



**North Dakota Grain Growers Association
Testimony in Favor of HB 1383
House Finance and Taxation Committee
January 22, 2025**

Chairman Headland, Members of the House Finance and Taxation Committee, for the record my name is Dan Wogsland representing the North Dakota Grain Growers Association (NDGGA). I am here today to express our support for the proposed amendments to Section 57-02-10 of the North Dakota Century Code.

Purpose and Benefits of the Bill

This legislation provides a property tax exemption for agricultural land where a permanent easement has been granted to the United States for the protection, restoration, or enhancement of wetlands. By adding agricultural lands under easement to the existing exemptions for inundated and highway easement lands, this bill recognizes the environmental and community benefits provided by landowners who voluntarily support conservation initiatives.

Key Reasons for Support

1. Encouragement of Conservation Efforts

North Dakota farmers and ranchers are at the forefront of conserving and enhancing natural resources. This exemption acknowledges the sacrifices landowners make when placing their agricultural land into permanent easements. By foregoing the full use of their land for crop or livestock production, they contribute to environmental goals such as improved water quality, wildlife habitat, and flood mitigation.

2. Fairness and Equity

Agricultural lands under permanent conservation easements often cannot be used for income-generating agricultural production. Taxing these lands as if they were actively producing income is inequitable. This bill ensures fairness by exempting such lands from taxation, aligning their tax status with their limited use and economic value.

3. Support for Rural Communities

This measure will alleviate a financial burden for landowners, enabling them to reinvest in their agricultural operations and contribute to the economic vitality of rural communities. Moreover, the federal easement programs these landowners participate in often provide critical environmental benefits that indirectly support North Dakota's agricultural economy.

4. Consistency with State Policy

North Dakota has a strong tradition of supporting land stewardship and conservation. This amendment reflects our state's values by ensuring that landowners who contribute to the protection of our wetlands are not penalized with property taxes on land they cannot use for production.

Conclusion

By amending and reenacting Section 57-02-10, this bill ensures a fair property tax structure that incentivizes conservation, supports farmers and ranchers, and protects vital natural resources for future generations. It is a common-sense measure that aligns tax policy with land use realities and state conservation goals.

On behalf of NDGGA, I urge the committee to give this bill a "Do Pass" recommendation. Thank you for the opportunity to testify, and I am happy to answer any questions you may have.