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**Testimony of Lance Gaebe
North Dakota Farmers Union
In Support of 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.