

2025 SENATE STATE AND LOCAL GOVERNMENT

SB 2361

2025 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee Peace Garden Room, State Capitol

SB 2361
1/31/2025

Relating to ownership of land and development projects by a foreign adversary; and to provide for a legislative management report

11:00 a.m. Chair Roers called the meeting to order.

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

Discussion Topics:

- Extend Sunset Clause
- Constitutional Regulations

11:04 a.m. Senator Castaneda, District 40, testified in favor and submitted testimony #33203.

11:10 a.m. Chris Joseph, General Counsel to the Governor, testified in opposition.

11:12 a.m. Blaine Johnson, Chair Real Property section of State Bar Association of ND, testified in opposition.

11:20 a.m. Chair Roers closed the hearing.

Additional written testimony:

Cale Dunwoody, Vice President of Public Policy FMWF Chamber of Commerce, submitted testimony #33144 in opposition.

11:24 a.m. Chair Roers closed the meeting.

Susan Helbling, Committee Clerk



Letter of Opposition – SB 2361

Friday, January 31th, 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 2361.

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

To: Chair Roers and Members of the Senate Committee on State and Local Government

From: Senator Jose Castaneda, District 40 — Minot, Bill Sponsor

Date: 1/31/2025

Subject: Testimony in Support of SB 2361

Chair Roers and Members of the Senate Committee on State and Local Government

Last session Sen Paulson sponsored SB 2371 which was signed into law. The law amended section 47-01-09 of the North Dakota Century Code by placing restrictions on ownership of real property by a foreign adversary. Unfortunately, it has a sunset clause of July 31, 2025. The expectation was that with the study done in the 2023-2025 interim, we would have a replacement bill with more teeth than the current statute this session. SB 2026 was meant to be that solution, but as you know, it left this committee with a DNP and failed on the senate floor. We as a committee were looking for a much more streamlined way to ensure that foreign countries of concern do not take hold in North Dakota.

Upon taking office, Governor Armstrong appointed newly retired Major General Alan Dohrmann as his Chief Operating Officer. This appointment brings a new skill set and oversight by the Governor's office that just wasn't there before.

This brings us to HB1209. This bill was drafted in collaboration with the Governor's Office, specifically Mr. Dohrmann, and directs a top-down analysis to pinpoint the exact mode of the threats posed by foreign countries of concern and also examines our vulnerabilities. Although this threat has been seen as mostly economic in nature through investments and land acquisition, foreign adversarial influence can extend into education through academia or cause adverse political influence just to name two ways. The threat is dynamic. The adversary will continuously shift methods when it feels it is losing effectiveness. Although part of the solution, albeit for next session, will be to codify effective and workable methods and procedures to prevent foreign investment and land acquisition, we need sector specific dynamic mitigation. That level of defense will most likely require establishing a state intelligence and counter-threat unit that is lean and cost effective. I am not aware of any study that has analyzed the threat from this perspective and that is what this bill aims to do in the interim. The executive branch and Mr. Dohrmann are on board and have testified that this work can be done with current state resources. The results of this study will have sensitive information especially in the threat analysis and vulnerability assessment areas. That is the reason for Section 3 on page 5. Any legislation that we pass must to be strategic, not transactional, if we want to be successful in mitigating this threat.

However, a study of this nature will use up the balance interim to reap any meaningful results. In the meantime, that leaves our only defense against foreign countries of interest, section 47-01-09 of the North Dakota Century Code sunseting on July 31st of this year. So, we kill two birds with one stone. Sections 1, 2, and 3 of SB 2361 extend the sunset clause by two years while Section 4, being identical to HB 1209 as passed by the house on Monday in a 91-1 vote, takes care of creating the framework for creating a multi-faceted and dynamic risk mitigation strategy. The reason that the same bill is in both houses is that when SB 2026 failed the senate I needed a hedge against HB 1209 not passing the house or getting drastically amending.

Thank you for your consideration. I respectfully request a Do Pass recommendation for this bill and I stand for questions.

Jose Castaneda
State Senator
District 40 -- Minot

2025 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee Room JW216, State Capitol

SB 2361
2/13/2025

Relating to ownership of land and development projects by a foreign adversary; and to provide for a legislative management report

8:39 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

8:39 a.m. Senator Castaneda moved a Do Not Pass.

8:39 a.m. Senator Walen 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 Castaneda will carry the bill.

8:41 a.m. Chair Roers closed the meeting.

Susan Helbling, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2361 ([25.1352.01000](#))

State and Local Government Committee (Sen. Roers, Chairman) recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2361 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.