

1999 SENATE EDUCATION

SB 2337

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2337

Senate Education Committee

Conference Committee

Hearing Date February 3, 1999

Tape Number	Side A	Side B	Meter #
1		x	4075-end
2	x		0-3800
2	x		5700-end
		x	0-1800
Committee Clerk Signature <i>Linda Christman</i>			

Minutes:

SENATOR FREBORG opened the hearing on SB2337.

Testimony in Favor: SENATOR TOMAC.

SENATOR TOMAC: Mr. Chairman, what I would like to do with this, and I know your time is short this morning, but just to explain where this bill comes from, and again, I am not sure how the bill happened to land in the committee, but it does give us an opportunity to talk about where we come from and the premise behind these bills. This is bill number five of the Commission on the Future of Agriculture bills that were introduced. And, Mr. chairman and Members of the Committee, what I would like to do is have the Commissioner of Agriculture, Mr. Roger Johnson, give us a brief overview so you understand where this comes from and how this fits into the big picture and the vision. And I have asked him to have very abbreviated presentation

and then I would be happy to explain the bill. I understand that there may be some minor problems with the bill. Mr. Chairman, we will be brief as we can.

SENATOR FREBORG : You understand that our greater concern in this committee is page number one.

SENATOR TOMAC: I understand that bill Mr. Chairman, but I also understand that the bill has been assigned to you to hear the whole bill.

Testimony by Mr. Roger Johnson, Commissioner of Agriculture. No written, but passed out a booklet and charts. The following is an overview. I would like to briefly describe the process that all of us in agriculture, on both sides of the aisle, representing dozens of different farm and rural interests participated in over the past year, and to give you just a very quick snapshot of some of the recommendations that come out of this process. The process called the Commission on the Future of Agriculture. Agriculture is by far the largest sector in North Dakota's economy. As you know it represents 38 percent of our economic base. What is most troubling about this particular chart though is that the second largest chunk of our states agriculture is federal government activities. Now contrary to what some may think, those are not transfer payments that farmers get. Those are primarily social security kinds of things, Medicare, Medicaid, issues dealing with an elderly population and military bases.

Total net farm income for the year, \$500 to about \$3300. The point of all of this is that we have a problem in agriculture. And when we have a problem in agriculture as you know it reverberates throughout our economy. Now there tends to be a very much a delayed impact.

What you are hearing today is a bill, and in particular, a part of a bill, that deals with the last goal. And for point of reference with the bill before you today, if you would turn to page 8, that

is the discussion of goal five and you will see specific recommendations made here that will relate to the provisions of the bill that are about to be explained to you.

SENATOR TOMAC: I want to reiterate starting on page 8, this is all the provisions in this particular bill that relate goal 5 which starts on page 8. The goal is really, you can understand this, to help create a more harmonious environment. It will all be a trade, political, financial in a natural resource environment which will help the relationship. Section 1 of the bill addresses what the Commission on the Future of Ag thought was a very important issue and was property taxes. And the intention of the Section 1 of the bill is to move the funding of primary and secondary education back to 60% of the state level over a period of years. So that the state contributes 60% of the cost of education and phased in over a couple of years. Second, Section 2 of the bill, starting on the bottom of page 1 and page 2, talks about beginning farmer tax exemptions. The intent here is this, if you are a beginning businessman, and you go into a merchant in any one of your home towns here, or into the city commission and say I am new in town and I need a little help getting started, can you give me a five year tax exemption. That city commission or municipality has the ability to do that and they do, do that. All this says is that maybe beginning farmers should enjoy that same benefit. Section 3 talks about a problem that we have in allowing off-farm income for the benefit of your tax home. Currently if you are a full time farmer in ND, because you pay taxes on the rest of your farm property, your farm home and your farm buildings are not taxed. However, if you make more than \$40,000 a year off-farm, or if your off-farm income exceeds your on-farm net income you lose that tax exemption. So what we have out there in the countryside is that we've got farmers and ranchers out there who have had several bad years who make zero dollars net farm income, they take a job driving school bus,

or Mom goes to work in town in a retail store for minimum wage, they make more off-farm than they do on-farm and what happens is they are not only having a bad time on the farm, but their property taxes goes up because their house gets taxed. So that seek to address that and change the formula on that.

SENATOR FREBORG : What constitutes a farmer.

SENATOR TOMAC: A farmer under the Century code today, a farmer is one that spends 50% of his time and has more on-farm net income than he does off- farm and does not exceed the \$40,000 off-farm threshold.

SENATOR FREBORG :But that 50% time now, is that critical in the determination. Could you own 100 acres and put in some vegetable and be considered a farmer and get the tax break.

SENATOR TOMAC: If you could meet the income. You need to meet all three of the requirements. What Section 4 seeks to address is property taxes at the county level and the intention here is to move that back to six tenths of one percent for the state aid distribution fund over a period of years. so that phases that back in.

Testimony in Favor: SENATOR Kinnoin. No written. I just want to stand up and say that I fully support the concept of this bill and I think pretty much everything has been covered.

SENATOR Tomac covered what I was going to talk about..

Testimony in Favor: Dr Sanstead, Supt. of Public Instruction (No written)

SENATOR COOK : SENATOR Tomac. as you put this bill together and you list 48 % and 51%, the various levels, did you have an idea in you mind what it would cost to accomplish this.

SENATOR TOMAC: I think overall moving from 43 or 44%, what ever that figure is, to 60%, we knew that the dollars were going to be so much. How much each one of those increments

were I do not calculate that. And in the last section of the bill as we move the state aid distribution funds from four tenths of one percent to six tenths of one percent, overall it seems to me the combination of these figures would cost somewhere around 130 million. But the intent here was to divide those up into increments and phase them in over 10 years so we don't have to bite that off all at once. So we get back to where we were 10 or 15 years ago and provide some property tax relief. We know that it's going to have some fiscal impact for the general fund.

SENATOR COOK : Was it your intent whatever that dollar figure would be, if it was 130 million or 8 million a year, was it your intent that the money come out of the general fund, or were you speculating on certain taxes going up.

SENATOR TOMAC: We did discuss whether or not we needed to attach a tax increase. I was very adamant that, no. I think we need to discipline ourselves in this case to not pass on some of the mandates and not pass property tax increases back to the cities and counties and schools.

While our intentions are good, and I don't know that we intentionally did that over the past several years, that is in effect what has happened. I need to work back that formula and get back to that goal of 60% from the state. And so if you think that is going to happen without some kind of general fund appropriation I think we would be wrong. We did not attach any funding with this, because at the point in time that we drafted this bill there was 57 million in a projected ending fund balance and was certainly that much to address the issues that we did in all of the bills.

SENATOR FLAKOLL : There seems to be a little trouble pinpointing exactly what the current percentage is on state aid. It seems that we have fluctuated around varying percentages. Is there

anything that would allay my fears that we would have trouble pinpointing them also if we were identifying exact percentages within the formula.

SENATOR TOMAC: I think that is an excellent question and it is one I struggled with myself. I agree with you that I think that figure does seem to be somewhat floating. It depends on who you are talking with and where we go. That may need to be more clearly defined in the bill. But it is my understanding, and when I visited with the Superintendent of Public Instruction that he indicated to me that it was somewhere between 42 - 43 percent. Now if we are going to really discipline ourselves and try and move back and try and provide this money back to the schools and reach that goal with 60% from the state we probably do need to more clearly define exactly what formula are we using so that we know if we attain that goal.

SENATOR FLAKOLL : I do have some concerns and I am not sure if I fully understand it with targeting a specific percentage of the per student cost. Like in business if I allocate \$2000 for a specific event and I tell my crew to go in and take care of it, do you know how much they are going to spend. Probably \$2000. We are not giving an open checkbook and a blank check and saying well we'll match whatever numbers you come up with at whatever percent, 48 or 60 percent, or somewhere along those lines.

SENATOR TOMAC: The goal with respect to this bill was a reduction in property tax. And so one way to reduce property taxes from the state level is to put more state funds into foundation aid which account for the aid for education is 60% of the property tax bill goes through education, 40% goes to the cities and counties. If we are going to reduce that from the state level we need to put in more funds, more general fund money. If there is a better way of accomplishing that I am certainly open to it.

SENATOR FREBORG : I realize the understanding that retaining recruiting new farmers is very important. Do we know at this point approximately how many people would be qualified as under Sect. page 2 (within the 5 year scope) that we currently have.

SENATOR TOMAC: I do not think Section 2, or rather I think has a very limited application. There is a bill that is also in the legislature that will essentially do the same thing. This only applied to buildings for beginning farmers. If the other bill does not pass any beginning farmer that wants to apply for this it would have some impact but there are so few beginning farmers I can't quantify that. From the farm numbers they are continuing to go down, the number of people entering this occupation are very few.

SENATOR FLAKOLL : Beginning farmers that intend to become the family farm as opposed to a beginning corporation farm.

SENATOR TOMAC: Corporation farming is not allowed in North Dakota. Two things from a practical application. There is the transition that been family farmed transferred to the next generation. There are problems with residences and tax exemptions because the father that enjoyed the property tax exemption is still trying to derive income off that farm. But the son is probably married, lives in a trailer house or want to build a house, his wife no doubt works off the farm and so they do not enjoy or not allowed to access any property tax exemption as they begin to purchase or take over this. How are we going to get people to move back to rural areas if the taxes are that burdensome. Another example: Morton county along the river. Young couple noticed they had a lot of fruit in their orchard. Remodeled house to qualify to can jams and jellies. Because they were ambitious their business is now considered commercial which makes their whole house taxable.

Testimony - Neutral:

Barry Hasti, ND Tax Department. No written.

SENATOR KELSH : How is the value of a farm home determined. Market value, guess?

Barry: Standard for valuation is market value. We stress that to our assessors that when you value a rural residence that is subject to tax, you have to take into consideration the location and what it would bring on the market.

Testimony - Neutral: Larry Klundt, ND Council of Educational Leaders. No written.

Testimony - Neutral: Connie Sprynczynatyk, ND League of Cities. No written.

Testimony - Neutral: Steve Neu, Bismarck Park District. No written.

SENATOR KELSH : Been some questions as to how the cost of education is determined. Has there been any change in the way you do it Dr. Sanstead. There is some criticism that it went from 46-43 and I think you're being blamed for changing the way it is determined . Is there nay truth to that.

Dr. Sanstead: We have not kept up with the increasing costs. We have not provided revenue in many cases we've just increased the deduct and that doesn't bring in any new money, it just means that districts are evaluated in terms of local efforts. Never kept pace. Believe Jerry should come down from the Department to explain that.

Close hearing on SB2337.

Discussion:

SENATOR FREBORG : Why is the revenue neutral.

Tom Decker: It will cost the state general funds a good deal of money., The first biennium will be 8 million.

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Senate Education Committee

Bill/Resolution Number SB2337

Hearing Date February 3, 1999

Discussion followed on the fiscal note.

SENATOR KELSH : Move a Do Pass on SB2337.

SENATOR O'CONNELL : 2nd

Vote: 3 Yes 4 No

Motion failed.

SENATOR COOK : Move a DO NOT PASS of SB2337.

SENATOR WANZEK : 2nd

Vote: 4 YES 3 NO

CARRIER: SENATOR COOK

FISCAL NOTE

(Return original and 14 copies)

Bill/Resolution No.: SB 2337

Amendment to: _____

Requested by Legislative Council

Date of Request: 1/20/99

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

Narrative: SB 2337, if enacted, will increase the state support of the education cost per student from 48 percent in 1999 - 2001 to 60 percent in 2007 - 09 and require the school district to reduce property taxes by the amount of increased allocation of state revenue; allow property tax exemption of farm land of a beginning farmer for five years; change the farm residence 50 percent farm income qualification from net to gross farm income; increase the portion of sales, use and motor vehicle excise tax deposited into and allocated from the state aid distribution fund and provides that a political subdivision must reduce the property tax levy by the amount of revenue received from the state aid distribution fund.

Anticipated changes to the State General Fund and the State Aid Distribution Fund as a result of the formula changes are shown below. (Note: This calculation assumes each SADF formula change remains in effect for two years. The bill is unclear, only establishing a formula for every other year. Further, it is assumed that the first formula change becomes effective July 1, 1999.)

There is no fiscal impact to the counties, cities or school districts. The increased state support of educational cost and state aid distribution revenue is offset by a reduction in property tax revenue. While the exemptions may reduce the taxable value of counties, cities and school districts, SB 2337 does not require a decrease in property tax levy. There may be a undeterminable decrease in the state medical center property tax revenue.

State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			-\$8.240 million	+\$8.240 million		
Expenditures						

- What, if any, is the effect of this measure on the budget for your agency or department:
 - For rest of 1997-99 biennium: _____
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
 - For the 1999-2001 biennium: _____
(Indicate the portion of this amount included in the 1999-2001 executive budget:)
 - For the 2001-03 biennium: _____

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed
attach a supplemental sheet.

Signed: *Kathryn L. Strombeck*

Typed Name: Kathryn L. Strombeck

Department: Tax

Date Prepared: January 22, 1999

Phone Number: 328-3402

Date: 2/3/99
 Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2337

Senate EDUCATION Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Move for a Do Pass on SB 2337

Motion Made By Kelsh Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman		✓			
Senator Cook, Vice Chairman		✓			
Senator Flakoll		✓			
Senator Wanzek		✓			
Senator Kelsh	✓				
Senator O'Connell	✓				
Senator Redlin	✓				

Total (Yes) 3 No 4

Absent _____

Floor Assignment _____

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

Date: a/
 Roll Call Vote #: 2/3/ (2)

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2337

Senate EDUCATION Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken move a Do Not Pass on SB 2337

Motion Made By Cook Seconded By Wanzek

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman	✓				
Senator Cook, Vice Chairman	✓				
Senator Flakoll	✓				
Senator Wanzek	✓				
Senator Kelsh		✓			
Senator O'Connell		✓			
Senator Redlin		✓			

Total (Yes) 4 No 3

Absent _____

Floor Assignment Cook

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

REPORT OF STANDING COMMITTEE (410)
February 4, 1999 8:34 a.m.

Module No: SR-23-1849
Carrier: Cook
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2337: Education Committee (Sen. Freborg, Chairman) recommends **DO NOT PASS**
(4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2337 was placed on the
Eleventh order on the calendar.

1999 TESTIMONY

SB 2337

SB2337

My name is Grant Johnson from Almont, ND. Recently our family moved a house onto my parents farm just north of Almont. Our plan is to first farm with my father and eventually take over the farm. Sherilyn (my wife) teaches school in Almont, ND.

Last year we checked with our tax assessor to see what our taxes on the house would be in the event our off-farm income exceeds our Net-farm income. He informed us the tax bill would be approximately \$1300. We thought this figure was very high for a rural area (40 miles west of Mandan). We were informed by our county commissioners last spring that nothing about this could be done on the county level and we would have to take this to the state.

I'm sure there are others in our situation; moving on to an existing farm with their parents, but for the time being their net farm income would not be enough to pay expenses. Our off-farm income at this time is necessary to stay on the farm. We hope if prices for our farm commodities improve and can keep expenses down our net farm income will be higher.

This bill introduced by Senator Steve Tomac will help by increasing the farm income side versus off-farm income. By comparing the gross farm income to gross off-farm income, leaving in place the \$40,000 cap for off-farm income, will give farmers a needed tax break.

We need incentives to get people back into rural ND and this would be a step in the right direction. What we need in rural ND more than taxes is more families. If a family would like to move back into rural ND and farm the local and state government should do all it can to help that family move to and stay in rural ND and not make things more difficult for that family by adding another tax burden.

City	Taxable Valuation	Revenue Sharing	Personal Property Tax Replacement	Mills Needed To Replace
ADAMS CO.	\$ 6,396,245	\$ 42,685.21	\$ 64,831.28	16.81
Bucyrus	\$ 20,164	\$ 217.82	\$ -	10.80
Haynes	\$ 16,414	\$ 414.69	\$ 218.35	38.57
Hettinger	\$ 1,347,737	\$ 19,071.12	\$ 7,448.86	19.68
Reeder	\$ 154,020	\$ 2,916.04	\$ 923.22	24.93
BARNES CO.	\$ 24,305,867	\$ 140,338.56	\$ 205,137.19	14.21
Dazey	\$ 37,990	\$ 1,371.85	\$ 156.79	40.24
Fingal	\$ 75,775	\$ 1,576.51	\$ 387.07	25.91
Kathryn	\$ 61,116	\$ 787.63	\$ 67.49	13.99
Leal	\$ 32,774	\$ 410.24	\$ 80.56	14.98
Litchville	\$ 107,980	\$ 2,208.52	\$ 784.07	27.71
Nome	\$ 20,015	\$ 894.99	\$ 113.10	50.37
Oriska	\$ 56,881	\$ 1,105.00	\$ 131.08	21.73
Pillsbury	\$ 41,875	\$ 408.03	\$ 179.51	14.03
Rogers	\$ 68,211	\$ 831.60	\$ 273.52	16.20
Sanborn	\$ 103,742	\$ 1,977.43	\$ 634.12	25.17
Sibley	\$ 44,245	\$ 488.68	\$ 246.11	16.61
Tower City**	\$ 13,551	\$ 20.56	\$ 25.01	3.36
Valley City	\$ 6,382,984	\$ 95,295.51	\$ 39,365.99	21.10
Wimbledon	\$ 244,489	\$ 3,666.39	\$ 1,481.56	21.06
BENSON CO.	\$ 11,197,873	\$ 98,947.54	\$ 99,876.83	17.76
Brinsmade	\$ 10,156	\$ 207.92	\$ 27.99	23.23
Esmond	\$ 107,826	\$ 2,202.33	\$ 553.86	25.56
Knox	\$ 24,596	\$ 480.85	\$ 76.56	22.66
Leeds	\$ 352,806	\$ 6,718.06	\$ 2,209.21	25.30
Maddock	\$ 348,425	\$ 6,705.82	\$ 2,058.04	25.15
Minnewaukan	\$ 193,652	\$ 4,594.71	\$ 1,158.47	29.71
Oberon	\$ 50,385	\$ 1,146.46	\$ 266.96	28.05
Warwick	\$ 28,808	\$ 895.77	\$ 241.17	39.47
York	\$ 47,819	\$ 429.46	\$ 228.09	13.75
BILLINGS CO.	\$ 4,513,908	\$ 14,891.35	\$ 18,821.14	7.47
Medora	\$ 486,446	\$ 1,160.27	\$ 188.16	2.77
BOTTINEAU CO.	\$ 18,371,321	\$ 108,145.25	\$ 141,979.27	13.61
Antler	\$ 29,569	\$ 830.15	\$ 172.16	33.90
Bottineau	\$ 2,319,543	\$ 32,464.20	\$ 12,115.41	19.22
Gardena	\$ 14,682	\$ 405.94	\$ 89.37	33.74
Kramer	\$ 57,154	\$ 504.95	\$ 52.07	9.75
Landa	\$ 17,706	\$ 422.93	\$ 85.17	28.70
Lansford	\$ 203,796	\$ 2,995.64	\$ 859.70	18.92
Maxbass	\$ 39,215	\$ 1,277.08	\$ 182.46	37.22
Newburg	\$ 151,945	\$ 1,410.59	\$ 847.65	14.86
Overly	\$ 31,274	\$ 247.52	\$ 97.95	11.05
Souris	\$ 44,600	\$ 875.71	\$ 505.29	30.96
Westhope	\$ 304,850	\$ 7,400.80	\$ 1,856.95	30.37
Willow City	\$ 136,007	\$ 3,281.63	\$ 908.05	30.80
BOWMAN CO.	\$ 7,622,766	\$ 36,658.03	\$ 50,371.29	11.42
Bowman	\$ 1,697,508	\$ 23,209.21	\$ 9,382.88	19.20
Gascoyne	\$ 23,832	\$ 243.47	\$ 110.83	14.87
Rhame	\$ 156,685	\$ 2,169.56	\$ 635.38	17.90
Scranton	\$ 375,634	\$ 3,939.10	\$ 1,677.42	14.95

City	Taxable Valuation	Revenue Sharing	Personal Property Tax Replacement	Mills Needed To Replace
BURKE CO.	\$ 8,138,804	\$ 40,907.91	\$ 53,559.13	11.61
Bowbells	\$ 431,677	\$ 6,078.44	\$ 1,952.08	18.60
Columbus	\$ 76,303	\$ 2,534.03	\$ 635.10	41.53
Flaxton	\$ 43,610	\$ 1,379.20	\$ 342.81	39.49
Larson	\$ 9,874	\$ 274.20	\$ 38.02	31.62
Lignite	\$ 139,153	\$ 2,854.54	\$ 855.25	26.66
Portal	\$ 99,299	\$ 2,510.53	\$ 727.30	32.61
Powers Lake	\$ 233,916	\$ 4,693.18	\$ 1,002.09	24.35
BURLEIGH CO.	\$ 108,812,647	\$ 392,715.25	\$ 665,102.45	9.72
Bismarck	\$ 87,688,773	\$ 861,479.59	\$ 532,472.91	15.90
Lincoln	\$ 1,585,609	\$ 16,287.61	\$ 5,597.04	13.80
Regan	\$ 47,656	\$ 600.06	\$ 218.67	17.18
Wilton**	\$ 152,640	\$ 1,978.79	\$ 463.84	16.00
Wing	\$ 97,751	\$ 2,477.52	\$ 1,131.97	36.93
CASS CO.	\$ 211,793,044	\$ 800,395.87	\$ 1,194,984.40	9.42
Alice	\$ 43,405	\$ 702.56	\$ 158.28	19.83
Amenia	\$ 109,487	\$ 1,086.24	\$ 338.95	13.02
Argusville	\$ 243,488	\$ 1,969.62	\$ 275.31	9.22
Arthur	\$ 306,825	\$ 4,646.61	\$ 1,020.31	18.47
Ayr	\$ 33,118	\$ 253.40	\$ 99.21	10.65
Briarwood	\$ 269,655	\$ 1,660.68	\$ 793.19	9.10
Buffalo	\$ 193,144	\$ 2,970.32	\$ 1,080.53	20.97
Casselton	\$ 2,087,882	\$ 23,990.46	\$ 10,890.45	16.71
Davenport	\$ 199,324	\$ 2,553.59	\$ 438.99	15.01
Enderlin**	\$ 4,036	\$ 197.02	\$ 27.35	55.59
Fargo	\$ 146,988,032	\$ 1,185,518.13	\$ 543,121.41	11.76
Frontier	\$ 453,965	\$ 2,610.18	\$ 455.00	6.75
Gardner	\$ 91,965	\$ 1,004.21	\$ 279.97	13.96
Grandin**	\$ 268,831	\$ 2,854.56	\$ 1,209.88	15.12
Harwood	\$ 755,986	\$ 8,012.14	\$ 2,300.21	13.64
Horace	\$ 879,518	\$ 8,180.70	\$ 2,377.03	12.00
Hunter	\$ 370,399	\$ 5,059.60	\$ 2,527.99	20.48
Kindred	\$ 611,924	\$ 7,935.28	\$ 3,185.49	18.17
Leonard	\$ 177,408	\$ 3,478.90	\$ 575.45	22.85
Mapleton	\$ 667,692	\$ 8,488.16	\$ 2,336.47	16.21
North River	\$ 102,413	\$ 864.90	\$ 205.14	10.45
Oxbow	\$ 557,243	\$ 2,013.87	\$ 1,201.57	5.77
Page	\$ 215,911	\$ 3,074.63	\$ 709.63	17.53
Prairie Rose	\$ 106,362	\$ 968.20	\$ 173.32	10.73
Reile's Acres	\$ 324,924	\$ 3,045.36	\$ 1,302.98	13.38
Tower City**	\$ 202,078	\$ 2,751.36	\$ 686.89	17.01
West Fargo	\$ 19,266,816	\$ 188,021.33	\$ 74,998.92	13.65
CAVALIER CO.	\$ 18,520,962	\$ 97,858.79	\$ 132,814.91	12.45
Alsen	\$ 345,665	\$ 1,586.90	\$ 720.60	6.68
Calio	\$ 101,234	\$ 566.18	\$ 247.42	8.04
Calvin	\$ 64,717	\$ 393.36	\$ 186.11	8.95
Hannah	\$ 40,031	\$ 573.20	\$ 112.96	17.14
Hove Mobile Park	\$ 840	\$ 21.20	\$ 1.99	27.61
Langdon	\$ 2,635,624	\$ 32,071.62	\$ 15,699.63	18.13
Loma	\$ 269,407	\$ 369.15	\$ 96.15	1.73
Milton	\$ 128,738	\$ 1,512.66	\$ 334.23	14.35
Munich	\$ 202,813	\$ 3,460.13	\$ 668.12	20.35
Nekoma	\$ 47,665	\$ 715.35	\$ 140.08	17.95

City	Taxable Valuation	Revenue Sharing	Personal Property Tax Replacement	Mills Needed To Replace
Osnabrock	\$ 157,205	\$ 2,433.47	\$ 499.93	18.66
Sarles**	\$ 76,225	\$ 979.76	\$ 266.38	16.35
Wales	\$ 35,035	\$ 569.55	\$ 224.75	22.67
DICKEY CO.	\$ 12,576,509	\$ 76,313.11	\$ 111,175.10	14.91
Ellendale	\$ 812,886	\$ 22,256.07	\$ 8,893.33	38.32
Forbes	\$ 32,211	\$ 847.52	\$ 227.23	33.37
Fullerton	\$ 89,940	\$ 1,202.85	\$ 467.52	18.57
Ludden	\$ 30,098	\$ 463.42	\$ 150.87	20.41
Monango	\$ 22,836	\$ 646.49	\$ 231.00	38.43
Oakes	\$ 1,654,991	\$ 23,103.98	\$ 9,462.01	19.68
DIVIDE CO.	\$ 8,563,550	\$ 41,022.92	\$ 61,751.82	12.00
Ambrose	\$ 23,635	\$ 522.01	\$ 123.13	27.30
Crosby	\$ 781,845	\$ 18,453.36	\$ 7,337.87	32.99
Fortuna	\$ 35,408	\$ 624.87	\$ 209.41	23.56
Noonan	\$ 73,458	\$ 2,702.95	\$ 664.98	45.85
DUNN CO.	\$ 10,153,906	\$ 55,174.39	\$ 63,738.84	11.71
Dodge	\$ 63,995	\$ 1,424.47	\$ 304.78	27.02
Dunn Center	\$ 73,343	\$ 1,443.43	\$ 442.02	25.71
Halliday	\$ 169,391	\$ 3,212.38	\$ 816.95	23.79
Killdeer	\$ 616,742	\$ 9,842.51	\$ 5,344.75	24.62
EDDY CO.	\$ 5,436,147	\$ 36,055.46	\$ 60,664.39	17.79
New Rockford	\$ 976,185	\$ 20,050.14	\$ 7,354.23	28.07
Sheyenne	\$ 135,603	\$ 3,298.35	\$ 933.38	31.21
EMMONS CO.	\$ 11,513,998	\$ 65,050.04	\$ 85,345.30	13.06
Braddock	\$ 22,608	\$ 618.87	\$ 224.09	37.29
Hague	\$ 38,357	\$ 1,141.47	\$ 206.29	35.14
Hazelton	\$ 146,066	\$ 2,835.14	\$ 1,240.32	27.90
Linton	\$ 1,140,216	\$ 17,095.93	\$ 6,250.32	20.48
Strasburg	\$ 407,685	\$ 6,835.51	\$ 2,436.46	22.74
FOSTER CO.	\$ 9,051,573	\$ 45,313.00	\$ 68,440.26	12.57
Carrington	\$ 2,364,020	\$ 33,620.21	\$ 19,248.59	22.36
Glenfield	\$ 58,701	\$ 1,358.88	\$ 425.98	30.41
Grace City	\$ 79,115	\$ 1,232.09	\$ 222.49	18.39
McHenry	\$ 27,975	\$ 981.37	\$ 378.23	48.60
GOLDEN VALLEY	\$ 4,716,125	\$ 25,404.95	\$ 38,386.88	13.53
Beach	\$ 879,146	\$ 16,610.91	\$ 7,174.00	27.05
Golva	\$ 60,043	\$ 1,155.02	\$ 275.71	23.83
Sentinel Butte	\$ 33,670	\$ 852.76	\$ 118.36	28.84
GRAND FORKS	\$ 101,068,433	\$ 479,340.86	\$ 679,104.16	11.46
Emerado	\$ 295,547	\$ 5,474.68	\$ 1,338.92	23.05
Gilby	\$ 211,195	\$ 2,618.89	\$ 193.03	13.31
Grand Forks	\$ 70,890,779	\$ 823,723.94	\$ 523,703.61	19.01
Inkster	\$ 51,555	\$ 1,036.18	\$ 202.27	24.02
Larimore	\$ 1,251,366	\$ 18,176.54	\$ 6,191.71	19.47
Manvel	\$ 466,098	\$ 3,775.96	\$ 1,023.89	10.30
Niagara	\$ 54,347	\$ 852.35	\$ 289.79	21.02
Northwood	\$ 1,079,862	\$ 14,321.02	\$ 5,103.94	17.99
Reynolds**	\$ 130,305	\$ 1,345.18	\$ 458.08	13.84

City	Taxable Valuation	Revenue Sharing	Personal Property Tax Replacement	Mills Needed To Replace
Thompson	\$ 1,274,375	\$ 11,351.28	\$ 3,380.93	11.56
GRANT CO.	\$ 7,464,900	\$ 53,023.93	\$ 68,509.70	16.28
Carson	\$ 233,905	\$ 4,763.91	\$ 1,300.28	25.93
Elgin	\$ 402,006	\$ 9,244.24	\$ 2,928.67	30.28
Leith	\$ 15,455	\$ 427.18	\$ 54.66	31.18
New Leipzig	\$ 197,711	\$ 3,992.86	\$ 1,240.79	26.47
GRIGGS CO.	\$ 7,893,985	\$ 55,019.42	\$ 70,612.04	15.91
Binford	\$ 143,107	\$ 2,645.09	\$ 747.38	23.71
Cooperstown	\$ 1,015,908	\$ 16,442.47	\$ 8,624.47	24.67
Hannaford	\$ 102,225	\$ 2,255.37	\$ 517.72	27.13
HETTINGER CO.	\$ 7,336,687	\$ 43,734.39	\$ 74,313.99	16.09
Mott	\$ 504,131	\$ 13,384.62	\$ 6,709.32	39.86
New England	\$ 346,086	\$ 8,871.49	\$ 4,892.42	39.77
Regent	\$ 153,756	\$ 4,902.45	\$ 4,508.70	61.21
KIDDER CO.	\$ 7,906,736	\$ 52,027.76	\$ 70,698.76	15.52
Dawson	\$ 47,501	\$ 860.47	\$ 228.76	22.93
Pettibone	\$ 40,966	\$ 999.91	\$ 329.33	32.45
Robinson	\$ 51,112	\$ 1,028.40	\$ 306.04	26.11
Steele	\$ 694,746	\$ 9,846.30	\$ 3,566.84	19.31
Tappen	\$ 100,127	\$ 2,666.70	\$ 569.86	32.32
Tuttle	\$ 83,593	\$ 1,861.29	\$ 700.38	30.64
LAMOURE CO.	\$ 13,662,791	\$ 79,372.59	\$ 105,497.71	13.53
Berlin	\$ 37,312	\$ 412.25	\$ 103.82	13.83
Dickey	\$ 27,923	\$ 573.52	\$ 84.22	23.56
Edgeley	\$ 654,605	\$ 9,368.60	\$ 4,441.71	21.10
Jud	\$ 57,624	\$ 989.15	\$ 279.90	22.02
Kulm	\$ 422,869	\$ 7,223.30	\$ 4,299.33	27.25
LaMoure	\$ 753,684	\$ 12,714.55	\$ 5,644.84	24.36
Marion	\$ 131,259	\$ 1,983.79	\$ 552.40	19.32
Verona	\$ 57,894	\$ 1,236.79	\$ 402.86	28.32
LOGAN CO.	\$ 6,158,022	\$ 38,111.00	\$ 56,675.38	15.39
Fredonia	\$ 47,858	\$ 820.29	\$ 458.14	26.71
Gackle	\$ 241,040	\$ 5,461.28	\$ 2,088.55	31.32
Lehr**	\$ 33,014	\$ 501.30	\$ 138.90	19.39
Napoleon	\$ 616,501	\$ 12,161.32	\$ 5,828.77	29.18
MCHENRY CO.	\$ 14,503,765	\$ 83,948.70	\$ 98,886.70	12.61
Anamoose	\$ 181,220	\$ 3,092.02	\$ 637.57	20.58
Balfour	\$ 21,025	\$ 355.74	\$ 67.46	20.13
Bantry	\$ 5,467	\$ 158.41	\$ 15.48	31.81
Bergen	\$ 11,855	\$ 163.10	\$ 36.05	16.80
Deering	\$ 51,849	\$ 1,082.60	\$ 213.30	24.99
Drake	\$ 222,230	\$ 4,144.41	\$ 1,583.24	25.77
Granville	\$ 108,902	\$ 2,768.78	\$ 650.49	31.40
Karlsruhe	\$ 61,597	\$ 1,502.38	\$ 301.10	29.28
Kief	\$ 19,549	\$ 275.96	\$ 89.51	18.70
Towner	\$ 463,017	\$ 8,190.80	\$ 3,044.87	24.27
Upham	\$ 91,928	\$ 2,285.78	\$ 551.25	30.86
Velva	\$ 690,794	\$ 12,086.66	\$ 4,010.61	23.30
Voltaire	\$ 29,125	\$ 670.01	\$ 74.99	25.58

City	Taxable Valuation	Revenue Sharing	Personal Property Tax Replacement	Mills Needed To Replace
MCINTOSH CO.	\$ 8,282,560	\$ 41,318.29	\$ 67,997.69	13.20
Ashley	\$ 802,702	\$ 12,870.87	\$ 5,490.43	22.87
Lehr**	\$ 113,294	\$ 1,688.02	\$ 673.72	20.85
Venturia	\$ 16,612	\$ 327.22	\$ 184.85	30.83
Wishek	\$ 907,462	\$ 14,769.29	\$ 6,500.40	23.44
Zeeland	\$ 107,260	\$ 2,333.93	\$ 869.09	29.86
MCKENZIE CO.	\$ 14,814,372	\$ 70,761.13	\$ 56,079.01	8.56
Alexander	\$ 138,067	\$ 2,578.95	\$ 613.95	23.13
Arnegard	\$ 59,610	\$ 1,316.35	\$ 128.08	24.23
Rawson	\$ 6,033	\$ 89.11	\$ -	14.77
Watford City	\$ 1,339,028	\$ 23,817.13	\$ 7,488.03	23.38
MCLEAN CO.	\$ 21,179,641	\$ 98,406.97	\$ 103,047.22	9.51
Benedict	\$ 29,261	\$ 570.83	\$ 134.74	24.11
Butte	\$ 54,877	\$ 1,277.23	\$ 263.36	28.07
Coleharbor	\$ 42,988	\$ 871.29	\$ 107.15	22.76
Garrison	\$ 1,332,894	\$ 19,050.89	\$ 341.99	14.55
Max	\$ 220,214	\$ 3,995.93	\$ 1,358.11	24.31
Mercer	\$ 44,062	\$ 1,087.21	\$ 177.93	28.71
Riverdale	\$ 262,103	\$ 3,388.88	\$ 559.00	15.06
Ruso	\$ 4,824	\$ 79.21	\$ 6.17	17.70
Turtle Lake	\$ 398,422	\$ 8,598.74	\$ 2,699.80	28.36
Underwood	\$ 644,802	\$ 12,729.62	\$ 3,181.17	24.68
Washburn	\$ 1,380,799	\$ 20,016.55	\$ 5,788.08	18.69
Wilton**	\$ 499,420	\$ 6,456.92	\$ 1,488.25	15.91
MERCER CO.	\$ 14,034,821	\$ 70,975.70	\$ 106,688.80	12.66
Beulah	\$ 2,856,035	\$ 42,483.84	\$ 12,697.48	19.32
Golden Valley	\$ 120,086	\$ 2,590.78	\$ 530.38	25.99
Hazen	\$ 2,315,734	\$ 37,804.13	\$ 12,605.80	21.77
Pick City	\$ 142,528	\$ 2,391.56	\$ 494.74	20.25
Stanton	\$ 292,640	\$ 6,677.98	\$ 2,060.26	29.86
Zap	\$ 103,090	\$ 3,214.65	\$ 630.28	37.30
MORTON CO.	\$ 42,920,141	\$ 204,336.67	\$ 361,845.55	13.19
Almont	\$ 52,882	\$ 1,275.63	\$ 331.97	30.40
Flasher	\$ 189,770	\$ 3,956.78	\$ 2,459.23	33.81
Glen Ullin	\$ 474,435	\$ 10,824.44	\$ 4,361.25	32.01
Hebron	\$ 452,609	\$ 10,950.92	\$ 4,557.93	34.27
Mandan	\$ 18,070,369	\$ 212,007.01	\$ 117,315.01	18.22
New Salem	\$ 750,343	\$ 11,330.53	\$ 4,356.93	20.91
MOUNTRAIL CO.	\$ 12,937,390	\$ 76,926.06	\$ 98,207.06	13.54
New Town	\$ 657,503	\$ 16,386.34	\$ 4,397.10	31.61
Palermo	\$ 44,551	\$ 970.63	\$ 122.92	24.55
Parshall	\$ 486,659	\$ 11,991.16	\$ 4,871.99	34.65
Plaza	\$ 118,314	\$ 2,187.17	\$ 596.50	23.53
Ross	\$ 58,939	\$ 716.91	\$ 226.05	16.00
Stanley	\$ 998,830	\$ 18,323.75	\$ 7,531.90	25.89
White Earth	\$ 35,034	\$ 758.88	\$ 67.37	23.58
NELSON CO.	\$ 10,212,621	\$ 68,880.04	\$ 106,301.94	17.15
Aneta	\$ 198,449	\$ 3,606.54	\$ 1,190.35	24.17
Lakota	\$ 532,216	\$ 11,003.00	\$ 4,767.32	29.63

City	Taxable Valuation	Revenue Sharing	Personal Property Tax Replacement	Mills Needed To Replace
McVille	\$ 320,630	\$ 6,920.88	\$ 3,120.27	31.32
Michigan	\$ 254,156	\$ 4,596.30	\$ 1,208.91	22.84
Pekin	\$ 42,718	\$ 1,080.05	\$ 178.84	29.47
Petersburg	\$ 176,795	\$ 2,587.80	\$ 828.39	19.32
Tolna	\$ 141,356	\$ 2,602.25	\$ 710.10	23.43
OLIVER CO.	\$ 4,475,398	\$ 31,637.71	\$ 36,543.51	15.23
Center	\$ 522,579	\$ 9,478.74	\$ 2,030.05	22.02
PEMBINA CO.	\$ 25,642,890	\$ 133,237.75	\$ 187,548.38	12.51
Bathgate	\$ 32,982	\$ 814.81	\$ 142.01	29.01
Canton	\$ 60,589	\$ 728.55	\$ 290.24	16.81
Cavalier	\$ 1,753,983	\$ 21,745.59	\$ 10,193.53	18.21
Crystal	\$ 207,857	\$ 2,544.87	\$ 1,034.44	17.22
Drayton	\$ 874,354	\$ 12,258.20	\$ 4,714.10	19.41
Hamilton	\$ 49,602	\$ 831.03	\$ 191.15	20.61
Mountain	\$ 45,960	\$ 1,415.08	\$ 153.80	34.14
Neche	\$ 276,084	\$ 4,810.71	\$ 1,177.14	21.69
Pembina	\$ 797,921	\$ 10,688.82	\$ 6,295.97	21.29
St. Thomas	\$ 379,863	\$ 5,298.76	\$ 1,395.44	17.62
Walhalla	\$ 1,294,451	\$ 16,146.52	\$ 7,609.42	18.35
PIERCE CO.	\$ 10,574,036	\$ 60,887.61	\$ 84,169.66	13.72
Balta	\$ 30,176	\$ 782.19	\$ -	25.92
Rugby	\$ 3,096,584	\$ 40,210.19	\$ 19,948.27	19.43
Wolford	\$ 23,136	\$ 613.79	\$ 146.45	32.86
RAMSEY CO.	\$ 21,779,771	\$ 125,034.75	\$ 187,178.69	14.34
Brocket	\$ 33,133	\$ 801.99	\$ 35.15	25.27
Churchs Ferry	\$ 115,851	\$ 1,363.56	\$ 315.55	14.49
Crary	\$ 69,963	\$ 1,510.69	\$ 119.61	23.30
Devils Lake	\$ 8,117,968	\$ 108,232.42	\$ 54,625.06	20.06
Edmore	\$ 201,222	\$ 4,544.70	\$ 2,270.24	33.87
Hampden	\$ 72,265	\$ 1,043.58	\$ 312.77	18.77
Lawton	\$ 33,593	\$ 763.60	\$ 293.45	31.47
Starkweather	\$ 51,860	\$ 2,069.26	\$ 267.83	45.07
RANSOM CO.	\$ 12,461,345	\$ 77,716.21	\$ 101,548.10	14.39
Elliott	\$ 22,317	\$ 379.02	\$ 101.10	21.51
Enderlin**	\$ 1,104,319	\$ 15,645.31	\$ 8,141.47	21.54
Fort Ransom	\$ 46,188	\$ 1,203.51	\$ 137.86	29.04
Lisbon	\$ 1,950,133	\$ 30,693.09	\$ 13,241.51	22.53
Sheldon	\$ 75,726	\$ 1,483.12	\$ 62.28	20.41
RENVILLE CO.	\$ 8,758,575	\$ 41,664.53	\$ 56,176.00	11.17
Glenburn	\$ 275,523	\$ 5,254.16	\$ 1,376.79	24.07
Grano	\$ 6,295	\$ 105.26	\$ 22.16	20.24
Loraine	\$ 29,664	\$ 197.16	\$ 93.48	9.80
Mohall	\$ 628,259	\$ 12,441.20	\$ 5,250.13	28.16
Sherwood	\$ 149,448	\$ 3,298.72	\$ 995.24	28.73
Tolley	\$ 46,298	\$ 857.35	\$ 108.13	20.85
RICHLAND CO.	\$ 36,409,135	\$ 214,283.92	\$ 335,388.23	15.10
Abercrombie	\$ 198,074	\$ 2,804.38	\$ 666.52	17.52
Barney	\$ 71,671	\$ 873.65	\$ 288.71	16.22
Christine	\$ 127,564	\$ 1,551.97	\$ 257.46	14.18

City	Taxable Valuation	Revenue Sharing	Personal Property Tax Replacement	Mills Needed To Replace
Colfax	\$ 113,327	\$ 960.73	\$ 338.50	11.46
Dwight	\$ 70,304	\$ 934.44	\$ 255.65	16.93
Fairmount	\$ 275,401	\$ 4,742.70	\$ 1,153.96	21.41
Great Bend	\$ 70,743	\$ 1,188.36	\$ 215.45	19.84
Hankinson	\$ 766,223	\$ 12,158.33	\$ 3,459.13	20.38
Lidgerwood	\$ 505,764	\$ 10,076.72	\$ 3,973.01	27.78
Mantador	\$ 68,481	\$ 874.98	\$ 315.24	17.38
Mooreton	\$ 211,291	\$ 2,217.14	\$ 712.69	13.87
Wahpeton	\$ 9,004,592	\$ 132,154.49	\$ 64,123.32	21.80
Walcott	\$ 123,859	\$ 1,984.89	\$ 327.08	18.67
Wyndmere	\$ 494,020	\$ 6,095.08	\$ 2,065.40	16.52
ROLETTE CO.	\$ 8,424,174	\$ 133,000.04	\$ 80,519.21	25.35
Dunseith	\$ 314,962	\$ 8,234.22	\$ 2,260.79	33.32
Mylo	\$ 21,952	\$ 225.14	\$ 180.44	18.48
Rolette	\$ 425,617	\$ 7,580.38	\$ 3,240.98	25.43
Rolla	\$ 1,386,978	\$ 19,454.91	\$ 12,591.04	23.10
St. John	\$ 121,572	\$ 3,941.07	\$ 588.44	37.26
SARGENT CO.	\$ 11,603,500	\$ 71,642.13	\$ 114,276.41	16.02
Cayuga	\$ 35,496	\$ 709.57	\$ 197.92	25.57
Cogswell	\$ 54,251	\$ 2,082.30	\$ 363.26	45.08
Forman	\$ 392,306	\$ 7,658.49	\$ 3,130.73	27.50
Gwinner	\$ 991,787	\$ 10,408.21	\$ 7,558.77	18.12
Havana	\$ 56,008	\$ 1,352.54	\$ 238.57	28.41
Milnor	\$ 496,869	\$ 8,058.87	\$ 3,054.67	22.37
Rutland	\$ 97,218	\$ 2,551.31	\$ 768.50	34.15
SHERIDAN CO.	\$ 5,535,237	\$ 35,631.79	\$ 46,745.92	14.88
Goodrich	\$ 118,675	\$ 2,249.71	\$ 929.95	26.79
Martin	\$ 61,047	\$ 1,309.40	\$ 217.81	25.02
McClusky	\$ 226,574	\$ 5,846.84	\$ 1,885.49	34.13
SIOUX CO.	\$ 1,988,534	\$ 42,732.49	\$ 25,363.77	34.24
Fort Yates	\$ 47,506	\$ 1,908.00	\$ 186.80	44.10
Selfridge	\$ 52,110	\$ 2,520.29	\$ 1,032.23	68.17
Solen	\$ 22,985	\$ 973.22	\$ 182.24	50.27
SLOPE CO.	\$ 4,525,612	\$ 20,135.51	\$ 23,689.07	9.68
Amidon	\$ 15,172	\$ 237.63	\$ 9.25	16.27
Marmarth	\$ 44,602	\$ 1,487.20	\$ 95.38	35.48
STARK CO.	\$ 28,085,220	\$ 146,631.90	\$ 242,083.64	13.84
Belfield	\$ 538,374	\$ 10,445.53	\$ 4,483.00	27.73
Dickinson	\$ 16,851,158	\$ 221,620.21	\$ 128,535.17	20.78
Gladstone	\$ 83,058	\$ 2,585.58	\$ 715.67	39.75
Richardton	\$ 375,593	\$ 7,351.01	\$ 3,090.95	27.80
South Heart	\$ 192,854	\$ 3,737.78	\$ 997.38	24.55
Taylor	\$ 71,037	\$ 1,767.04	\$ 371.35	30.10
STEELE CO.	\$ 9,017,992	\$ 56,748.50	\$ 77,784.66	14.92
Finley	\$ 496,247	\$ 7,884.95	\$ 4,506.60	24.97
Hope	\$ 163,575	\$ 4,777.47	\$ 2,859.40	46.69
Luverne	\$ 63,145	\$ 529.57	\$ 346.78	13.88
Sharon	\$ 69,882	\$ 1,621.00	\$ 717.38	33.46

City	Taxable Valuation	Revenue Sharing	Personal Property Tax Replacement	Mills Needed To Replace
STUTSMAN CO.	\$ 39,329,203	\$ 184,395.85	\$ 297,570.73	12.25
Buchanan	\$ 44,566	\$ 546.35	\$234.60	17.52
Cleveland	\$ 92,063	\$ 1,198.02	\$ 5.99	13.08
Courtenay	\$ 50,697	\$ 872.81	\$ 374.17	24.60
Jamestown	\$ 16,460,159	\$ 228,557.51	\$ 124,618.37	21.46
Kensal	\$ 134,711	\$ 2,208.63	\$ 622.88	21.02
Medina	\$ 198,811	\$ 4,518.52	\$ 1,346.95	29.50
Montpelier	\$ 24,004	\$ 850.82	\$ 131.52	40.92
Pingree	\$ 27,245	\$ 691.42	\$ 148.52	30.83
Spiritwood Lake	\$ 125,958	\$ 771.51	\$ 269.89	8.27
Streeter	\$ 88,089	\$ 2,051.72	\$ 974.31	34.35
Woodworth	\$ 83,081	\$ 1,279.76	\$ 603.46	22.67
TOWNER CO.	\$ 10,307,650	\$ 58,465.83	\$ 82,179.46	13.64
Bisbee	\$ 85,015	\$ 2,731.59	\$ 1,013.64	44.05
Cando	\$ 1,213,721	\$ 20,673.69	\$ 9,060.10	24.50
Egeland	\$ 29,592	\$ 1,112.89	\$ 183.12	43.80
Hansboro	\$ 8,116	\$ 198.02	\$ -	24.40
Maza	\$ 82,803	\$ 125.36	\$ 17.27	1.72
Perth	\$ 22,834	\$ 329.99	\$ 248.91	25.35
Rock Lake	\$ 83,884	\$ 2,437.50	\$ 482.32	34.81
Sarles**	\$ 3,136	\$ 37.75	\$ 14.87	16.78
TRAILL CO.	\$ 20,157,174	\$ 120,565.80	\$ 163,867.87	14.11
Buxton	\$ 310,481	\$ 4,053.36	\$ 1,239.77	17.05
Clifford	\$ 56,701	\$ 635.22	\$ 254.07	15.68
Galesburg	\$ 189,553	\$ 2,038.85	\$ 854.72	15.27
Grandin**	\$ 10,735	\$ 19.44	\$ 28.52	4.47
Hatton	\$ 691,351	\$ 11,395.49	\$ 5,719.68	24.76
Hillsboro	\$ 1,455,898	\$ 18,978.51	\$ 7,596.87	18.25
Mayville	\$ 1,529,863	\$ 26,007.67	\$ 9,376.92	23.13
Portland	\$ 646,173	\$ 7,424.30	\$ 2,604.63	15.52
Reynolds**	\$ 233,249	\$ 2,264.69	\$ 662.34	12.55
WALSH CO.	\$ 27,312,219	\$ 168,307.80	\$ 215,636.85	14.06
Adams	\$ 165,085	\$ 3,287.98	\$ 1,564.00	29.39
Ardoch	\$ 40,505	\$ 616.51	\$ 197.08	20.09
Conway	\$ 6,042	\$ 237.63	\$ -	39.33
Edinburg	\$ 215,419	\$ 3,748.57	\$ 1,465.81	24.21
Fairdale	\$ 72,489	\$ 894.70	\$ 326.19	16.84
Fordville	\$ 203,320	\$ 3,504.61	\$ 923.58	21.78
Forest River	\$ 109,651	\$ 1,762.98	\$ 430.25	20.00
Grafton	\$ 4,692,975	\$ 73,693.66	\$ 33,650.72	22.87
Hoople	\$ 289,172	\$ 3,765.31	\$ 1,070.29	16.72
Lankin	\$ 131,638	\$ 1,847.92	\$ 531.88	18.08
Minto	\$ 480,671	\$ 6,841.57	\$ 1,839.00	18.06
Park River	\$ 1,318,388	\$ 22,850.68	\$ 9,186.81	24.30
Pisek	\$ 49,474	\$ 1,386.98	\$ 212.43	32.33
WARD CO.	\$ 86,453,032	\$ 369,313.37	\$ 482,379.18	9.85
Berthold	\$ 375,230	\$ 4,558.64	\$ 1,052.21	14.95
Burlington	\$ 946,667	\$ 12,045.59	\$ 3,673.60	16.60
Carpio	\$ 178,999	\$ 2,084.95	\$ 619.14	15.11
Des Lacs	\$ 134,099	\$ 2,239.64	\$ 393.79	19.64
Donnybrook	\$ 45,509	\$ 1,166.18	\$ 272.29	31.61
Douglas	\$ 24,519	\$ 1,014.20	\$ 280.83	52.82

City	Taxable Valuation	Revenue Sharing	Personal Property Tax Replacement	Mills Needed To Replace
Kenmare	\$ 929,513	\$ 16,653.35	\$ 8,497.66	27.06
Makoti	\$ 113,888	\$ 1,597.99	\$ 516.51	18.57
Minot	\$ 56,414,119	\$ 566,070.86	\$ 380,931.87	16.79
Ryder	\$ 78,918	\$ 1,319.98	\$ 347.60	21.13
Sawyer	\$ 259,656	\$ 3,593.79	\$ 782.91	16.86
Surrey	\$ 824,981	\$ 10,234.48	\$ 3,196.93	16.28
WELLS CO.	\$ 13,863,718	\$ 78,485.82	\$ 108,392.20	13.48
Bowdon	\$ 79,610	\$ 2,246.35	\$ 605.07	35.82
Cathay	\$ 10,771	\$ 592.16	\$ 68.68	61.35
Fessenden	\$ 497,204	\$ 8,265.59	\$ 3,316.03	23.29
Hamberg	\$ 19,545	\$ 241.41	\$ 77.54	16.32
Harvey	\$ 1,813,999	\$ 28,441.24	\$ 11,945.46	22.26
Hurdsfield	\$ 45,909	\$ 1,088.59	\$ 348.02	31.29
Sykeston	\$ 62,441	\$ 1,860.71	\$ 395.94	36.14
WILLIAMS CO.	\$ 32,053,324	\$ 176,348.34	\$ 264,813.44	13.76
Alamo	\$ 39,535	\$ 818.66	\$ 340.83	29.33
Epping	\$ 46,488	\$ 818.03	\$ 324.35	24.57
Grenora	\$ 156,588	\$ 3,087.08	\$ 1,449.57	28.97
Ray	\$ 414,209	\$ 7,462.57	\$ 3,143.10	25.60
Springbrook	\$ 17,675	\$ 287.13	\$ 46.65	18.88
Tioga	\$ 866,269	\$ 16,374.00	\$ 8,026.17	28.17
Wildrose	\$ 74,367	\$ 2,257.99	\$ 806.05	41.20
Williston	\$ 12,878,698	\$ 184,176.58	\$ 95,733.03	21.73
** seven cities are in more than one county				

Building the Future of North Dakota Agriculture

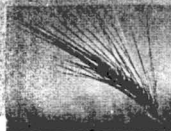
SB 2337



*"The trusted
provider of
the highest
quality food
in the world!"*

Commission
on the Future
of Agriculture

1998



Introduction

Dear friends,

North Dakotans are a special breed of people! In the midst of low prices, disease, poor yields, winter storms and spring flooding, you didn't quit—you persevered. Your positive attitude, participation and suggestions have helped the Commission on the Future of Agriculture do its work successfully.

In the fall of 1997, as we were beginning the slow recovery from the many disasters of the previous winter and spring, Agriculture Commissioner Roger Johnson called us together to start a discussion about what needed to be done to help North Dakota agriculture, our state's #1 industry. He told us he wanted representation from Farm Bureau and Farmers Union (the state's two largest farm organizations), the North Dakota Association of Rural Electric Cooperatives, and North Dakota State University. We all gladly joined the effort as the steering committee.

We recognized that the agricultural economy of the state could not be left to chance. We had to do something, since 25 percent of the state's population is employed directly by agriculture or in an agriculture-related business. Ninety percent of North Dakota's land area consists of farms and ranches, and agricultural production and manufacturing make up more than 37 percent of North Dakota's economic base. We acknowledged that the business of agriculture is changing and that we need to change with it. The ques-

tion was: How do we make those changes profitable for our agricultural community?

Our first step toward finding that answer was to establish the 15-member Working Group in November 1997. We asked these individuals to contribute a significant amount of time and energy during the next seven months to answering two questions:

- ◆ What do we want North Dakota agriculture to look like in the future?
- ◆ What are we going to do to get there?

We then created the Commission on the Future of Agriculture, comprised of over 60 agricultural and rural organizations and agencies. This group met for the first time in January and set the process in full motion, with funds provided by Attorney General Heidi Heitkamp as the result of the settlement of a multi-state legal action.

More than a thousand of you have been involved in this process from the first public forum at Marketplace '98 on Jan. 8, through 20 other forums held around the state. You attended those forums to hear what others had to say and to make significant contributions to the list of recommendations.

As a result of those forums and after considerable discussion by both the Working Group and the Commission, we have identified the direction in which we believe North Dakota agriculture must move. On June 5, 1998, the Commission on the Future of Agriculture overwhelmingly approved this plan,

which is truly an investment in the future.

The recommendations identified in "Building the Future of North Dakota Agriculture" will require action from a variety of sources including Congress, the State Legislature, federal and state government agencies, local political subdivisions, private companies, and you—the citizens of North Dakota. Those of us who have been involved in this effort thought that you would want to know the current state of our #1 industry and plans for its future.

The hardest work is yet to come—implementation—when we turn our vision of the future and our 54 recommendations into reality. That's Phase II, our next step: making it all happen. There is a part for you to play in it; we certainly hope that you'll join us!

The significance of the Commission's efforts is not what is written on the following pages, but rather, what will happen because of its work. We hope that you will talk to your friends and neighbors about what we're recommending and call us if you have any questions or comments.

Finally, please remember that this is simply a blueprint for building the future of North Dakota agriculture. It is not a finished product, but rather, it is a work in progress.

Sincerely,

The Steering Committee of the Commission on the Future of Agriculture

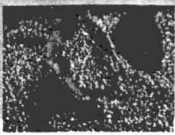
Pictured left to right: Dennis Hill, Executive Director, N.D. Assn. of Rural Electric Co-ops; Robert Carlson, President, N.D. Farmers Union; Howard Schmid, Past President, N.D. Farm Bureau; Roger Johnson, N.D. Commissioner of Agriculture, and Pat Jensen, Vice President - College of Agriculture, N.D. State University



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"Building the Future of North Dakota Agriculture," the Final Report and Action Plan of the Commission on the Future of Agriculture. Published in cooperation with "North Dakota REC/RTC Magazine," the monthly magazine of the state's rural electric cooperatives and rural telephone cooperatives. For more information on COFA, c/o N.D. Department of Agriculture, 600 East Blvd. Ave., Department 602, Bismarck, ND 58505-0020; ph: (800) 242-7535. For information on the "North Dakota REC/RTC Magazine," contact the magazine at: P.O. Box 727, Mandan, N.D. 58554-0727; ph: (701) 663-6501; fax: (701) 663-3745; e-mail: kbrick@ndarec.com; or see the web site: <http://www.ndarec.com>. Cover note: The Celley family—Roland and Tammy, young Aaron and Alison, and their dog, "Dude," farm near Regan, N.D.



Vision

"The commission's work is detailed and far-reaching. In many aspects, it is nothing short of visionary. It should be taken seriously because it contains the seeds of a new, diversified and invigorated agricultural sector."

The Forum, June 14, 1998

Our vision of the future is:

That North Dakota becomes *the trusted provider of the highest-quality food in the world* with:

- ◆ Prosperous family farms;
- ◆ Thriving rural communities, and
- ◆ World-class stewardship of resources.

The Commission recognizes that North Dakota's agricultural commodities are also used as raw materials for processing into fiber, energy, and other industrial products as well as food products. However, there is value in adopting a vision statement that is bold, compelling, and easy to remember. We believe the phrase, "... the trusted provider of the highest quality food in the world ..." is a crisp vision statement that can capture the imagination of industry participants and motivate them to take the actions needed to make the vision become reality.



Mission

To significantly increase net farm income, improve the quality of rural life, and increase North Dakota's rural population.



Goals, Objectives and Actions

The following goals are designed to enable North Dakota to fulfill its vision and to achieve its mission.

Goal 1

Make North Dakota agricultural products synonymous with high quality, dominating the premium markets.

Goal 2

Increase value-added agricultural processing.

Goal 3

Diversify and increase the value of agricultural production.

Goal 4

Increase farm and non-farm cooperation that supports thriving rural communities and enhances our natural resources.

Goal 5

Create a political, regulatory, economic, trade, financial, and natural resource environment in which North Dakota producers can compete in the global marketplace.



Specific objectives and action steps for each goal:

Goal 1

Make North Dakota agricultural products synonymous with high quality, dominating the premium markets.

Objective 1

Develop a recognized family of brands that provides commensurate net returns.

- a. We recommend initial efforts be directed toward those products for which North Dakota has the greatest comparative advantage.

- b. We recommend that cost-effective joint marketing be undertaken as multiple brands become viable or marketing pools of differentiable products can be identified.

Objective 2

Establish, promote, and implement internationally recognized standards of product quality and processing excellence that can be certified by an independent entity.

- a. We recommend that the North Dakota Department of Agriculture promote the cooperation of appropriate certifying agencies with all relevant producer and processor groups to develop standards for their products and to develop systems for monitoring adherence to these standards.
- b. We recommend that the North Dakota Mill and Elevator establish a model for developing standards for wheat.

Objective 3

Conduct the necessary animal and crop research to differentiate and market high

quality crop and livestock products from North Dakota.

- a. We recommend that the U.S. Congress and the State Legislature provide adequate research funding to North Dakota for emerging diseases of plants and animals.
- b. We recommend that public support for research related to crops and livestock grown in North Dakota be gradually increased to 2 percent of gross farm income to the state.
- c. We recommend that a major bench-marking effort be undertaken for key North Dakota agricultural products so as to quantify the greatest product advantages and areas requiring augmentation.

Objective 4

Get producers to buy equity in and commit production to North Dakota-based processing and marketing enterprises.

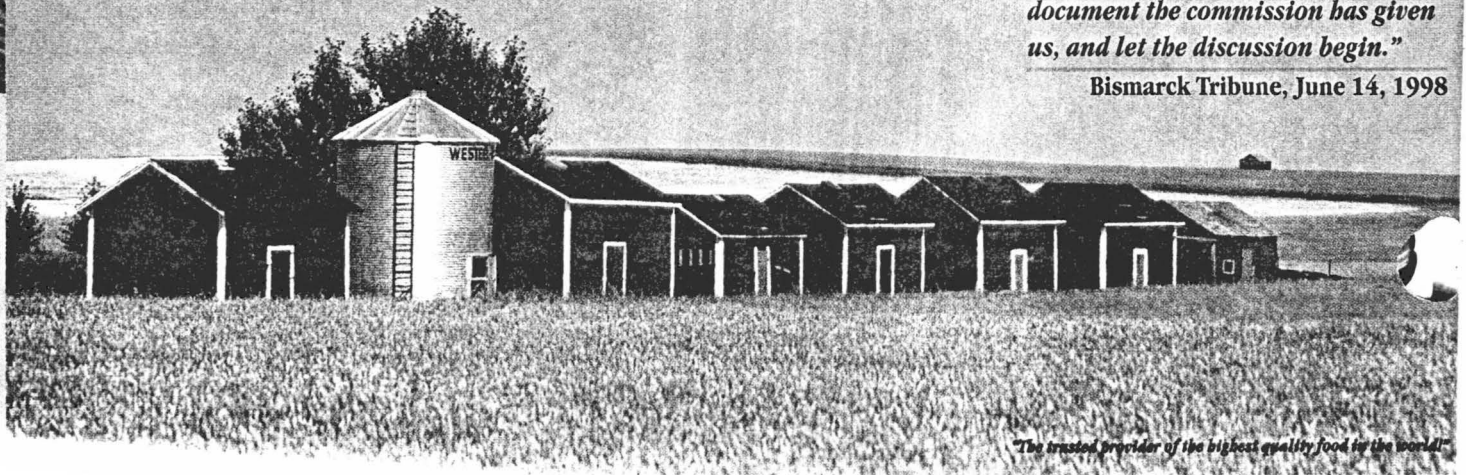
- a. We recommend that the Cooperative Development Center technical assistance services to producers be strengthened and expanded. ♦

"The report is must reading for any farmer or rancher who wants to survive and see his farm or ranch passed on to future generations."

Farm and Ranch Guide, June 19, 1998

"Let us ponder the rather remarkable document the commission has given us, and let the discussion begin."

Bismarck Tribune, June 14, 1998



"The trusted provider of the highest quality food for the world!"



Goal 2

Increase value-added agricultural processing.

Objective 1

Provide and promote opportunities for producers to invest in value-added agricultural processing through incentives.

- a. We recommend that the U.S. Congress and the North Dakota Legislature provide tax incentives for investors in value-added agricultural processing.

Objective 2

Improve and strengthen the Agricultural Products Utilization Commission (APUC).

- a. We recommend that the legislature assure a permanent funding source to support value-added research and development through APUC.
- b. We recommend that APUC remain under the control of farmers, with six appointed members to be selected from names recommended by agricultural organizations.
- c. We recommend that APUC be able to negotiate repayment of grants through preferred stock, intellectual property, and other methods.
- d. We recommend that APUC assist in the commercialization of innovations and patentable technologies discovered in publicly assisted research.



Objective 3

Provide and promote favorable finance programs for value-added agricultural processing businesses.

- a. We recommend improvements in the cooperative stock purchase program to include stronger incentives for low-equity farmers and improved loan terms for other farmers.
- b. We recommend the creation of an additional capital fund, partly funded by profits from the Bank of North Dakota, to make equity investments in value-added agricultural ventures within the state.

Objective 4

Promote innovative financial tools for non-farm North Dakota residents to invest in value-added agricultural processing projects with their farmer neighbors.

- a. We recommend that a mutual fund capital pool be developed to attract

farm and non-farm investments in North Dakota value-added processing projects.

- b. We recommend that existing cooperatives be encouraged to create and capitalize a fund to be used to encourage farmers to invest in diversification and value-added projects.

Objective 5

Locate value-added food businesses in rural areas, where economically feasible and sustainable, with a high preference for North Dakota locations.

- a. We recommend that the legislature appropriate funds for a targeted Partnership in Assisting Community Expansion (PACE) program with lower matching requirements for value-added processing projects. ♦





Goal 3

Diversify and increase the value of agricultural production.

Objective 1

Develop and implement an aggressive plan for increasing animal agriculture within the state.

- a. We recommend that the 1999 legislature change the farm property tax structure to encourage investment in animal agriculture facilities.
- b. We recommend the promotion of value-added animal agriculture production, including quality assurance standards and safe food animal processing. We recommend that the state government explore the possibility of creating a partnership with the USDA Northern Great Plains Research Center to expand its mission to include this component.
- c. We recommend significant local and state involvement in the formulation and implementation of appropriate environmental regulations.

Objective 2

Focus research on new and emerging crops, livestock species, and appropriate technology that is suitable for production

and processing of food, fiber, energy, and other industrial products.

- a. We recommend that research be conducted in partnership with land grant universities, industry, farmers and non-profit organizations. The results of this research should be disseminated in a format that will optimize its use among farmers and processors.

Objective 3

To retain the ownership and control of production agriculture in the hands of family farms.

- a. We recommend that the North Dakota Legislature strengthen the family farming statute by allowing the number of possible shareholders related in some way to the "farmer" (as stated in the statute) to be increased to 30 members. We support the spirit and intent of North Dakota's family farming statute, which was established to preserve and maintain farm ownership and control in the hands of family farmers. The law should also make some allowances for no more than two full-time unrelated (to the "farmer") employees of the family corporation to become members of the farm family corporation. To qualify for such inclusion, the employee must have at least three years employment history with the family farm corporation, and upon leaving the employment of the farm,

the employee would be required to liquidate his/her shares.

Objective 4

Reduce transportation costs for North Dakota agricultural commodities and food products.

- a. We recommend that the State Legislature appropriate funding to the Department of Transportation to analyze methods of reducing transportation costs of North Dakota produced and processed commodities and products and to develop a strategic transportation plan for the state.
- b. We recommend that the State Department of Transportation harmonize requirements among North Dakota, other states, and Canadian provinces.

Objective 5

Create and implement an aggressive plan to develop and conserve water resources within the state.

- a. We recommend that the formulation of a strategic plan for economic development through irrigation be prepared by the High Value Irrigated Crops Task Force, in cooperation with NDSU, with state funding.
- b. We recommend that the USDA Northern Great Plains Research Center establish a Dryland Farming Institute to develop more drought-resistant crops and moisture-conserving farming practices.

Objective 6

Establish an agricultural marketing web site to link buyers and sellers of North Dakota produced and processed commodities and products.

- a. We recommend that the North Dakota Department of Agriculture establish and maintain a user-friendly web site that can be accessed by all North Dakota producers and processors as well as domestic and international buyers. ♦



The beautiful beauty of the sunflower is a symbol for the sun.



Goal 4

Increase farm and non-farm cooperation that supports thriving rural communities and enhances our natural resources.

Objective 1

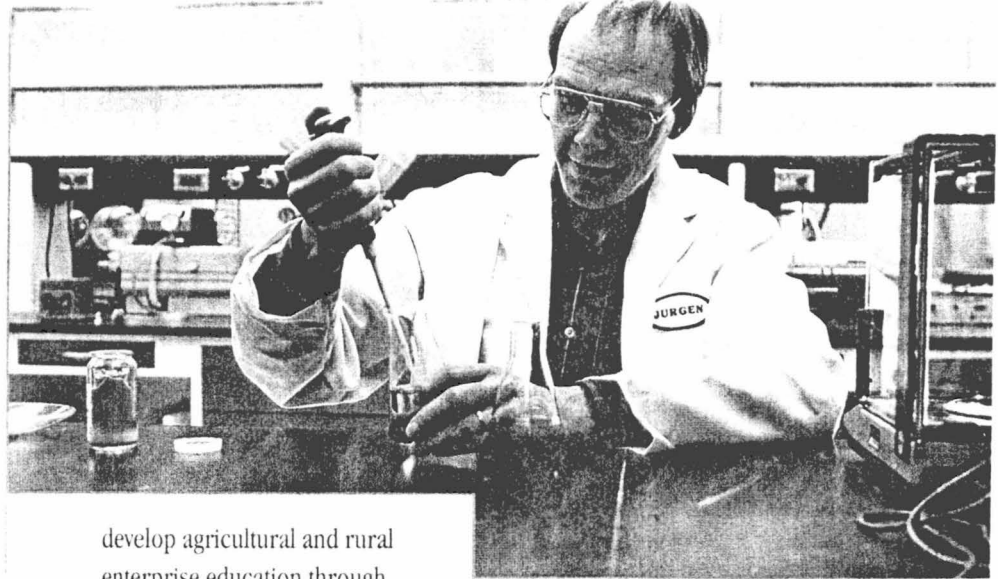
Increase the connectivity to and availability of information in rural communities.

- a. We recommend that the North Dakota Legislature provide incentives to establish an advanced telecommunications network that provides affordable service to all areas of the state.

Objective 2

Develop broad-based support for agricultural education from elementary through adult levels.

- a. We recommend that the North Dakota Legislature provide adequate funding for agricultural education at the post-secondary level as well as for establishing vocational education courses in high schools.
- b. We recommend that the North Dakota Legislature provide adequate funding to the Board for Vocational Education:
 - ◆ To support as many adult farm management programs as demand requires;
 - ◆ To support the expansion of the curriculum to emphasize marketing education for farmers;
 - ◆ To encourage the creation and expansion of marketing clubs as adjuncts to new and existing Adult Farm Management Programs, and
 - ◆ To align the Extension Service, the Board for Vocational Education, and the university system to



develop agricultural and rural enterprise education through electronic means such as e-mail, internet web sites, and interactive video network classes.

Objective 3

Design and implement entrepreneurial and work force recruitment and training incentive programs which will retain and attract people to rural North Dakota communities.

- a. We recommend a program of tuition rebates in partnership with local communities for university system students who work in rural North Dakota for a minimum of five years following graduation.
- b. We recommend that Job Service North Dakota expand its prospect list by lending its support to "Project Back Home" to increase the impact of the program statewide.

Objective 4

Provide for a work force that has a vested interest in the business.

- a. We recommend that the legislature explore potential tax incentives which would encourage greater participation by North Dakota employees in agricultural business ownership.

Objective 5

Increase the awareness of the significance of agriculture to the state of North Dakota.

- a. We recommend that the North Dakota Legislature provide adequate funding for the Ag in the Classroom program to educate the state's children on the vital importance of agriculture in their lives and in the state's economy.
- b. We recommend the continued funding, at current or increased levels, of 4-H and FFA programs.

Objective 6

Increase the appreciation of the importance of stewardship of our natural resources in the production of high-quality food.

- a. We recommend the use of incentive-based conservation programs that are voluntary and that include annual payments to farmers to encourage greater use of natural resources by the public.
- b. We recommend the development of a teaching and learning curriculum for adults and school-age children that presents the production ethic that balances agricultural production and environmental concerns.◆

"Everybody ought to read the final report of the Commission on the Future of Agriculture...Its blueprint for a prosperous and self-sufficient future is the boldest and most comprehensive in 80 years..."

Bismarck Tribune, June 14, 1998



Goal 5

Create a political, regulatory, economic, trade, financial, and natural resource environment in which North Dakota producers can compete in the global marketplace.

Objective 1

Provide immediate tax relief for producers, focused on a more favorable property and income tax structure for agricultural producers.

- a. We recommend that Congress enact modifications to the tax law to permit the \$500,000 exemption in capital gain tax on residences to be applied to farms and small business real estate. A five-year minimum ownership is also suggested to prevent speculation in farmland.
- b. We recommend that the U.S. Congress

"In order to be fully implemented it needs support, beginning at the grass-root level on up to the legislatures on both the state and federal levels..."

Farm & Ranch Guide, June 19, 1998

provide additional estate tax exemptions to farm real estate transferred within families.

- c. We recommend that Congress allow farmers to purchase, own, and operate farm real estate with tax deferred retirement funds.
- d. We recommend that the state create a property tax structure which encourages on-farm living, well-kept buildings, and state-of-the-art, environmentally friendly production facilities.
- e. We recommend that Congress extend and expand income tax provisions to enable agricultural producers to utilize Income Averaging, the Investment Tax Credit, and 100 percent health insurance premium deductibility.
- f. We recommend tax abatements for beginning farmers similar to tax abatement programs for other beginning small businesses.
- g. We recommend that facilities used to grow or raise any unprocessed agricultural product be exempted from property tax.
- h. We recommend reducing dependence

on property taxes and increasing dependence on state revenue sources. Furthermore, we recommend that:

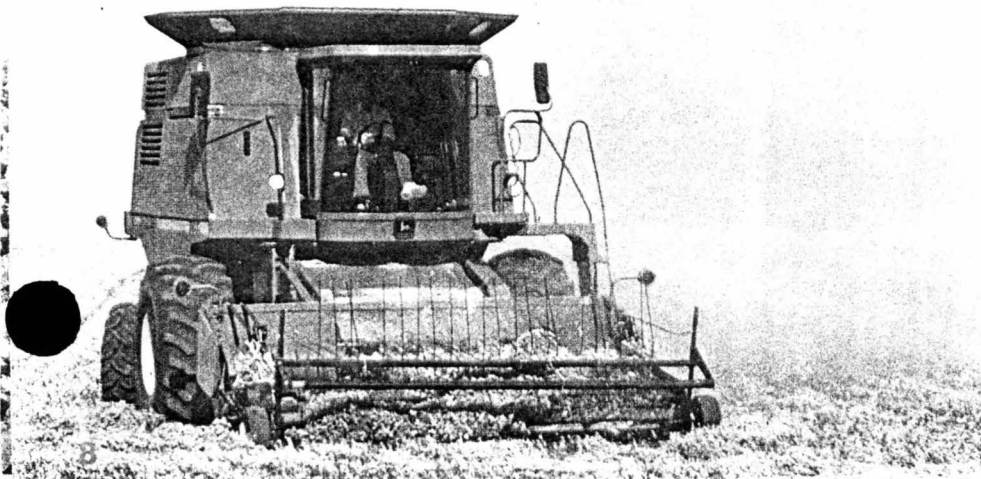
- ◆ State Aid Distribution be funded at 0.6 percent of statewide taxable sales;
 - ◆ State Foundation Aid be increased to 60 percent of the statewide per pupil cost for education, and
 - ◆ A related decrease in property taxes by local political subdivisions be implemented.
- i. We recommend that the 1999 North Dakota Legislature adopt changes in the definition of "farmer" for determining residential exemptions for property tax from a definition based on the percent of family income derived from farming to "whose gross farm income exceeds off-farm income."

Objective 2

Improve the lending environment for agriculture.

- a. We recommend changes in the lending practices of the Bank of North Dakota and Farm Service Agency (FSA) for improved beginning farmer and first-time farm purchases. Beginning farmers should be afforded incentives similar to lending programs for beginning small businesses in other industries. We recommend that the Bank of North Dakota increase its beginning farmer loan limit from \$100,000 to \$150,000.
- b. We also recommend that:
 - ◆ FSA intensify its efforts to help beginning farmers and make every effort to reduce burdensome paperwork;
 - ◆ The FSA director take immediate action to implement the line-of-credit loans authorized in section

"The trusted provider of the biggest quality food in the world!"



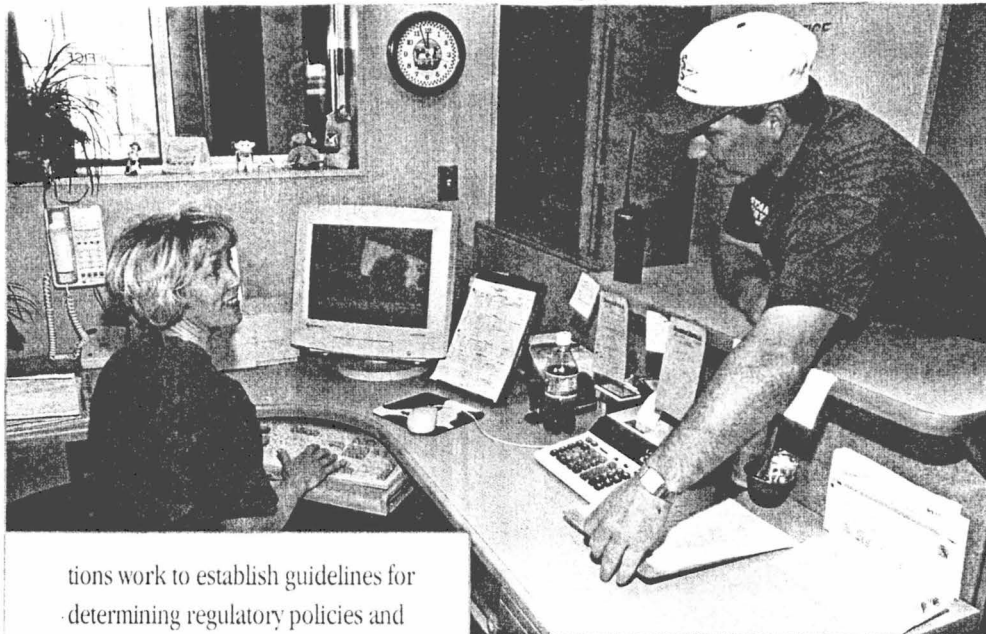
614 of the 1996 Farm Act. Line-of-credit loans should be used for all routine and recurring operating loans using either direct or guaranteed authorities;

- ◆ The FSA administrator give the highest priority to the immediate establishment of regulations to fully implement the "Preferred Lender" and "short form application" for operating loans under \$50,000 as required under the 1992 Agriculture Credit Act amendments;
- ◆ Congress authorize the Farm Service Agency to guarantee tax-exempt First Time Bonds used to make loans to beginning farmers and ranchers. These bonds should be allowed for use in seller-financed transactions between family members, and
- ◆ FSA increase its lending limits.

Objective 3

Ease or eliminate restrictive regulatory burdens.

- a. We recommend easing impediments caused by existing pesticide regulations through:
 - ◆ Increasing resources and efforts of the U.S./Canada Technical Working Group (TWG) on Pesticides to harmonize pesticide regulations in the two countries;
 - ◆ Committing more resources and efforts to establishing tolerances for pesticides registered for use in Canada but not in the United States, and
 - ◆ Exerting a greater effort to accept registration data currently accepted by Canadian officials in support of Canadian registrations.
- a. We recommend that farm organiza-



tions work to establish guidelines for determining regulatory policies and specifications, including environmental bonding where warranted, that balance the need for agricultural production and preservation of North Dakota's valuable natural resources. These guidelines should be shared and coordinated with environmental, consumer, and regulatory groups.

Objective 4

Reduce non-farm competition with individual farmers and ranchers for land acquisition including government agencies and non-profit organizations.

- a. We recommend that agricultural organizations in conjunction with the North Dakota Association of Counties and the North Dakota Township Officers Association develop model land use zoning guidelines for use by counties and townships that preserve agricultural land for future generations. More specifically, we recommend:
 - ◆ A statewide cap on CRP acreage at the current level, and that all future CRP be limited to highly erodible land and waterways, and
 - ◆ Retention of ownership and control of production agriculture in the hands of family farmers and ranchers by implementing a policy of no net loss of productive agricultural land.

Objective 5

Provide better options for risk management by farmers.

- a. We recommend that the Congress and the U.S. Department of Agriculture make the following changes to the Federal Risk Management Program:
 - ◆ Expand coverage to all crops, including new and emerging crops;
 - ◆ Expand coverage to protect minimum revenue levels;
 - ◆ Develop a gross-farm income protection program, and
 - ◆ Provide that the yield data for disaster years not be included when calculating actual production histories for determining yield guarantee levels.

Objective 6

Encourage options for lower cost, quality health insurance for farm families.

- a. We recommend that North Dakota Farm Bureau, North Dakota Farmers Union and other farm organizations cooperate in offering one health insurance program to their combined membership that would benefit from lower rates due to the larger pool of participants than any one organization currently enjoys. ◆



Background

The best thing about the (Commission on) Future of Agriculture Report might be the psychological lift it gives North Dakotans...

"The report has managed to lift our sights beyond the farm crisis and toward a prosperous farm future."

"...it's good to see state farm leaders taking the initiative. It is only in this way that the state's farmers will gain greater control of their own—and the state's—destiny."

Grand Forks Herald, June 23, 1998

Ninety percent of North Dakota's land (over 40.2 million acres) is in farms, making the state fourth in the nation in the percentage of total acres devoted to agriculture. North Dakota also ranks fourth in the nation in the percentage of economic base derived from agriculture.

At 38 percent of the total, agriculture is the largest sector of the state's economic base (see Figure 1) and generated more than \$3 billion in revenue in 1997. North Dakota ranks 10th in agricultural exports, earning \$1.7 billion in fiscal year 1996.

North Dakota's principal agricultural

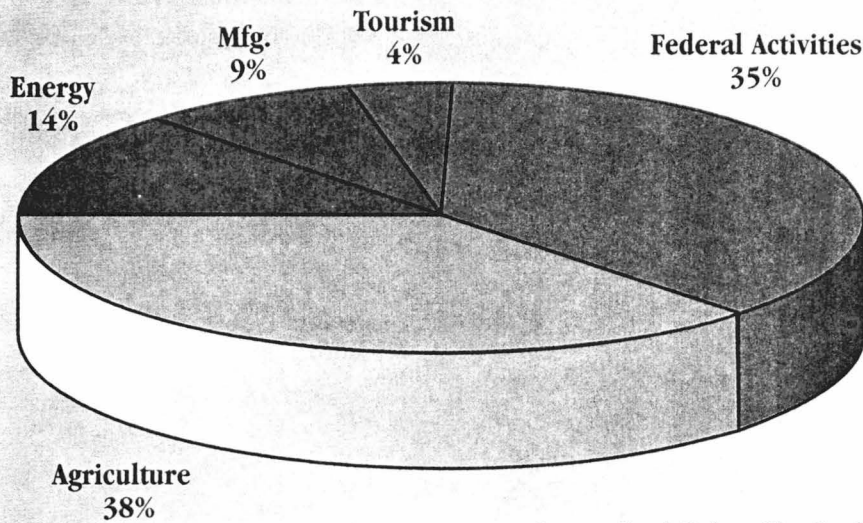
products are wheat and cattle. The combination of wheat at 41.4 percent and cattle at 9.2 percent made up over one-half of the state's total agricultural receipts in 1996. These two enterprises were also among the hardest hit by recent weather disasters. In 1997, wheat production was down 33 percent from 1996. Disease and insect problems, coupled with poor prices, have led to a predicted decline of more than one-and-one-half million acres in 1998 wheat plantings.

Total cattle inventories have dropped 8 percent from a year ago, due largely to record winter-related losses and economic factors. As a percent of total inventory, the total cattle death loss in 1997 is the highest on record.

Net returns per acre of wheat in North Dakota turned negative in 1997, with an average statewide loss of \$16 per acre (shown in Figure 2). Similarly, returns for beef cattle were net losses for many cattle producers during 1995 and 1996 (as shown in Figure 3 on page 12).

Low and negative net returns on wheat and cattle have led to declining net farm

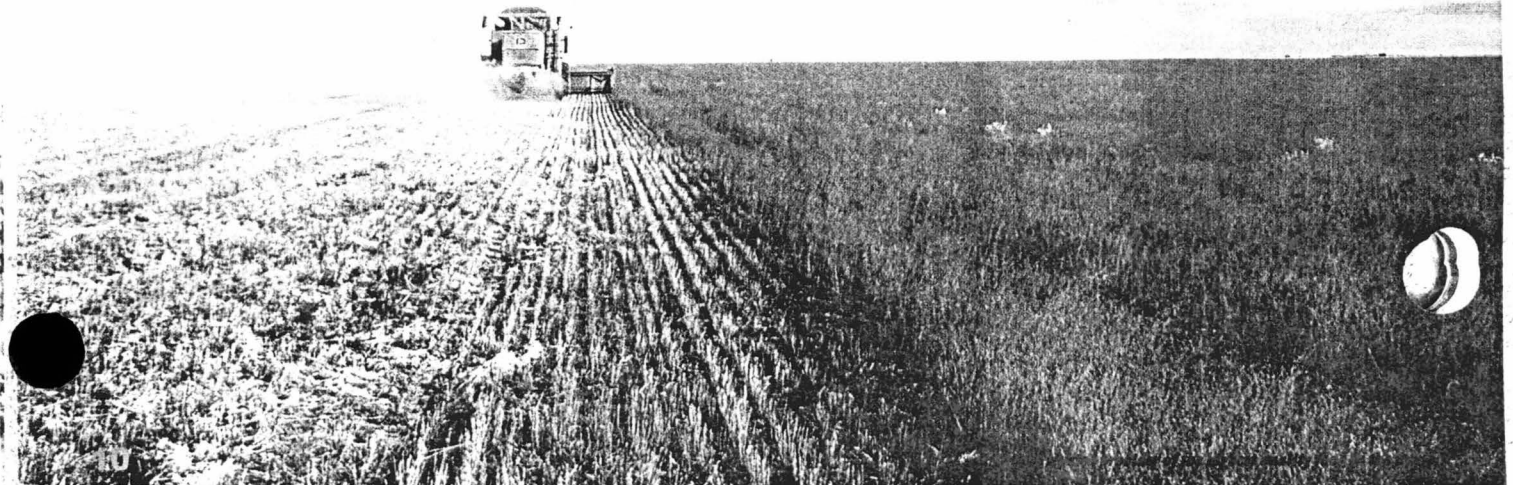
FIGURE 1. NORTH DAKOTA'S ECONOMY IN THE 1990s



Source: North Dakota Blue Book

"The commission's blueprint is a long-term approach."

The Forum, June 14, 1998





income. Net cash farm income in the state has fallen from a per farm average of \$50,091 in 1993 to just \$15,190 in 1997. Profitability for producers is virtually impossible in this situation, with family living expenses now exceeding average net cash farm income (as shown in Figure 4 on page 13).

The state has also experienced a significant demographic change. The number of farm youth within the state has declined from 63,557 in 1970 to 17,366 in 1990 (as shown in Figure 5 on page 13) and is estimated to have decreased further to 10,000 at present. In addition, 31 of 53 counties have registered more deaths than births in the period from 1990 to 1996.

Family farm net income is also impacted by growing economic concentration in sectors of agricultural marketing and processing. Economic concentration among the four top meat packers has increased from 67 percent in 1987 to 87 percent in 1997. Similarly, the top four flour millers control 62 percent of the market today versus 40 percent in 1982.

As shown in Figure 6 on page 13, at sectors of agricultural marketing and processing continue to see an increasing percentage of economic concentration, limiting market opportunities and compet-

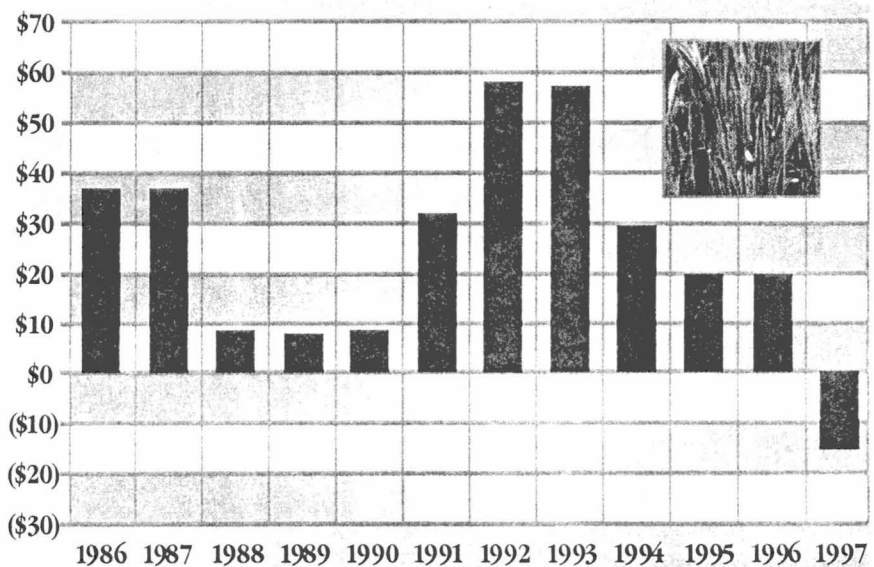
itive prices for farmers and ranchers.

Despite the adverse conditions, North Dakota has developed a worldwide reputation as a leader in value-added processing cooperatives. This well-deserved opinion is based on a carefully developed strategy and hard-fought successes in the creation of producer-owned enterprises. This body of experience in successes and failures will

"Where predictions are concerned, the Commission on the Future of Agriculture's are ... useful ... They build on the state's current situation."

Grand Forks Herald, June 24, 1998

FIGURE 2. NET RETURNS PER ACRE FOR WHEAT IN N.D.



Source: North Dakota Adult Farm Management Program



"Perfect timing. The plan could be the beginning of the salvation of North Dakota agriculture."

"Building the Future of North Dakota," a report by the Commission on the Future of Agriculture, reveals the clear-thinking, problem-solving abilities of North Dakotans..."

Minot Daily News, June 14, 1998

serve us well in building the future envisioned in this report. Our hard work and profound commitment have generated an unshakable sense of self-confidence. We believe we can achieve our vision.

The Commission on the Future of Agriculture (the Commission) was formed because of the crisis in North Dakota agriculture. However, the Commission is confi-

dent that people within the state can build upon the very impressive human and social capital that has been developed over the last several decades.

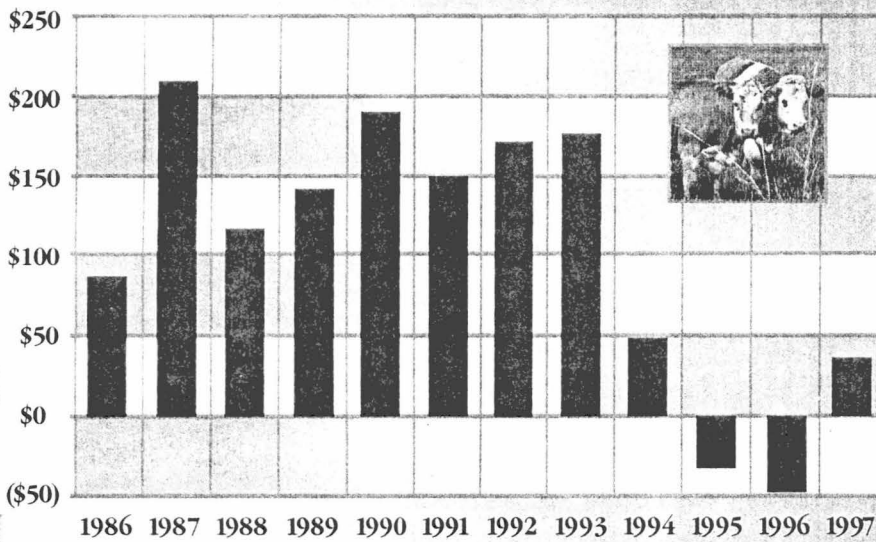
The Commission recognizes that many members of the farming community need immediate relief if they are going to survive economically. Furthermore, the state must develop a long-term strategic plan that will create long-term, sustainable prosperity utilizing all appropriate technology if the current crisis is not to repeat itself again in another few years.

Thus, the Commission believes it is imperative that its recommendations include strong action steps that will:

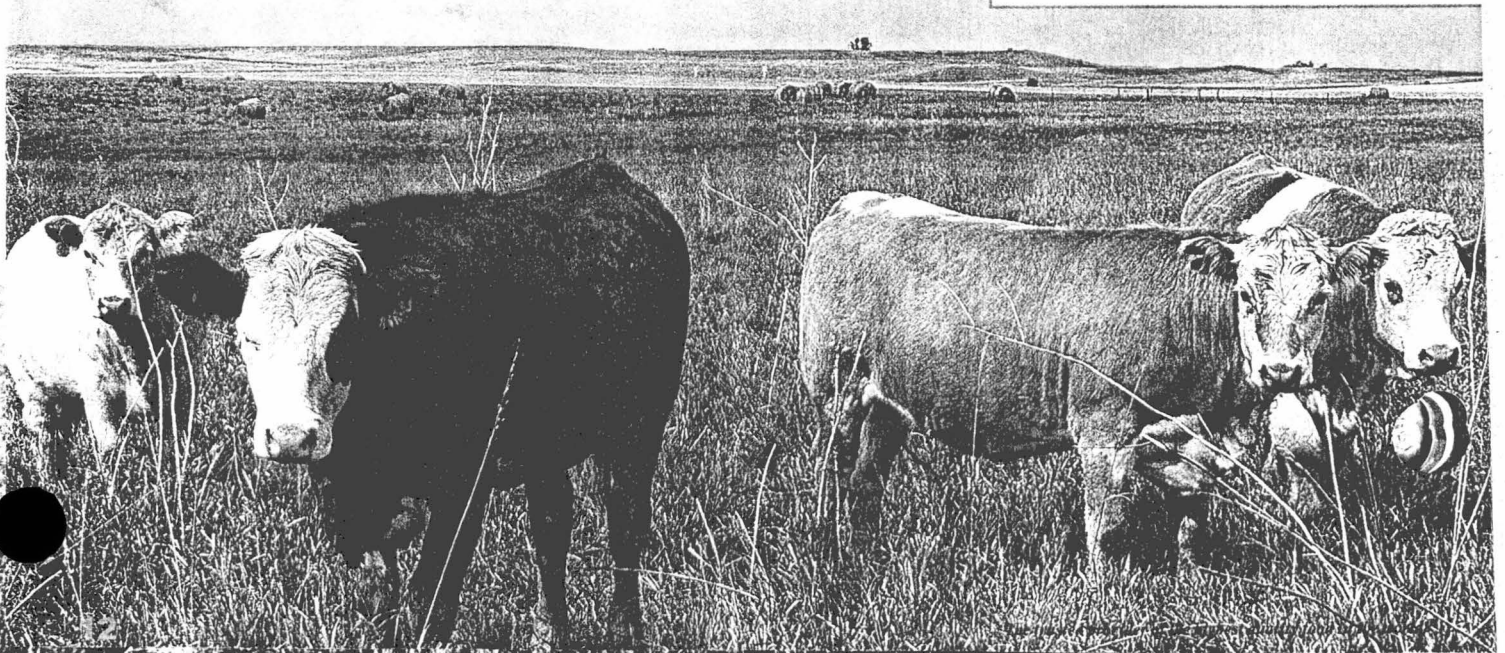
- ◆ Provide immediate relief to today's farmers;
- ◆ Generate actions that will improve profitability in the medium term, and
- ◆ Create a viable long-term economic future for North Dakota's farm and non-farm population.

The Working Group identified criteria that it felt should be used in selecting appropriate goals, objectives and action steps. It was determined that the goals,

FIGURE 3. NET RETURNS PER BEEF COW IN N.D.



Source: North Dakota Adult Farm Management Program



Objectives and action steps presented in the report should meet most, if not all, of the following criteria:

- ◆ Contribute to an increase in net farm income.
- ◆ Create an active cooperation between farm and non-farm communities.
- ◆ Be doable.
- ◆ Be incentive-driven.
- ◆ Increase the quality of food production.
- ◆ Contribute to healthy population growth.

The Commission believes that the objectives and recommendations in this report meet these criteria. We hope that you do, too.

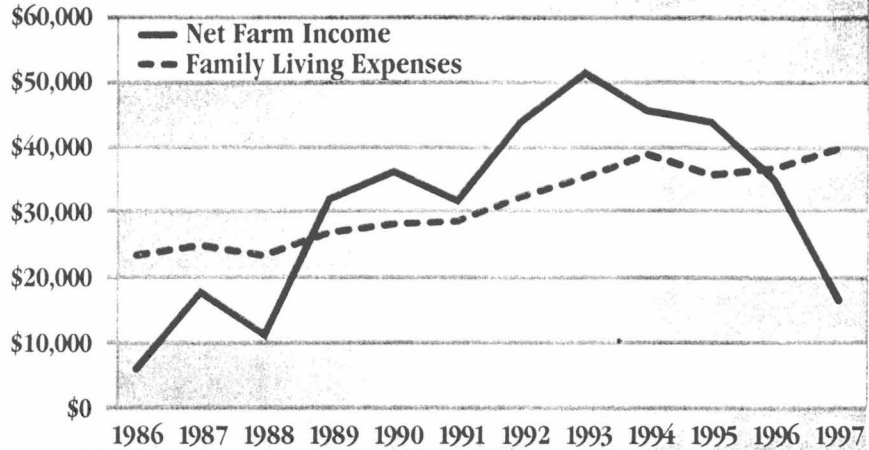
Many of the people of North Dakota who have developed this report are listed on the following page. Their assistance has been invaluable.

All of us know that we have just begun the effort to create our future. The real challenge—implementation—is ahead of us. As the June 14, 1998, *Forum* editorial observed, "The initiative might be the most important item of business to come before the 1999 Legislature."

The words in this report are just words until they are implemented. This is a task that will require all of our efforts!◆

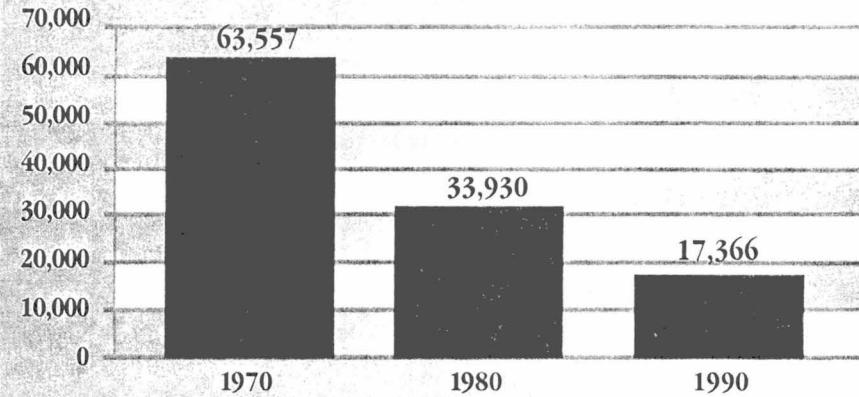
For more information about the Commission on the Future of Agriculture, please contact the North Dakota Department of Agriculture at 701-242-7535 or 328-2231.

FIGURE 4. NET FARM INCOME VS. LIVING EXPENSES



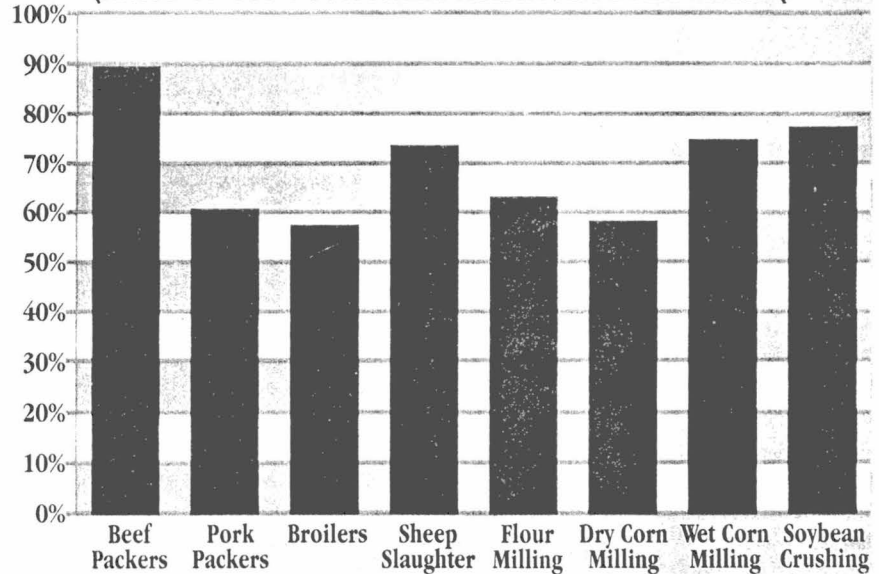
Source: North Dakota Adult Farm Management Program

FIGURE 5. N.D. FARM YOUTH UNDER 18 YEARS OF AGE



Source: Census Data Center

FIGURE 6. CONCENTRATION OF AGRICULTURAL MARKETS (RATIO OF TOP FOUR FIRMS RELATIVE TO ALL FIRMS)



Source: University of Missouri, 1997

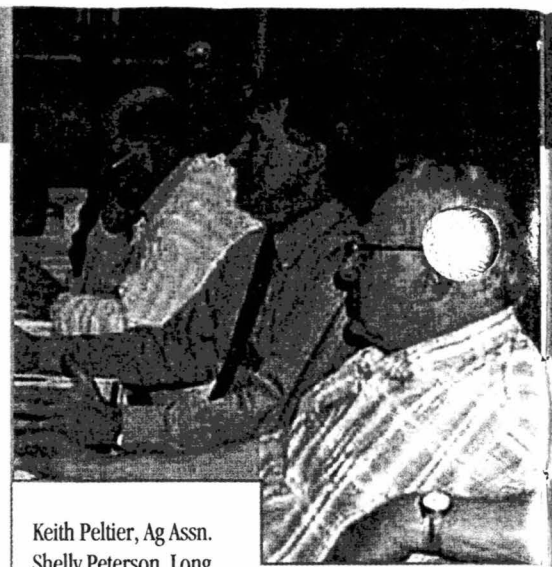
Participants

The following people, representing the following organizations, participated on either the Steering Committee, the Working Group, or the Commission on the Future of Agriculture:

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Keith Peltier, Ag Assn.
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 Rev. George Schneider, N.D. Conference on Churches
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 Mike Strobel, N.D. Mill and Elevator
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 Terry Wanzek, N.D. Legislature
 Dan Wiltse, N.D. Barley Council

COFA Working Group Members

John Bollingberg - a life-long farmer from Wells County and graduate of N.D. State University. Bollingberg has served numerous groups, including the Agricultural Products Utilization Commission, Edible Bean Council and the N.D. Farm Bureau. Bollingberg currently chairs the N.D. Ag Coalition.

Jack Dalrymple - a Casselton farmer and Yale University graduate. Dalrymple has been a state legislator since 1985 and has served numerous other groups, including leadership positions for Dakota Growers Pasta Company and United Spring Wheat Processors.

Jerry Effertz - a Velva area family farm and ranch owner and master's degree graduate of N.D. State University. Effertz is a member of the N.D. Stockmen's Assn., N.D. Limousin Cattle Assn., McHenry County Farm Bureau, McHenry County Farmers Union and the Velva Lions Club.

Neil Fisher - administrator of the N.D. Wheat Commission and master's degree graduate of N.D. State University. Fisher was raised on a family farm and operates near Pettibone, has been with the Commission since 1978 and was appointed administrator in 1998.

Patricia Jensen - vice president and dean for Agricultural Affairs at N.D. State University. Jensen is a College of St. Catherine graduate and William

Mitchell School of Law graduate and has a lengthy record of service to agriculture, through education and industry groups.

Roger Johnson - N.D. Commissioner of Agriculture and N.D. State University graduate. Johnson, a native of Turtle Lake, where he still owns a family farm, was administrator of the N.D. Agricultural Mediation Service from 1989 to 1996, serves now on the N.D. Industrial Commission and has served several other statewide groups.

Fred Kirschenmann - owner of a 3,100-acre organic farm in south central N.D. Kirschenmann is a doctoral graduate of the University of Chicago, a former college instructor and administrator, and now serves several sustainable and organic agricultural groups.

Ron LeClerc - director of Community and Rural Development for the N.D. Dept. of Economic Development & Finance. A Minot State and N.D. State University graduate, LeClerc farms part-time and serves several state and regional groups.

Wade Moser - executive vice president of the N.D. Stockmen's Assn., N.D. State University graduate, life-long rancher and former agricultural loan officer.

Bill Patrie - rural development director for the N.D. Associations of Rural Electric Coopera-

tives and Telephone Cooperatives and master's degree graduate of Ball State University. Patrie is past CEO of Northern Plains Premium Beef and current chairman of the Rural Development Finance Corporation.

Richard Schlosser - owner of a 1,500-acre family farm near Edgeley and former school teacher. Schlosser is vice president of N.D. Farmers Union and serves on the N.D. Credit Review Board.

Howard Schmid - life-long Benson County farmer, raising wheat, barley and sunflowers. Schmid served as N.D. Farm Bureau president from 1990 to 1998, and is a member of the U.S. Durum Growers and N.D. Grain Growers.

Robert Sorenson - president of the Independent Community Banks of N.D. and graduate of N.D. State University. Sorenson is currently vice president of the Scandia American Bank, where he has been employed for the past 18 years.

Steven Tomac - owner of a 1,100 acre family farm and ranch in Morton County and a graduate of N.D. State University. Tomac has served as a state senator since 1991 and served in the state house of representatives during the 1987-1989 sessions. He works as a rural appraiser and is involved with several statewide organizations.

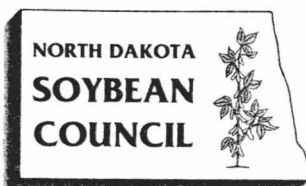
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We appreciate the hard work of all the commission members. For more than 27 years we have dedicated our show to the farmers and ranchers. We look forward to many years to come.



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