



AGRICULTURE AND WATER MANAGEMENT COMMITTEE

Thursday, September 11, 2025
Room 327B, State Capitol
Bismarck, North Dakota

Representative Dori Hauck, Chairman, called the meeting to order at 10:04 a.m.

Members present: Representatives Dori Hauck, Mike Beltz, Mike Brandenburg, Lisa Finley-Deville*, Kathy Frelich, Jeff Hoverson, Dwight Kiefert, David Monson*, Dennis Nehring, Kathy Skroch; Senators Cole Conley, Robert Erbele, Randy D. Lemm, Larry Luick, Michelle Powers, Terry M. Wanzek, Mark F. Weber

Members absent: Representatives Karen A. Anderson, Keith Kempenich; Senator Michael Dwyer

Others present: Chuck Clairmont and Don Moseman, North Dakota Safety Council; Lynette Flage, North Dakota State University Extension Service; Don Flaherty, Dickey County; Jeff Frith, Devils Lake Basin Joint Water Resource Board; Doug Goehring, Agriculture Commissioner; Pete Hanebutt, North Dakota Farm Bureau; Ron Haugen, North Dakota State University; Brandon Nicol, Nodak Insurance Company; Benjamin Sand, Workforce Safety and Insurance

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

**Attended remotely*

Mr. Dustin A. Richard, Counsel, Legislative Council, presented a memorandum entitled [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#).

WETLANDS AND INUNDATED LANDS STUDY

Mr. Richard presented a memorandum entitled [Wetlands Regulations and Tax Treatment of Inundated Agricultural Lands Study - Background Memorandum](#).

Mr. Doug Goehring, Agriculture Commissioner, provided testimony ([Appendix B](#)) regarding the committee's study of water and wetlands regulations and the taxation of inundated lands in the state. In response to questions from committee members, he noted:

- Since 1993, the number of inundated acres in the state has increased.
- Some locations in the state lack proper drainage, which has resulted in agricultural land and roads being covered by several feet of water.
- Inundated roads poses major transportation issues, especially for emergency service providers.
- In the context of the United States Fish and Wildlife Service (USFWS) wetland easements, federal law generally supersedes state law, which presents complexities for easements including setback requirements, agreed to legal descriptions, and in some cases, duress at the time of negotiation.
- Congress is considering legislation, the Landowner Easement Rights Act, which would require USFWS to delineate wetland acres subject to a USFWS easement, renegotiate easement terms, or allow a landowner to reacquire easement acres from USFWS.

Mr. Aaron Carranza, Regulatory Division Director, Department of Water Resources, provided testimony ([Appendix C](#)) regarding the committee's study of water and wetlands regulations and the taxation of inundated lands in the state. In response to questions from committee members, he noted:

- Several complex legal issues exist regarding the ownership of lands surrounding Devils Lake, Lake Sakakawea, and other navigable waterways in the state.
- The beds of all navigable waters in existence at the time of statehood are held in trust for public use by the state of North Dakota.
- Differences exist between how the federal government regulates the waters of the United States under federal law and how the state approves and allocates waters of the state.

Mr. Ron Haugen, Farm Management Specialist, Agribusiness and Applied Economics Department, North Dakota State University, provided testimony ([Appendix D](#)) regarding the committee's study of water and wetlands regulations and the taxation of inundated lands in the state. In response to questions from committee members, he noted:

- The Agribusiness and Applied Economics Department at North Dakota State University (NDSU) sends letters to counties requesting the number of inundated acres in the county, but if a county does not respond to the request for information, the department does not conduct further outreach with the county.
- When land is suitable for farming the land should be reclassified as productive cropland.

Mr. Aaron Birst, Executive Director, North Dakota Association of Counties, provided testimony regarding the committee's study of water and wetlands regulations and the taxation of inundated lands in the state. In response to questions from committee members, he noted:

- The state is wetter than it's ever been in terms of inundated land.
- If property owners do not pay taxes on inundated land for 3 years, the county generally will foreclose on the land. However, foreclosure actions on agricultural land rarely are completed because a bank or family member usually will intervene to prevent the foreclosure.
- Inundation of lands caused by navigable waters receive different legal treatment than inundation caused by non-navigable waters.

Mr. Don Flaherty, Director of Tax Equalization, Dickey County, provided testimony ([Appendix E](#)) regarding the committee's study of water and wetlands regulations and the taxation of inundated lands in the state. In response to questions from committee members, he noted:

- The inundated lands reporting process imposes a burden on taxpayers because it must be completed annually.
- The inundated lands application process addresses short-term relief for short-term water issues.
- Dickey County has 40,000 acres of inundated land, but the county is allowed to report only 4,900 acres, due to farmers not completing the paperwork to classify the land as inundated.
- While a landowner who completes an application for inundated status is subject to a tax rate of 10 percent of the noncropland value of the inundated parcels, a landowner who fails to complete an application for inundated status for inundated land is subject to a tax rate of 25 percent of the noncropland value of the inundated parcel.
- A landowner may use inundated land for a purpose other than farming while maintaining inundated status.

Mr. Jeff Frith, Manager, Devils Lake Basin Joint Water Resource Board, provided testimony ([Appendix F](#)) regarding the committee's study of water and wetlands regulations and the taxation of inundated lands in the state. In response to questions from committee members, he noted:

- Ramsey County generally does not require landowners to complete an inundation form if the inundated land is contiguous to Devils Lake.
- When the parcels are deemed inundated, the county will lower the tax rate to the inundated lands rate under state law.
- Tourism and recreation has improved Devils Lake's regional economy; however, the economic benefit may not outweigh the agricultural losses incurred by farmers.

AGRICULTURE INSURANCE DISCOUNT PROGRAM STUDY

Mr. Richard presented a memorandum entitled [Agriculture Insurance Safety Program Study - Background Memorandum](#).

Mr. Blaine Bergstedt, Property and Casualty Division Director, Insurance and Securities Department, provided testimony ([Appendix G](#)) regarding the committee's study of the feasibility and desirability of creating a program to allow a farmer or rancher to complete a safety course to receive a discount on insurance relating to the individual's farming or ranching operation. In response to questions from committee members, he noted:

- Before an insurance carrier may raise insurance premiums, the carrier must provide credible data to the Insurance and Securities Department to justify the premium increase.
- A state program would be an incentive to increase farm safety in the state.

Mr. Benjamin Sand, Loss Control Program Manager, Workforce Safety and Insurance, provided testimony ([Appendix H](#)) regarding the committee's study of the feasibility and desirability of creating a program to allow a farmer or rancher to complete a safety course to receive a discount on insurance relating to the individual's farming or ranching operation. In response to questions by committee members, he noted:

- The majority of farm operations in the state do not partner with Workforce Safety and Insurance for farm safety coverage.
- Safety measures are preventive in nature and lower long-term costs despite upfront expenses.

Dr. Lynette Flage, Associate Director, North Dakota State University Extension Service, provided testimony ([Appendix I](#)) regarding the committee's study of the feasibility and desirability of creating a program to allow a farmer or rancher to complete a safety course to receive a discount on insurance relating to the individual's farming or ranching operation. In response to questions by committee members, she noted:

- An option for establishing a statewide insurance reduction safety program could involve NDSU Extension Service developing the program and contracting with private insurers to administer the premium reduction program.
- NDSU Extension Service is offering safety programs in each county of the state through the 4-H Program.
- The creation of a state program would help formalize farm safety across the state.

Mr. Chuck Clairmont, Executive Director and Mr. Don Moseman, Training Director, North Dakota Safety Council, provided testimony ([Appendix J](#)) regarding the committee's study of the feasibility and desirability of creating a program to allow a farmer or rancher to complete a safety course to receive a discount on insurance relating to the individual's farming or ranching operation. In response to questions from committee members, they noted:

- A Susan Harwood grant is given to an organization by the Occupational Safety and Health Administration to develop a national safety training curriculum.
- The North Dakota Safety Council's safety curriculum features several different modules, which cover various farm safety topics.

- When a project created by a Susan Harwood grant is completed, the Occupational Safety and Health Administration takes possession of the curriculum and includes it in a publicly accessible database.

Mr. Brad Nold, Chief Claims Officer, Farmers Union Insurance Company, provided testimony ([Appendix K](#)) regarding the committee's study of the feasibility and desirability of creating a program to allow a farmer or rancher to complete a safety course to receive a discount on insurance relating to the individual's farming or ranching operation. In response to questions from committee members, he noted:

- Farmers Union Insurance Company does not distribute a training completion certificate to bring to other insurance companies for attending a safety training seminar.
- Historically, the attendance of nonmembers at a Farmers Union Insurance Company seminar is very low. It is unlikely a certificate issued by Farmers Union Insurance Company would be honored by another insurance company for a discount.
- Farmers Union Insurance Company is required to file proposed discounts with the Insurance and Securities Department for review and approval before a discount becomes effective.

Mr. Pete Hanebutt, Director of Public Policy, North Dakota Farm Bureau, introduced Mr. Brandon Nicol, Reinsurance and Chief Underwriting Officer, Nodak Insurance Company, who provided testimony ([Appendix L](#)) regarding the committee's study of the feasibility and desirability of creating a program to allow a farmer or rancher to complete a safety course to receive a discount on insurance relating to the individual's farming or ranching operation. In response to questions from committee members, Mr. Nicol noted:

- Safety training for farmers likely would save on property costs due to unsafe practices being mitigated.
- Autonomous farm machinery is more expensive to insure, but has led to fewer human fatalities.

ADMINISTRATIVE MATTERS

Committee members noted:

- There must be accountability imposed on landowners whose wetlands or ponds cause damage to roads and other property.
- There is a need for an economic analysis for agriculture when legal drains, natural drains, and watershed districts are involved.

Mr. Richard circulated a letter ([Appendix M](#)) from Mr. Jeb Williams, Director, North Dakota Game and Fish Department, to committee members regarding the committee's study of water and wetlands regulations and the taxation of inundated lands in the state.

No further business appearing, Chairman Hauck adjourned the meeting at 3:16 p.m.

Dustin A. Richard
Counsel

ATTACH:13