



AGRICULTURE AND NATURAL RESOURCES COMMITTEE

Monday, September 23, 2024
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Paul J. Thomas, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Paul J. Thomas, Mike Beltz, Hamida Dakane, Dori Hauck, Jeff A. Hoverson, David Monson*, Dennis Nehring, SuAnn Olson, JoAnne Rademacher, Bill Tveit; Senators Cole Conley, Greg Kessel, Randy D. Lemm, Larry Luick, Janne Myrdal*, Terry M. Wanzek, Mark F. Weber, Kent Weston

Members absent: Representatives Mike Brandenburg, Dwight Keifert, Mitch Ostlie

Others present: Robert Cowheard*, Michelle Humphrey*, and Rob Sarver*, Servius Group; and Kari Cutting*, Cutting Edge Consulting

See [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Representative Tveit, seconded by Representative Dakane, and carried on a voice vote that the minutes of the June 20, 2024, meeting be approved as distributed.

TRACKING PARTICIPATION IN THE NATIONAL FLOOD INSURANCE PROGRAM STUDY

Mr. Dustin A. Richard, Counsel, Legislative Council, presented a bill draft [[25.0338.02000](#)] relating to floodplain management powers and ordinances for counties, cities, and townships.

Mr. Johnny Palsgraaf, General Counsel and Legal Division Director, Insurance Department, provided testimony regarding the bill draft [[25.0338.02000](#)] relating to floodplain management powers and ordinances for counties, cities, and townships. He noted:

- The bill draft will help insurance agents accurately issue National Flood Insurance Program (NFIP) policies because a publicly accessible repository of participating communities would be created under the proposal.
- Private flood insurance is becoming increasingly available for consumers to purchase.

Mr. Larry Syverson, Executive Director/Director of Governmental Relations, North Dakota Township Officers Association, provided testimony regarding the bill draft [[25.0338.02000](#)] relating to floodplain management powers and ordinances for counties, cities, and townships. He noted in some townships, floodplain management, zoning, and building permits are tightly intertwined, and some townships are concerned zoning and land use authority could be inadvertently infringed upon under this proposal.

Mr. Tyler Spomer, National Flood Insurance Program Coordinator, Department of Water Resources, provided testimony regarding the bill draft [[25.0338.02000](#)] relating to floodplain management powers and ordinances for counties, cities, and townships. He noted:

- NFIP was created by Congress through the adoption of the National Flood Insurance Act of 1968.
- NFIP requires participating communities to adopt and enforce floodplain management ordinances within the participating community's floodplain.
- Adherence to minimum floodplain management standards within floodplain management ordinances saves lives and flood-related property damage.

- The Federal Emergency Management Administration does not directly charge participating communities to participate in the NFIP. However, participating communities may incur indirect costs associated with administering the requirements of the NFIP.
- Residents in nonparticipating NFIP communities do not have access to NFIP-backed flood insurance. However, these residents may purchase flood insurance sold by private insurance companies.

It was moved by Senator Luick, seconded by Senator Wanzek, and carried on a roll call vote that the bill draft [25.0338.02000] relating to floodplain management powers and ordinances for counties, cities, and townships, be approved and recommended to the Legislative Management. Representatives Thomas, Beltz, Dakane, Hauck, Hoverson, Monson, Olson, Rademacher, and Tveit and Senators Conley, Kessel, Lemm, Luick, Myrdal, Wanzek, Weber, and Weston voted "aye." Representative Nehring voted "nay."

REQUIRED REPORTS FROM THE DEPARTMENT OF AGRICULTURE

Mr. Tom Bodine, Deputy Commissioner, Department of Agriculture, provided a report ([Appendix B](#)) regarding environmental impact mitigation fund disbursements under North Dakota Century Code Section 4.1-01-21.1. He noted:

- Expenditures will be made to implement net zero pollution impact plans for property environmentally affected by the construction and operation of an energy conversion or transmission facility.
- Appropriate mitigation practices are being developed using the fund.
- Landowner input is encouraged to determine feasible mitigation practices.
- Funds only may be used to mitigate the impacts of wind energy development, not oil and gas pipeline development.

Mr. Shaun Quissell, Director, Grain and Livestock Licensing Division, Department of Agriculture, provided a report ([Appendix C](#)) regarding the development of a new or updated model zoning ordinance by the Model Zoning Review Task Force related to animal feeding operations under Section 4.1-01-28. He noted:

- The department is creating requirements for the livestock-friendly county designation under Section 4.1-01-24.
- If implemented, a livestock odor modeling program could allow a local zoning authority to deviate from codified odor setbacks.
- The task force compared setback requirements from Minnesota, Nebraska, and South Dakota when determining the recommended setbacks for an animal feeding operation in the state.

Mr. Karl Rockeman, Director, Division of Water Quality, Department of Environmental Quality, provided testimony regarding the development of a new or updated model zoning ordinance by the Model Zoning Review Task Force related to animal feeding operations under Section 4.1-01-28. He noted:

- The department works with its counterparts in bordering states when odors from animal feeding operations located in one state affect residents of another state.
- Odor setbacks are calculated from the location of the structure, not surrounding land parcels.
- If an operator of an animal feeding operation conducts manure application, typical odor restrictions do not apply to that process.
- Interest in investing in animal agriculture in the state is increasing.
- Developing animal agriculture while protecting the state's land, air, and water is achievable.

Mr. Pete Hanebutt, Director of Public Policy, North Dakota Farm Bureau, provided testimony regarding the development of a new or updated model zoning ordinance by the Model Zoning Review Task Force related to animal feeding operations under Section 4.1-01-28. He noted livestock odor modeling programs are science-based programs proven to effectively detect odors stemming from animal feeding operations.

Ms. Julie Ellingson, Executive Vice President, North Dakota Stockmen's Association, provided testimony regarding the development of a new or updated model zoning ordinance by the Model Zoning Review Task Force related to animal feeding operations under Section 4.1-01-28. She noted the association supports removing unnecessary regulations restricting responsible animal agriculture development while preserving local control over its development.

OWNERSHIP OF PROPERTY AND ASSETS BY FOREIGN ADVERSARIES IN NORTH DAKOTA STUDY

Senator Conley provided testimony ([Appendix D](#)) regarding the committee's study of ownership of property and assets by foreign adversaries.

Representative Hoverson presented a bill draft [\[25.0067.03000\]](#) relating to ownership of real property by a foreign country of concern or a foreign organization of concern, local development by a foreign country of concern or a foreign organization of concern, and the filing of information statements with the Secretary of State. He noted he revised his prior bill draft [\[25.0067.02000\]](#) after conversations with the Secretary of State and the State Auditor. He encouraged the committee's favorable consideration of the revised bill draft.

Representative Olson presented a bill draft [\[25.0061.01000\]](#) relating to required disclosures for foreign owners of agricultural land and agriculture commissioner reporting requirements and the prohibition on ownership of real property by a foreign adversary, which previously was presented to the committee at the February 13, 2024, meeting. She encouraged the committee's favorable consideration of Sections 1, 2, and 3 of the bill draft.

Representative Olson presented a bill draft [\[25.0062.01000\]](#) relating to foreign ownership of real property near military installations, which previously was presented to the committee at the February 13, 2024, meeting. She encouraged the committee's favorable consideration of Section 1 of the bill draft.

Senator Myrdal presented a bill draft [\[25.0362.01000\]](#) relating to certification of a grantee's right to own property, the powers of a board of county commissioners, a board of city commissioners, and a city council regarding development by a foreign country of concern or a foreign organization of concern and the prohibition on ownership of real property by a foreign country of concern or a foreign organization of concern. She encouraged the committee's favorable consideration of Section 2 of the bill draft.

Representative Olson presented a bill draft [\[25.0393.01000\]](#) relating to an appropriation to the Attorney General for purposes of conducting a foreign adversaries threat assessment. She recommended the state contract with industry experts to collect additional information to aid the state in preventing threats posed by foreign adversaries.

PUBLIC COMMENT

Mr. Rob Sarver, Chief Executive Officer, Servius Group, introduced by Ms. Kari Cutting, Cutting Edge Consulting, provided testimony regarding the committee's study of ownership of property and assets by foreign adversaries. He noted:

- Servius Group is a private intelligence company composed of former national intelligence agents and special operations professionals from branches of the United States military.
- Foreign adversaries employ several tactics to undermine national security in the United States.

Ms. Michelle Humphrey and Mr. Robert Cowheard, Servius Group, provided testimony ([Appendix E](#)) regarding the committee's study of ownership of property and assets by foreign adversaries.

COMMITTEE ACTION

It was moved by Representative Tveit, seconded by Senator Weber, that the authors of bill drafts [\[25.0061.01000\]](#), [\[25.0062.01000\]](#), [\[25.0067.03000\]](#), and [\[25.0362.01000\]](#) work with the Legislative Council to combine the drafts into a single draft for the committee to consider at a subsequent meeting.

Mr. Richard informed the committee:

- A group of committee members working together on official committee business likely would constitute a subcommittee, which must be publicly noticed.
- The creation of a subcommittee requires prior approval of the Chairman of the Legislative Management.
- A formal motion is not required to authorize the Legislative Council to prepare a committee bill draft for a subsequent meeting.

Committee members expressed a preference to amend the proposed bill drafts during the meeting and forward recommendations to the Legislative Management.

After further discussion, **Representative Tveit withdrew his motion, and Senator Weber withdrew his second.**

Some committee members raised concerns regarding enacting further restrictions out of fear it may hinder agricultural research, the business community, and investment in the state. Other committee members expressed the need to enact additional restrictions to protect the citizens and resources of the state.

It was moved by Representative Hoverson, seconded by Senator Luick, and carried on a roll call vote to revise the bill draft [25.0067.03000] relating to ownership of real property by a foreign country of concern or a foreign organization of concern, local development by a foreign country of concern or a foreign organization of concern, the filing of information statements with the Secretary of State, and the threshold of ownership interests in subdivision c of subsection 2 on page 3 by eliminating the 50 percent threshold and replacing it with "A foreign organization of concern in which a foreign country of concern owns any ownership interest in the foreign organization of concern or the foreign country of concerns controls or directs the business operations and affairs of the foreign organization of concern without the requirement of consent from the committee on foreign investment in the United States, unless the foreign organization of concern was operating lawfully in the United States on or before August 1, 2023." Representatives Hauck, Hoverson, Nehring, Olson, Rademacher, and Tveit and Senators Lemm, Luick, Weber, and Weston voted "aye." Representatives Thomas, Beltz, Dakane, and Monson and Senators Conley, Kessel, Myrdal, and Wanzek voted "nay."

It was moved by Representative Hauck, seconded by Senator Myrdal, and carried on a roll call vote to revise the bill draft [25.0067.03000] relating to ownership of real property by a foreign country of concern or a foreign organization of concern, local development by a foreign country of concern or a foreign organization of concern, and the filing of information statements with the Secretary of State to incorporate Section 2 of the bill draft [25.0362.01000] into the bill draft [25.0067.03000]. Representatives Thomas, Beltz, Dakane, Hauck, Hoverson, Monson, Nehring, Olson, Rademacher, and Tveit and Senators Conley, Kessel, Lemm, Luick, Myrdal, Wanzek, Weber, and Weston voted "aye." No negatives votes were cast.

It was moved by Representative Olson, seconded by Representative Hauck, and carried on a roll call vote to revise the bill draft [25.0067.03000] relating to ownership of real property by a foreign country of concern or a foreign organization of concern, local development by a foreign country of concern or a foreign organization of concern, and the filing of information statements with the Secretary of State to incorporate Sections 1, 2, and 3 of the bill draft [25.0061.01000] into the bill draft [25.0067.03000]. Representatives Thomas, Beltz, Dakane, Hauck, Hoverson, Monson, Nehring, Olson, Rademacher, and Tveit and Senators Conley, Kessel, Lemm, Luick, Myrdal, Wanzek, Weber, and Weston voted "aye." No negative votes were cast.

It was moved by Senator Myrdal, seconded by Representative Monson, and carried on a roll call vote that the bill draft [25.0067.03000], as revised, relating to ownership of real property by a foreign country of concern or a foreign organization of concern, local development by a foreign country of concern or a foreign organization of concern, and the filing of information statements with the Secretary of State be approved and recommended to the Legislative Management. Representatives Thomas, Beltz, Dakane, Hauck, Hoverson, Monson, Nehring, Olson, Rademacher, and Tveit and Senators Conley, Kessel, Lemm, Luick, Myrdal, Wanzek, Weber, and Weston voted "aye." No negative votes were cast.

It was moved by Representative Beltz, seconded by Senator Myrdal, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill drafts recommended by the committee and to present the report and recommended bill drafts to the Legislative Management.

It was moved by Senator Wanzek, seconded by Senator Conley, and carried on a voice vote that the committee be adjourned sine die.

No further business appearing, Chairman Thomas adjourned the committee sine die at 3:11 p.m.

Dustin A. Richard
Counsel

ATTACH:5