSET, NAC is a new CLASS of investment using a new accounting method which would attract trillions of dollars. The NAC's would be publicly traded investments so shareholders could be foreign companies and countries.

ND's Attorney General Drew Wrigley and his team stood up against this federal land grab via investment vehicle. Attorney General Wrigley was one of 25 AG's that signed a January 9, 2024 letter drafted by the Utah and Kansas Attorney Generals directly and specifically opposing the creation of an investment vehicle "designed to take land off the market to prohibit productive economic uses." America's land would be a tradable stock open to all investors domestic and foreign.

On January 17, 2024, the Securities and Exchange Commission issued its statement that the New York Stock Exchange had withdrawn their proposed rule to create Natural Asset Companies.

April 2024, the Biden Administration released a guide to show how a dollar value is attributed to natural processes such as pollination and photosynthesis - natural functions that no one has the right to own and have never before been considered property.

January 2025, the Trump Administration issued Unleashing American Energy executive order which revoked Biden Administration Executive Order 14072 - the order that directed OMB to create a valuation on ecosystem and environmental services as well as implement natural capital accounts. Due to the revocation of order 14072, the ecosystem valuation guidance policy should be dissolved.

Why are we here still discussing natural asset companies if the SEC withdrew their recommendation and the executive orders were revoked? If you remember, I didn't answer a question of 'where is the money coming from'. The hard work of digging out the entrenched programs across federal departments is just beginning and we must protect North Dakota's public and private lands.

As part of the 2022 Inflation Reduction Act, billions of dollars are earmarked for conservation and conversation easements. States, environmental organizations, and land trusts are eager to get their hands on this funding and ND will not be immune. Programs that have been in place for decades to HELP agriculture are now under the charge to CONTROL agriculture. The CEO of the Intrinsic Exchange Group is actively conveying a new narrative to agriculture leaders so when it is rebranded, it will be with new partners, not Wall Street. We do have a friend in the US Secretary of Interior along with our State leaders and together they must be vigilant in seeking out programs monetizing natural processes.

Natural Asset Companies are a tool for our OWN government to chip away at private land ownership and overall property rights. Over the last four years, the Biden Administrations 30x30 has locked down 24,000,000 acres to federal management and ownership and spent over \$18 Billion for so called conservation projects.

We must keep our eyes open to what is happening to our State's and our nation's agriculture land. We must find a balance between working lands, conservation and development. God isn't making any more land so we must work together to ensure that we are being the best stewards possible to sustain life and recreation for the next several generations.

HB1453 prohibits natural asset companies from doing business in North Dakota.



Testimony on HB 1453
House Agriculture
February 6, 2025

Chairman Beltz and members of the Committee,

For the record, my name is Drew Courtney. Thank you for the opportunity to testify on behalf of the North Dakota Corn Growers Association (NDCGA). NDCGA is one of six agricultural organizations that have worked together to develop North Dakota Agricultural Mitigation, or NDAM. I serve as Vice President of the NDAM Board of Directors.

NDAM is a nonprofit organization with the mission of developing wetland mitigation banking alternatives for farmers facing Natural Resource Conservation Service (NRCS) wetland compliance challenges. NDAM has established Ag Wetland Trade, a program where landowners who have voluntarily established wetlands can sell those acres to individuals who are looking to mitigate impacts to wetlands at other locations. Ag Wetland Trade benefits both conservation and production agriculture.

NDCGA is concerned that HB 1453 would prohibit NDAM from operating in the state, removing a vital tool for producers looking to fully utilize their land while also mitigating any impacts to wetlands and wildlife.

As such, NDCGA opposes HB 1453 as written. Thank you for your consideration, and I am happy to answer any questions.

PROJECT RESPONSIBILITIES

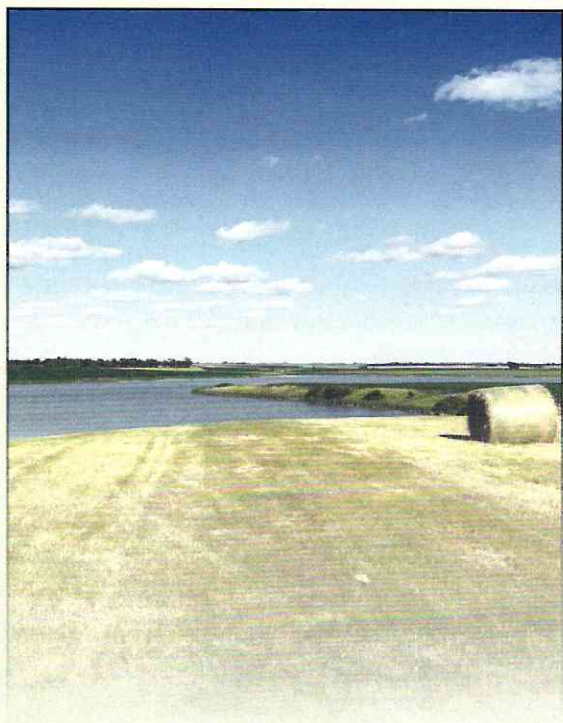
Responsibilities of the sponsor (NDAM) and landowner hosts for the wetland banking process are outlined below:

Sponsor (NDAM):

- Investigation of potential bank site and estimate of credit yield
- Preparation of bank site design
- Facilitation of NRCS approval of bank site plans
- Oversight of implementation of bank site plans (restoration construction and vegetation establishment)
- Retains authority and responsibility for all Ag Wetland Trade credit transactions.
- Credit marketing, sales, and credit ledger tracking
- Posting and maintaining operational life and long-term financial assurances
- Long-term management of mitigation bank
- Establishing and holding the conservation easement

Landowner Host:

- Allows NDAM and Stantec to access site to conduct investigations to prepare bank site plan
- Signs conservation easement and due diligence agreement, and complies with list of restricted uses identified in these documents
- Completes the restoration work according to NRCS approved bank site plan
- Agrees to complete the establishment within an agreed-upon timeline (6-9 months)
- Pays the costs associated with restoration construction and vegetation establishment (Provide documentation of these costs to NDAM)
- Determine wetland credit sale asking prices
- May use up to 25% of wetland credits for their own operation
- Maintenance work during the establishment period (likely 3-4 years)
- Retains ownership of land and is responsible for associated taxes



CONTACTS

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Email: matthew.retka@stantec.com

Shannon Schutt, North Dakota Agricultural Mitigation
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Email: sschutt@clearwatercommunications.net

Find more information at www.ndagwetlandtrade.com





**NORTH DAKOTA
Agricultural
Mitigation**

Ag Wetland Trade

North Dakota Agricultural Mitigation (NDAM), is the sponsor of the Ag-Wetland Trade, a USDA-NRCS approved and grant-funded wetland bank. The goal of NDAM's Ag Wetland Trade is to work with North Dakota landowners to establish wetland banks on their properties by restoring, enhancing or creating wetlands to sell to agricultural producers who propose to impact wetlands under the Swampbuster provisions.

HOW IT WORKS

The Ag Wetland Trade will provide a platform for USDA program participants to purchase wetland mitigating credits to offset wetland losses from drainage or other field improvements. NDAM is on the search for willing landowners with potential to host wetland bank sites for mitigation credits. Bank sites need a Certified Wetland Determination through the NRCS form-1026 process. After identifying potentially suitable sites, Stantec and NDAM will coordinate bank development and determine an estimate of credit yield from the property as well as approximate establishment costs. In exchange for allowing the development of an easement-protected wetland bank on their property, the landowner will receive 80% of the revenue from the sale of the credits. NDAM will collect the remaining 20% credit revenue to cover bank site management, maintenance, and other associated program expenses.

WETLAND CREDIT TRADING

Credit sales will be conducted in cooperation between the sponsor (NDAM) and bank site hosts (landowners). The cooperative credit sale process will include setting a minimum price for the credits and accepting the proposed bid prices for the sale of credits.

ABOUT NDAM

North Dakota Agricultural Mitigation

NDAM is a newly established, not for profit organization comprised of regional agricultural groups including the North Dakota Corn Growers Association, North Dakota Farm Bureau, North Dakota Farmers Union, North Dakota Grain Growers Association, North Dakota Soybean Growers Association, and the U.S. Durum Growers Association.

NDAM's mission is to provide North Dakota agricultural producers with an efficient and cost-effective program for mitigating wetland conversions while providing incentives for landowners volunteering to restore, enhance, or create wetlands. NDAM is contracting with Stantec to provide engineering and technical services for the program.

About Stantec

Stantec is an environmental consulting and engineering firm providing technical assistance for the project. Stantec has local experienced wetland scientists, soil classifiers, engineers, and surveyors on staff that will facilitate the development and establishment of bank sites and work with landowners through every step of the process.

IN COOPERATION WITH:



2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1453
2/14/2025

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

8:56 a.m. Chairman Beltz opened the meeting.

Members Present: Chairman Beltz, Vice Chairman Hauck, Representatives Anderson, Henderson, Holle, Kiefert, Nehring, Olson, Rios, Schreiber-Beck, Tveit, Vollmer

Members Absent: Representative Dobervich, Hoverson

Discussion Topics:

- Conservation easements
- Natural asset company
- USDA climate hubs
- Enroll private land
- Prohibits group easements
- SD defined SEC
- Ethanol
- Unintended consequences
- Carbon credit
- Minerals from coal
- Drain management
- Definition is very broad

9:07 a.m. Representative Anderson moved Adopt Amendment LC #25.1078.01001, #37717.

9:07 a.m. Representative Olson seconded the motion.

9:45 a.m. Representative Anderson withdrew her motion.

9:46 a.m. Chairman Beltz closed the meeting.

Diane Lillis, Committee Clerk

25.1078.01001
Title.

Prepared by the Legislative Council
staff for Representative Hauck
February 13, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

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:-

- 8 a. "Natural asset" means arable soil, air quality, biodiversity, drainage management,
- 9 extractive resources, natural disaster resilience, pollution sinks, and water quality.

- 10 b. "~~natural~~Natural asset company" means a ~~corporation~~an organization with a
- 11 primary purpose to actively manage, maintain, restore, and grow the value of
- 12 natural assets and the company's production of ecosystem services, with a value
- 13 based on the natural assets and ecosystem services, or that holds the rights to
- 14 the ecological performance of a defined area and has the authority to manage
- 15 the area for conservation, restoration, or sustainable management.

- 16 2. This state or a political subdivision may not:

- 17 a. Sell, lease, license, grant a lien, or otherwise encumber land or resources owned,
- 18 leased, or controlled by the state, or the rights to the land or resources, including
- 19 land, resources, or the rights to the land or resources owned by a state
- 20 retirement system, to a natural asset company; or

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee Room JW327C, State Capitol

HB 1453
2/20/2025

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

3:30 p.m. Chairman Beltz opened the meeting.

Members Present: Chairman Beltz, Vice Chairman Hauck, Representatives Anderson, Dobervich, Henderson, Holle, Hoverson, Kiefert, Nehring, Olson, Rios, Schreiber-Beck, Tveit, Vollmer

Discussion Topics:

- Conservation, restoration or sustainability
- Mitigate acres
- Manage wetland acres
- CRP monetization
- SEC ruling

3:30 p.m. Representative Hauck presented an amendment LC #25.1078.01002, #38254.

3:39 p.m. Representative Anderson moved to adopt amendment LC# 25.1078.01002.

3:39 a.m. Representative Rios seconded the motion.

Representatives	Vote
Representative Mike Beltz	Y
Representative Dori Hauck	Y
Representative Karen A. Anderson	Y
Representative Gretchen Dobervich	Y
Representative Donna Henderson	Y
Representative Dawson Holle	Y
Representative Jeff Hoverson	Y
Representative Dwight Kiefert	Y
Representative Dennis Nehring	Y
Representative SuAnn Olson	Y
Representative Nico Rios	Y
Representative Cynthia Schreiber-Beck	N
Representative Bill Tveit	Y
Representative Daniel R. Vollmer	Y

Motion passed 13-1-0.

3:43 p.m. Representative Rios moved Do Pass as amended.

3:43 p.m. Representative Henderson seconded the motion.

Representatives	Vote
Representative Mike Beltz	Y
Representative Dori Hauck	Y
Representative Karen A. Anderson	Y
Representative Gretchen Dobervich	Y
Representative Donna Henderson	Y
Representative Dawson Holle	Y
Representative Jeff Hoverson	Y
Representative Dwight Kiefert	Y
Representative Dennis Nehring	Y
Representative SuAnn Olson	Y
Representative Nico Rios	Y
Representative Cynthia Schreiber-Beck	N
Representative Bill Tveit	Y
Representative Daniel R. Vollmer	N

Motion passed 12-2-0.

3:44 p.m. Representative Hauck will carry the bill.

3:44 p.m. Chairman Beltz closed the meeting.

Diane Lillis, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1453

Introduced by

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

Senators Gerhardt, Kessel, Luick, Thomas

2.20.25

JB lab3

- 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 that holds the
8 rights to the ecological performance produced by natural or working areas and has the
9 authority to manage the areas for conservation, restoration, or sustainable
10 management with a primary purpose to actively manage, maintain, restore, and grow,
11 and monetize the value of natural assets and the company's production of ecosystem
12 services, with a value based on the natural assets and ecosystem services. The term
13 includes a company affiliated with a natural asset company, controlled by a natural
14 asset company, or under common control with a natural asset company.
- 15 2. This state or a political subdivision may not:
- 16 a. Sell, lease, license, grant a lien, or otherwise encumber land or resources owned,
17 leased, or controlled by the state, or the rights to the land or resources, including
18 land, resources, or the rights to the land or resources owned by a state
19 retirement system, to a natural asset company; or

- 1 b. Otherwise conduct business directly or indirectly with a natural asset company
- 2 granting a natural asset company a direct or indirect interest in or right to the land
- 3 or resources.
- 4 3. The investment of public funds in a natural asset company is prohibited. Public funds
- 5 may not be invested in:
- 6 a. Securities or other interests in natural asset companies;
- 7 b. Mutual funds or other funds invested in natural asset companies or the securities
- 8 of natural asset funds; or
- 9 c. Private placements, partnerships, or other public or private investments in natural
- 10 asset companies.
- 11 4. This state or a political subdivision may not issue, approve, sponsor, guarantee, or
- 12 otherwise engage with any bond offering involving a natural asset company or any
- 13 project in which a natural asset company holds an interest or may exercise control.
- 14 State or political subdivision assets, land, and other interests, including easements,
- 15 liens, and other encumbrances, may not be used for the benefit of, transferred or
- 16 promised to, or created for later transfer to or use by, a natural asset company.
- 17 5. A natural asset company may not acquire land or any rights to land or the
- 18 encumbrance of land owned by the state or a political subdivision. Any acquisition by a
- 19 natural asset company acquiring land owned by the state or a political subdivision is
- 20 void.
- 21 6. The governor, the attorney general, a state agency, a member of the legislative
- 22 assembly, a political subdivision, or a private citizen who is adversely affected by a
- 23 violation of this section, may file an action in the district court in the district in which the
- 24 land affected by the violation is located. If the court finds a violation has occurred, the
- 25 ownership of the land affected by the violation must revert to the previous owner, and
- 26 the court may award attorney's fees and costs to the plaintiff.
- 27 7. A natural asset company may not operate, conduct business, or acquire assets,
- 28 easements, or other asset interests in the state. The secretary of state may not:
- 29 a. Accept for filing any corporate charter or articles of incorporation by, or grant
- 30 authority to transact business in this state to, any natural asset company; or

- 1 b. Accept amendments of any existing company's corporate charter or articles of
- 2 incorporation to convert any existing company into a natural asset company;
- 3 ~~c. Permit the authority of any company doing business in this state to continue to~~
- 4 ~~transact business in this state if the company becomes a natural asset company;~~
- 5 ~~d. Accept filing fees from any natural asset company or permit a natural asset~~
- 6 ~~company to enjoy good standing, transact business, or otherwise operate in this~~
- 7 ~~state; or~~
- 8 ~~e. Accept filing fees from a natural asset company or permit a natural asset~~
- 9 ~~company to operate in this state.~~
- 10 8. A contract entered between a natural asset company and the state, a political
- 11 subdivision, or a person, in violation of this section is void.
- 12 9. An investment manager or government official overseeing management or bonding
- 13 violating this section shall arrange immediately for the disposition of any prohibited
- 14 investment or funds.

**REPORT OF STANDING COMMITTEE
HB 1453**

Agriculture Committee (Rep. Beltz, Chairman) recommends **AMENDMENTS** ([25.1078.01002](#)) and when so amended, recommends **DO PASS** (12 YEAS, 2 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1453 was placed on the Sixth order on the calendar.

25.1078.01002
Title.

Prepared by the Legislative Council
staff for Representative Hauck
February 20, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

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.

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- 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 that holds the
8 rights to the ecological performance produced by natural or working areas and has the
9 authority to manage the areas for conservation, restoration, or sustainable
10 management with a primary purpose to actively manage, maintain, restore, and grow,
11 and monetize the value of natural assets and the company's production of ecosystem
12 services, with a value based on the natural assets and ecosystem services. The term
13 includes a company affiliated with a natural asset company, controlled by a natural
14 asset company, or under common control with a natural asset company.
15 2. This state or a political subdivision may not:
16 a. Sell, lease, license, grant a lien, or otherwise encumber land or resources owned,
17 leased, or controlled by the state, or the rights to the land or resources, including
18 land, resources, or the rights to the land or resources owned by a state
19 retirement system, to a natural asset company; or

- 1 b. Otherwise conduct business directly or indirectly with a natural asset company
2 granting a natural asset company a direct or indirect interest in or right to the land
3 or resources.
- 4 3. The investment of public funds in a natural asset company is prohibited. Public funds
5 may not be invested in:
- 6 a. Securities or other interests in natural asset companies;
7 b. Mutual funds or other funds invested in natural asset companies or the securities
8 of natural asset funds; or
9 c. Private placements, partnerships, or other public or private investments in natural
10 asset companies.
- 11 4. This state or a political subdivision may not issue, approve, sponsor, guarantee, or
12 otherwise engage with any bond offering involving a natural asset company or any
13 project in which a natural asset company holds an interest or may exercise control.
14 State or political subdivision assets, land, and other interests, including easements,
15 liens, and other encumbrances, may not be used for the benefit of, transferred or
16 promised to, or created for later transfer to or use by, a natural asset company.
- 17 5. A natural asset company may not acquire land or any rights to land or the
18 encumbrance of land owned by the state or a political subdivision. Any acquisition by a
19 natural asset company acquiring land owned by the state or a political subdivision is
20 void.
- 21 6. The governor, the attorney general, a state agency, a member of the legislative
22 assembly, a political subdivision, or a private citizen who is adversely affected by a
23 violation of this section, may file an action in the district court in the district in which the
24 land affected by the violation is located. If the court finds a violation has occurred, the
25 ownership of the land affected by the violation must revert to the previous owner, and
26 the court may award attorney's fees and costs to the plaintiff.
- 27 7. A natural asset company may not operate, conduct business, or acquire assets,
28 easements, or other asset interests in the state. The secretary of state may not:
29 a. Accept for filing any corporate charter or articles of incorporation by, or grant
30 authority to transact business in this state to, any natural asset company; or

- 1 b. Accept amendments of any existing company's corporate charter or articles of
2 incorporation to convert any existing company into a natural asset company;
3 ~~c. Permit the authority of any company doing business in this state to continue to~~
4 ~~transact business in this state if the company becomes a natural asset company;~~
5 ~~d. Accept filing fees from any natural asset company or permit a natural asset~~
6 ~~company to enjoy good standing, transact business, or otherwise operate in this~~
7 ~~state; or~~
8 ~~e. Accept filing fees from a natural asset company or permit a natural asset~~
9 ~~company to operate in this state.~~
10 8. A contract entered between a natural asset company and the state, a political
11 subdivision, or a person, in violation of this section is void.
12 9. An investment manager or government official overseeing management or bonding
13 violating this section shall arrange immediately for the disposition of any prohibited
14 investment or funds.