

1999 HOUSE NATURAL RESOURCES

HB 1461

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1461

House Natural Resources Committee

Conference Committee

Hearing Date 2/04/99

Tape Number	Side A	Side B	Meter #
1		x	25.4-55.0
2	x	x	0.0-54.0 & 0.0-13.4
3	x		3.0-4.5
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

REP. WEISZ introduces the bill. WEISZ is in support of limiting the amount of farm and ranch land that a nonprofit organization can acquire.

REP. SOLBERG asks doesn't nonprofit organizations cover a lot of territory? REP. WEISZ replies that yes it does.

REP. MARTINSON comments on that after listening to REP. WEISZ, it sounds more like he is limiting the increase of acreage of the bill. REP. WEISZ replies that he is not sure how to explain this. He then goes on to say maybe ones after him can explain it better than he can..

REP. NOTTESTAD asks for the difference if a land owner would come in to buy the land instead of a nonprofit organization? REP. WEISZ replies that its got to do with the money generated. With the money flowing through the state.

REP. NELSON asks about the definition of nonprofit organizations to be explained and their limitations. REP. WEISZ replies that he can not actually answer that question, maybe someone here can address it better than himself.

REP. PORTER comments about another section in the code. It seems that property tax is always the issue. REP. WEISZ comments that it would only open a huge can of worms.

REP. GROSZ expands on the exemptions.

REP. CLARK asks if the Elks Camp Grassick, and the Boy & Girl Scouts would fall under this?

REP. WEISZ replies that yes they would.

REP. KELSH asks how many acres of land were purchased by nonprofit organizations in the past five years? REP. WEISZ replies that he does not know.

REP. NOTTESTAD asks how much tillable land wasn't sold off? REP. WEISZ replies that almost all of it was sold off.

WES TOSSETT, FARMER. Is in support of this bill. SEE HANDOUT.

REP. CLARK comments about the farm crisis and the younger generation not staying on the family farm, why attack the non-profit organizations? TOSSETT replies the price.

REP. DROVDAL asks for a copy of the fact sheet of acres that are ran nonprofit organizations.

TOSSETT says that he will get that to the committee right away. SEE HANDOUT.

REP. GALVIN asks about the limitations of the number of acres. TOSSETT replies that there should be a cap of 12,000 acres on the land.

REP. KELSH comments that there should be stewards of the land instead. TOSSETT replies that there should be restrictions to who a person can sell to .

WADE MOSER, ND STOCKMEN'S ASSOC. MOSER is in favor of this bill and states that there needs to be limit. 32% of the land is owned by the Federal Government already. Stop land purchases and start to co-op. with the land owners that are already out there. There is much greater interest in preserving the grasslands.

Recess until 1:30.

ARDEN HANOR is supporting this bill. NORTH DAKOTA LAND OWNER'S ASSOC.

HANOR addresses the issue as a land owner. HANOR states that agriculture land should stay agriculture.

REP. PORTER asks if it would be more equitable to stop that payment right upfront? HANOR replies that needs change and they fluctuate up and down. REP. PORTER asks if there should be a law on the books, saying that only farmers or ranchers can own land? HANOR replies that property owners should not be in competition with hunters that want to purchase land for hunting. REP. PORTER asks do you think hunter's should be able to hunt their own land? HANOR replies that this was discussed at length. We as land owners believe that land should be owned by farmers. Not by any other interest. Hunter's can make agreements by easements or other ways.

REP. NOTTESTAD asks about the land farmed by the farmer, and if that farmer quits farming and puts the land into CRP, and moves away. Do you think he should still have the right to come back? HANOR replies it has been discussed that the ASSOC. has a problem with that.

REP. NELSON asks about a private land owner being at a level that is fair as to nonprofit organization that is bidding on a piece of land? HANOR replies that there has been discussion on tax write off for non-profits.

BRIAN KRAMER with the ND FARM BUREAU, is in support with this bill. KRAMER talks about wetland trusts. a purchase of 12,000 acres that would bring them up to 216,000 acres.

REP. NELSON asks if wetlands could purchase another 4,000 acres under this legislation.

KRAMER replies that yes they could .

GORDAN BISHOFF, for himself, is in support of this issue. BISHOFF speaks about the controlling of the lands out there. He also speaks of the land or property that they lost due to tax structure. REP. MARTINSON asks who controls the decision of a land sale? BISHOFF replies that it is the land owner. REP. MARTINSON asks why would a land owner sell to a nonprofit organization? BISHOFF replies because of the price the nonprofit organizations can give for the land and the economy.

DENNIS L. JOHNSON, ND FARMER'S UNION. JOHNSON is in favor of this legislation. JOHNSON comments that they are trying to keep family farms on the land. JOHNSON states that our futures are all tied together. Our best interest is to work together. Please do not pass HB 1461. REP. NELSON asks isn't land always changing hands, and how many cases of land has went to nonprofit organizations? JOHNSON replies that some of the land is changing hands.

OPPOSE.....

JOSEPH A. SATROM, VP/STATE DIRECTOR ND CHAPTER of the NATURE

CONSERVANCY. SEE HANDOUT. REP. SANDVIG asks what kind of weed control do you

go through? SATROM replies that major studies are going on with goats and biological controls. Some success and some lack of it. REP. SANDVIG asks if there is a big problem at Pigeon Point with leafy spurge? SATROM replies that Pigeon Point is being sold. REP. SANDVIG asks if they employ burning? SATROM replies that yes they do. REP. SANDVIG asks about the neighbors complaining about the fire getting out of control. SATROM comments that there has only been one fire and it was well managed. REP. SANDVIG asks about the Natural Conservancy being not fair about the sand hills and no more tillable land left.. SATROM replies about circulation. REP. SANDVIG asks how many acres are from the Brown Ranch? SATROM replies that the Brown's have discussed selling the place as grasslands. It would be bought all except the tillable land.

TIM MAHER, REALTOR, is opposed to this bill.

PAUL CRARY, CASS COUNTY WILDLIFE CLUB, is also against this bill. CRARY speaks on what conservation is and environmentalism.

The hearing was then closed until later when REP. PORTER moved for a DO NOT PASS, seconded by REP. MARTINSON. The roll call was taken with 9 YES, 6 NO, 0 ABSENT. The bill CARRIER to the floor was REP. KELSH

HB 1461

Date: 2.4.99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House House Natural Resources Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Porter Seconded By Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Mick Grosz	✓				
Vice-Chairman Dale Henegar	✓				
Representative David Drovdal		✓			
Representative Pat Galvin		✓			
Representative Duane DeKrey		✓			
Rep. Darrell D. Nottestad	✓				
Representative Jon O. Nelson		✓			
Representative Byron Clark	✓				
Representative Todd Porter	✓				
Representative Jon Martinson	✓				
Reperesentative Lyle Hanson	✓				
Representative Scot Kelsh	✓				
Representative Deb Lundgren	✓				
Representative Sally M. Sandvig	✓	✓			
Representative Dorvan Solberg		✓			

Total (Yes) 9 No 6

Absent _____

Floor Assignment Kelsh
If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 4, 1999 4:31 p.m.

Module No: HR-23-1965
Carrier: S. Kelsh
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1461: Natural Resources Committee (Rep. Grosz, Chairman) recommends DO NOT PASS (9 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1461 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

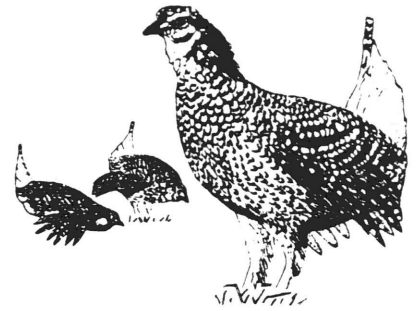
HB 1461



North Dakota Chapter

THE WILDLIFE SOCIETY

P.O. BOX 1442 • BISMARCK, ND 58502



**TESTIMONY OF WILLIAM K. PFEIFER
NORTH DAKOTA CHAPTER OF THE WILDLIFE SOCIETY
PRESENTED TO THE NATURAL RESOURCE COMMITTEE
ON HB 1461, FEBRUARY 4, 1999**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Bill Pfeifer, I'm speaking on behalf of the North Dakota Chapter of The Wildlife Society. Our organization opposes HB 1461.

The North Dakota Chapter of The Wildlife Society is an organization of nearly 400 professional resource managers, scientists, and educators who believe in the conservation and responsible management of our state's natural resources. Many of our members grew up on family farms or have direct ties to relatives and friends who derive their income from agriculture. With this background, it is important that you realize our organization is deeply concerned about the current agricultural crisis and the future of our state's family farmers. Fish and wildlife resources are dependent upon quality habitat and we believe that keeping family farms on the landscape is one important aspect in maintaining that necessary habitat.

Nonprofit conservation organizations have long been partners with our state's family farmers. Nearly every nonprofit conservation entity in the state has a program or project directed at assisting family farmers in conservation. **Nearly a million dollars was funneled into the agricultural community in 1998 through non-profit conservation organization programs.** Over the past 8-10 years

nonprofit conservation groups have contributed millions of dollars to farm families for conservation purposes. Many of these programs provide direct financial compensation, cost share, or beneficial opportunities for family farmers. For example, the Wetland Trust provides financial compensation to landowners in the Devils Lake basin who create wetlands on their property. These wetlands store water, reducing flooding problems and runoff into Devils Lake. In addition, lands owned by nonprofit conservation organizations are often made available to family farms for agricultural purposes. For example, the Nature Conservancy offered 11,500 acres of the 18,000 acres they own for haying, grazing, or crop production in 1998.

The idea that conservation programs offered by non-profit organizations are a threat to the future of agriculture and family farms is a myth that is fading away as responsible people realize what conservation organizations are doing and how their actions help our family farmers.

It is unfortunate that bills like this imply that purchase of land for conservation purposes has no social or economic value. Lands owned by conservation organizations benefit the state through increased tourism and diversification of the economy. One look through the State's tourism brochures and other local publications demonstrates that North Dakota communities recognize that areas set aside for conservation are a positive and not a negative.

Data compiled by the Agriculture Economics Department at NDSU shows resident and non-resident hunters and anglers accounted for \$1.6 Billion in total business

activity in North Dakota in 1996. This does not include business activity associated with non-consumptive activities that are growing in North Dakota such as bird watching. While it is not possible to allocate how much of that total is influenced by land held in fee title for conservation purposes, it does make the point that there is an enormous economic value attributable to the use and enjoyment of our natural resources.

An additional consideration is that many of the dollars generated by the public's use and enjoyment of these natural resources are "new" dollars. In the case of non-residents, their activities bring in dollars that would not be spent in our state without these natural resource based opportunities. Further, 76% of the direct expenditures by non-resident hunters and anglers and 22 % of the resident hunters and anglers were in rural areas of North Dakota. While many of these dollars are not spent in the agricultural sector, they are spent in the service sector such as hotels and restaurants. Most importantly, these are real dollars that would not be spent in Mott, Crosby, Washburn or Hankinson if it were not for our valuable natural resources.

This bill will limit legitimate conservation activities of private non-profit organizations. As you make your decisions it is critically important that you have the facts on issues, not just emotion and perpetuation of myths. Some of the important facts on non-profit conservation organizations are: 1) Property taxes have always been paid, although they are not required to pay them; 2) Weed control has been conducted, as required of all landowners; and 3) They own a total of 22,000 acres in a state of 45,000,000 acres.

Mr. Chairman and Committee Members, our members feel strongly that the future of agriculture and the future our state's fish and wildlife resources are tied together. Our concern about the future of North Dakota is as deep as yours. Most of us were born and raised in North Dakota. We live and work here by choice, not by chance. We support and promote occasional acquisition of land for conservation purposes because, when all things are considered, we believe it is in North Dakota's best interest and the best interest of our future citizens. Nonprofit conservation organizations complement North Dakota's agricultural economy, not compete with it. It is in North Dakota's best interest to make sure we all can work toward mutually beneficial goals while allowing everyone to accomplish their heartfelt visions without malice towards one another. For these reasons, I ask that you DO NOT PASS HB 1461.

STATE AND FEDERAL LAND OWNERSHIP IN NORTH DAKOTA

Summary of Lands, North Dakota Counties

	<u>ACRES</u>
County Road-Rights-of-Way	200,720 -

Summary of Lands, State of North Dakota

<u>AGENCY</u>	<u>ACRES</u>
Department of Corrections	2,400
Department of Transportation	199,280
Facilities Management	130
Forest Service	13,390
Game and Fish Department	75,889
Historical Society	1,260
Human Services	3,775
National Guard	10,050
Parks and Recreation Department	9,671
State Land Department	712,174
University System	<u>20,503</u>
	1,048,522

+ 200,720 = 400,000 A

Summary of Lands, United States Government

<u>AGENCY</u>	<u>ACRES</u>
Agriculture Research Service	1,118
Air Force	12,347
Army	832
Atomic Energy Commission	8
Bureau of Facilities	9
Bureau of Indian Affairs	852,273
BIA Lands: 762 acres	
Tribal Trust Lands: 851,511 acres	
Bureau of Land Management	60,357
Bureau of Mines	12

Prices

State & Fed. multi use land

Bureau of Reclamation	132,811	USF+WS - fee	459,773	
Water: 63,532 acres		 easement	907,746	
Land: 69,279 acres		COE+BR	220,142	
Coast Guard	4	Natl Parks	72,646	
Corps of Engineers	555,350	U.S. Forest Service	1,105,046	
Land: 150,863 acres	} 220,142 A.	ND GAF	75,889	
Water: 404,487 acres		ND Forest	13,390	
Customs Service	22	ND Land Dept	712,174	
Fish and Wildlife Service	459,773		<hr/>	
WPA Fee: 262,713 acres	} 907,746 A		3,566,806	
WPA Easement: 822,640 acres				
Refuge Fee: 197,060 acres			BLM	60,337
Refuge Easement: 84,821 acres				<hr/>
Forest Service	1,105,046		3,627,163	
General Services Administration	85			
Immigration and Naturalization Service	8			
Park Service	72,646			
Postal Service	5			
Public Health Service	12			
Veterans Administration	59			
Western Area Power Administration	361			
	<u>3,253,139</u>			

LAND OWNERSHIP SUMMARY IN THE STATE OF NORTH DAKOTA

	<u>ACRES</u>	<u>% of STATE</u>
State of North Dakota	1,048,522	2.3
United States of America	3,253,139	7.2
Agricultural Private Property	40,041,103	88.5
Miscellaneous (towns, cities, etc.)	682,116	1.5
County Road Right-of-Way	<u>200,720</u>	<u>.5</u>
Total Land Area, State of North Dakota	45,225,600	100.0

Sources:

Information for each of the State and Federal agencies was obtain from the agency itself, other sources of information include the 1994 *Property Valuations and Property Taxes Levied in North Dakota* compiled by the Office of the North Dakota State Tax Commissioner and the 1992 *Census of Agriculture, Part 34, North Dakota State and County Data* compiled by the U.S. Department of Commerce.

Oral and Written Testimony

Joseph A. Satrom, Vice President/State Director
North Dakota Chapter of The Nature Conservancy
February 4, 1999

Mr. Chairman, Members of the House Natural Resources Committee, my name is Joe Satrom. I am Vice President and State Director of the Dakotas program of The Nature Conservancy. The Nature Conservancy is an international conservation organization which seeks to identify and protect plants, animals and natural communities that represent the diversity of life on earth by protecting the lands and waters they need to survive.

Our organization is opposed to HB 1461 which proposes to limit our organization and other conservation organizations to ownership of no more than 16,000 acres of natural areas in our State. Our organization currently owns more than 18,200 acres. We are very selective about the acreages that we own and manage.

Perhaps I can answer some of the questions and provide background on some of the issues that proponents of this measure raise?

Proponents say that The Nature Conservancy wants to control as much land as possible and get land out of the hands of individual landowners!

During my eight years of leadership of the North Dakota office, I have declined gifts of thousands of acres of land from farmers and ranchers in Mountrail, Burleigh, Barnes, Pierce and other counties. The Nature Conservancy is very selective about land that we want to own and manage as nature preserves. These lands must meet the criteria of our mission of protecting sensitive, rare and endangered species. During nearly 20 years of work in North Dakota we have purchased some of North Dakota's most unique natural areas. One of our preserves is a globally significant nesting area for the threatened piping plover. Our mixed grass prairie preserves are unique in the entire Great Plains. The Pigeon Point Preserve in the Sheyenne River Valley of Ransom County is thought to provide habitat for 15 or more state-rare plant species.

Proponents of this measure say that The Nature Conservancy's preserves hurt the local economy!

The Nature Conservancy has no interest in owning tilled ground unless it is a buffer strip for a natural area. Our interest is in protecting native prairies, intact wetlands, forests, riparian areas, etc. Cattle and bison grazing is an integral part of managing all of our prairies. We have hundreds of cattle grazing on our preserves and our local tenants have been complimentary of working with our organization on grazing plans and conservation strategies for these unique mixed grass prairie habitats. We believe that the economic benefits of our Nature Preserves when you add eco-tourism, recreation and hunting to our grazing activities matches or exceeds other private ownership.

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Proponents say that The Nature Conservancy doesn't pay property taxes!

The Nature Conservancy has paid property taxes on every acre that it owns in North Dakota during every year since we came to the State in the early 1980s. We do so voluntarily because the North Dakota Constitution exempts non-profits from paying taxes. As I told the Interim Taxation Committee last summer, The Nature Conservancy is fully committed to paying our property taxes because we frequently have people living on our preserves and we expect to support the schools, roads, fire departments and other functions of government that are critical to rural life. In addition, The Nature Conservancy will support North Dakota Legislative action to require our organization to pay property taxes.

Proponents of this measure say that The Nature Conservancy takes land away from farmers and ranchers and restricts their ability to develop their farms or ranches!

North Dakota has a higher percentage of land devoted to agriculture than any other state. In contrast, the percentage of land owned by non-profit conservation groups is a percentage that is difficult to calculate on a cheap calculator (less than .0519 hundredths of one percent of the acres). In contrast, more than 3.2 million acres of North Dakota farmland are currently enrolled in the CRP program. It seems both hollow and short sighted to me that 16,000 acres of conservation land is thought to deprive farmers and ranchers of expansion opportunities when millions of much more suitable agricultural acres are taken completely out of the current market through CRP. I think that some of our tenants and neighbors would argue that grazing our grassland preserves has provided them with an excellent opportunity to expand their operations.

Please note the attached editorial column from the January 31, 1999, Fargo Forum. The continuing, substantial and relatively unplanned expansion of housing and other development in areas around our major cities is consuming far more prime farm land and economic opportunity for farmers and ranchers than conservation groups will ever seek to conserve. We have offered, without response, to work with farm groups in North Dakota on this issue.

In closing, it is difficult for me to understand the long-term intentions of this type of legislation. Nearly every state in our Union is actively trying to increase the protection of natural areas, green space and our prime agricultural lands. Many of these states have developed expensive public initiatives. Virtually every state is aggressively asking conservation groups such as ours to work in their states in the protection of unique areas. In contrast, North Dakota is one of the very few states that has no public initiatives in this area and, at the same time, has highly restrictive laws and continuing proposals that seek to further restrict, eliminate and punish our private conservation efforts.

I respectfully ask you to oppose HB 1461 as an indication of your support for private conservation work in our State. Thank you for your time and attention.

COMMENTARY

SUNDAY, JANUARY 31, 1999

Curb urban sprawl to save rural heritage

Pullman, Wash.

"Urban sprawl" has become a favorite target of federal, state and local politicians. People do not like sprawl, so government entities are passing laws to restrict urban development. Some governments have raised tax revenue to purchase development rights or to buy land outright from owners whose land lies in the path of development. Other governments are depending on zoning or planning to alleviate sprawl.

Is all of this necessary or even useful?

All evidence shows that the U.S. population is rushing to the suburbs and the countryside. Nearly every major city is expanding rapidly into the surrounding territory. The Sierra Club estimates that 400,000 acres of farmland are consumed by urban development each year. The American Farmland Trust says the figure is more than 1 million acres.

Both groups argue that if it continues, this loss will damage the nation's ability to export large amounts of foodstuffs or even to feed itself. Voters are concerned about the loss of a vital part of the nation's rural heritage, as well as its open space.

The sprawl allows suburban and exurban homeowners to live apart from their neighbors and enjoy

a patio in the back yard, but the price is longer commuting time, increased air pollution, congestion and the inevitable strip malls and convenience stores that appear wherever new homes are built.

The arguments for containing development don't stop there. U.S. agriculture is the most diverse and most productive in the world. Although farmers comprise about 2 percent of the population and agriculture contributes only about 2 percent of the gross domestic product, agriculture is still important.

It makes an immense contribution to the nation's balance of trade (mainly through soybeans, coarse grains and wheat and wheat products); it is the only significant industry in much of the central and northern plains; and it serves as an irreplaceable cultural icon representing hard work, self reliance and endeavor.

In spite of all this, farm family incomes in the United States come mostly from off-farm sources; the prices of agricultural commodities worldwide have been dropping for years, and in 1996 the U.S. Department of Agriculture ended its decades-long subsidies for most farm commodities. These factors have not gone unrecognized by the nation's farm operators and farmland owners. Rather, they have provided an attractive invitation to sell farmland to the highest bidder — frequently a developer who wants to produce houses, not food.

Who wants the land to remain in agriculture? Apparently, the nonfarmers. Without question, nonfarmers control the vote, and in place after place

they are voting to restrain urban growth. Their reasons are diverse. They cannot be worried about food security because for decades they have paid the taxes needed to subsidize farmers to cut back on production. More than this, the American consumer pays only 12 percent to 13 percent of disposable income for food; less than anyone else in the world.

The nonfarming advocate of maintaining land in agriculture seems to be voting in favor of agriculture as an industry that produces things other than food. The public wants open space, scenic vistas, rides in the country and perhaps even the possibility of becoming a "gentleman farmer," with a horse to brush and fresh-turned soil to smell.

The others of us — farm or nonfarm — should not complain. Certainly the public money used to maintain land in agriculture could be used to repair roads, pay elementary school teachers and rebuild a rapidly sagging infrastructure. But let us offer a possible rationalization: Maintaining land in agriculture is done for the long run. While we don't need it for producing food or fiber, someone — perhaps generations away — may need it for this purpose.

In the meantime, we can enjoy the amenities of rural America as well as maintain an important cultural heritage. This is perhaps the most justifiable reason for containing urban sprawl.

(Barkley is professor of agricultural economics at Washington State University at Pullman. He wrote this commentary for *Newsday* of New York.)

OTHER VIEWS

PAUL W.
BARKLEY
Newsday

*Agriculture
is still
important.*