

AN ACT to amend Tennessee Code Annotated, Title 4,  
Title 9, Title 11, Title 48; and Title 62; relative to  
natural asset companies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 1, Part 1, is amended by creating the following new section:

**4-1-110. Management of State Lands.**

The state of Tennessee and any political subdivision thereof, shall not sell, lease, license, grant liens, or otherwise encumber state owned, leased, or otherwise controlled land, resources, territory, or rights to such, including land and resources and rights to such, owned by state pension funds, to a natural asset company, nor otherwise do business directly or indirectly with a natural asset company in a way that would grant a natural asset company a direct or indirect interest in or right to such land, resources, territory or rights to such.

SECTION 2. Tennessee Code Annotated, Title 9, Chapter 1 is amended by creating the following new sections:

**9-1-112. Use of public funds for natural asset companies prohibited.**

(a) "Natural asset company" has the meaning set forth in § 48-101-1001.

(b) The investment of public funds, including state funds, state agency funds, funds controlled by a state-owned corporation or other state-controlled entity, state pension funds and funds managed or controlled by, or allocated to, any political subdivision of this state, or entity owned or controlled by a political subdivision of this state, in a natural asset company is prohibited.

(c) No funds owned by, allocated to, or controlled by an entity listed in subsection (b) shall be invested in:

(1) Securities of or other interests in natural asset companies,

(2) Mutual funds or other funds invested in natural asset companies or their securities, or

(3) private placements, partnerships or other public or private investments in natural asset companies.

**9-1-113. Bonding involving natural asset companies prohibited.**

Neither the state nor any municipality, county, other political subdivision of the state shall 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 can exercise control.

SECTION 3. Tennessee Code Annotated, Title 11, Chapter 18 is amended by creating the following new section:

**11-18-108. Use for natural asset companies prohibited - Remedies.**

(a) No assets, including land, governed by this chapter and no rights whatsoever, including, but not limited to, easements, liens and other encumbrances, may be used for the benefit of, transferred or promised to, or created for later transfer to or use by, a natural asset company as prohibited by title 48, chapter 101, part 10.

(b) As the state of Tennessee does not consent to the acquisition of land or any rights to such land or the encumbrance of land or any rights thereto by a natural asset company, if a natural asset company acquires any land, rights or interest to or in such land, governed by this chapter, the ownership of such land shall revert back to the state of Tennessee and any encumbrance in violation of this chapter or any other state law shall be null and void.

(c) The governor, the attorney general, the commissioner of of any agency or department of this state, any member of the general assembly, any mayor of a municipality within this state, and any private citizen who is adversely affected by a violation of this section, can file a suit in chancery court in the county in which the land affected by the violation of this section is located. If the court finds that this section has been violated, ownership of the land governed by this chapter and affected by the violation of this section reverts back to the state of Tennessee and any encumbrance in violation of this chapter, including liens and easements, is null and void.

(d) If the court finds that a violation of this chapter has occurred, the court may order the party responsible for the violation to cover the plaintiff's attorneys' fees.

SECTION 4. Tennessee Code Annotated, Title 48, Chapter 101 is amended by creating the following new Part 10:

**48-101-1001. Definitions.**

(a) "Natural asset company" has the meaning set forth in the rules and regulations issued and statutes promulgated by the Securities and Exchange Commission and for listing on the New York Stock Exchange or any other stock exchanges. "Natural asset company" also includes any company affiliated with any such natural asset company, controlled by any such natural asset company or under common control with any such natural asset company. "Natural asset company" further includes any company, including, but not limited to, corporations and limited liability companies, whose primary purpose is to actively manage, maintain, restore (as applicable), and grow the value of natural assets and their production of ecosystem services.

(b) An entity meeting the definition of subsection (a) or which is listed by the Securities and Exchange Commission as a natural asset company, is considered a natural asset company, regardless of its legal form.

**48-101-1002 . Operation in Tennessee prohibited.**

Natural asset companies are not permitted to operate, conduct business or acquire assets, easements or other interests in assets in Tennessee.

**48-101-1003 . Ineligibility for corporate status in Tennessee.**

(a) The secretary of state shall not 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) The secretary of state shall not accept amendments of any existing Tennessee company's corporate charter or articles of incorporation to convert any existing Tennessee company into a natural asset company.

(c) The secretary of state shall rescind the authority of any company doing business in Tennessee to continue to transact business in Tennessee if such company becomes a natural asset company.

(d) The secretary of state shall not accept filing fees from any such natural asset company and shall not permit a natural asset company to enjoy good standing or otherwise to transact business or otherwise operate in this state.

(e) The secretary of state shall not issue a certificate of authority to a foreign natural asset company.

(f) The secretary of state shall revoke any certificate of authority already issued to any foreign natural asset company.

**48-101-1004. Violations.**

(a) Any company that violates the provisions of this part shall lose its authorization to do business in this state so long as it continues to violate the section.

(b) Any contract entered into by the state or any of its political subdivisions or state-owned or controlled entities that violates the provisions of this part or of §§ 4-1-110, 9-1-112 or 9-1-113 shall be deemed to be null and void and shall be unenforceable.

(c) Any investment manager or government official overseeing management or bonding that violates the provisions of this part shall immediately arrange for the unwinding or disposition of any prohibited investment or use of funds.

SECTION 5. Tennessee Code Annotated, Section 48-249-901 is amended by creating the following new subdivision (3):

"Natural asset companies are prohibited and ineligible for a certificate of authority per chapter 101, part 10 of this title."

SECTION 6. This act takes effect upon becoming a law, the public welfare requiring it.