

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1395**

Introduced by Murman, 38; Hansen, 16; Kauth, 31.

Read first time January 17, 2024

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to natural asset companies; to adopt the

2 Natural Asset Company Prohibition Act.

3 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 9 of this act shall be known and may be  
2 cited as the Natural Asset Company Prohibition Act.

3           Sec. 2. For purposes of the Natural Asset Company Prohibition Act,  
4 natural asset company has the same meaning set forth in the rules and  
5 regulations issued and promulgated by the Securities and Exchange  
6 Commission and for listing on the New York Stock Exchange or any other  
7 stock exchanges. Natural asset company includes any company affiliated  
8 with any natural asset company, controlled by any natural asset company,  
9 or under common control with any natural asset company. Natural asset  
10 company also includes any company, including, but not limited to,  
11 corporations and limited liability companies whose primary purpose is to  
12 actively manage, maintain, restore, and grow the value of natural assets  
13 and the production of ecosystem services. Any entity which is listed by  
14 the Securities and Exchange Commission as a natural asset company is  
15 considered a natural asset company, regardless of its legal form.

16           Sec. 3. The State of Nebraska or any political subdivision of the  
17 state shall not (1) sell, lease, license, or grant liens, or otherwise  
18 encumber land or resources owned, leased, or otherwise controlled by the  
19 state, or the rights to such land or resources including land, resources,  
20 or the rights to such land or resources owned by any state retirement  
21 system, to a natural asset company or (2) otherwise do business directly  
22 or indirectly with a natural asset company in a way that would grant a  
23 natural asset company a direct or indirect interest in or right to such  
24 land or resources.

25           Sec. 4. (1) The investment of public funds, including state funds,  
26 funds controlled by an entity owned or controlled by the state, funds of  
27 any state retirement system, and funds managed by, controlled by, or  
28 allocated to any political subdivision of the state, or entity owned or  
29 controlled by a political subdivision of the state in a natural asset  
30 company is prohibited.

31           (2) No funds managed by, controlled by, or allocated to an entity

1 listed in subsection (1) of this section shall be invested in:

2 (a) Securities of or other interests in natural asset companies;

3 (b) Mutual funds or other funds invested in natural asset companies  
4 or the securities of natural asset funds; or

5 (c) Private placements, partnerships, or other public or private  
6 investments in natural asset companies.

7 Sec. 5. The state and any political subdivision of the state shall  
8 not issue, approve, sponsor, guarantee, or otherwise engage with any bond  
9 offering involving a natural asset company or any project in which a  
10 natural asset company holds an interest or can exercise control.

11 Sec. 6. (1) Assets, including land and other interests, including,  
12 but not limited to, easements, liens, and other encumbrances, shall not  
13 be used for the benefit of, transferred or promised to, or created for  
14 later transfer to or use by, a natural asset company.

15 (2) As the State of Nebraska does not consent to the acquisition of  
16 land or any rights to such land or the encumbrance of land or any rights  
17 thereto by a natural asset company if a natural asset company acquires  
18 any land or rights or interest to or in such land, the ownership of such  
19 land shall revert back to the State of Nebraska and any easement, lien,  
20 or other encumbrance in violation of the Natural Asset Company  
21 Prohibition Act or any other state law shall be null and void.

22 (3) The Governor, the Attorney General, any agency of this state,  
23 any member of the Legislature, any municipality within this state, and  
24 any private citizen who is adversely affected by a violation of the  
25 Natural Asset Company Prohibition Act, may file an action in the district  
26 court in the county in which the land affected by the violation of the  
27 act is located. If the court finds that the act has been violated,  
28 ownership of the land affected by the violation of the act shall revert  
29 back to the State of Nebraska and any encumbrance in violation of the  
30 act, including liens, easements, or other encumbrances shall be null and  
31 void.

1       (4) If the court finds that a violation of the Natural Asset Company  
2 Prohibition Act has occurred, the court may award attorney's fees and  
3 costs to the plaintiff.

4       Sec. 7. Natural asset companies are not permitted to operate,  
5 conduct business, or acquire assets, easements, or other asset interests  
6 in Nebraska.

7       Sec. 8. (1) The Secretary of State shall not accept for filing any  
8 corporate charter or articles of incorporation by, or grant authority to  
9 transact business in this state to, any natural asset company.

10       (2) The Secretary of State shall not accept amendments of any  
11 existing Nebraska company's corporate charter or articles of  
12 incorporation to convert any existing Nebraska company into a natural  
13 asset company.

14       (3) The Secretary of State shall rescind the authority of any  
15 company doing business in Nebraska to continue to transact business in  
16 Nebraska if such company becomes a natural asset company.

17       (4) The Secretary of State shall not accept filing fees from any  
18 natural asset company and shall not permit a natural asset company to  
19 enjoy good standing, transact business, or otherwise operate in this  
20 state.

21       (5) The Secretary of State shall not issue a certificate of  
22 authority to a foreign natural asset company.

23       (6) The Secretary of State shall revoke any certificate of authority  
24 already issued to any foreign natural asset company.

25       Sec. 9. (1) Any company that violates the Natural Asset Company  
26 Prohibition Act shall lose authorization to do business in this state for  
27 as long as the company continues to violate the act.

28       (2) Any contract with a natural asset company entered into by the  
29 state, by any political subdivisions of this state, or by any entity in  
30 violation of the Natural Asset Company Act shall be null and void and  
31 unenforceable.

1           (3) Any investment manager or government official overseeing  
2 management or bonding that violates the Natural Asset Company Prohibition  
3 Act shall immediately arrange for the disposition of any prohibited  
4 investment or use of funds.